PD-ABQ-080

OAR/TOGO

ASSESSMENT OF PROGRAM IMPACT

November, 1991

OAR/TOGO FY 91 ASSESSMENT OF PROGRAM IMPACT

PREFACE

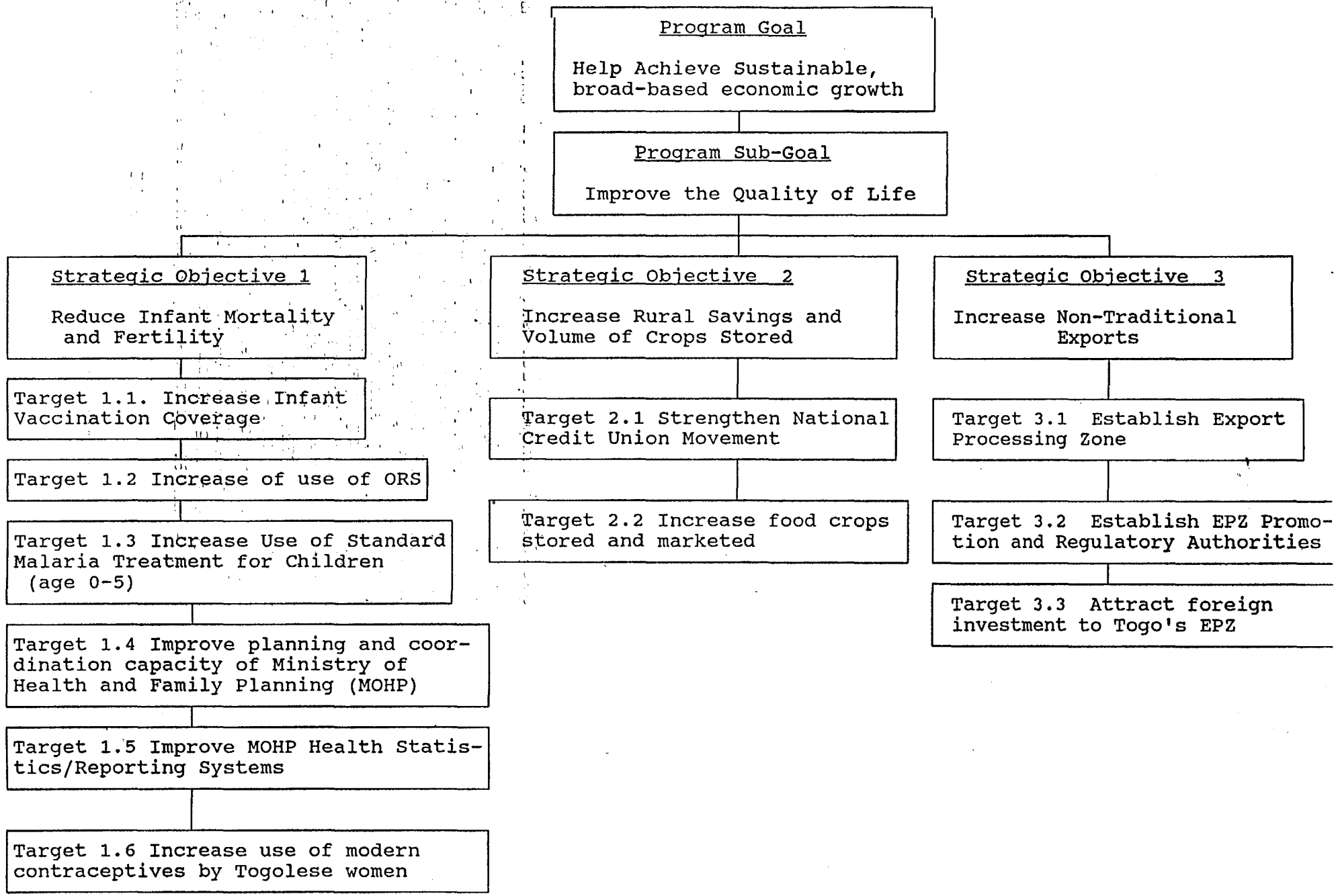
This second Assessment of Program Impact has been prepared at a time when USAID/Togo is developing a new Country Program Strategic Plan (CPSP). The process began in FY 91 and led to reconsideration of the goals, strategic objectives and targets outlined in last year's API. Since the CPSP process is not yet complete, this API submission is based on the program framework established for the first API. This permits a comparison with benchmarks established a year ago, even if it does not capture progress in some of the new program directions. The FY 92 API will be based on the CPSP to be finalized this coming year.

There are some key differences from last year's API. One example is that the original program logframe did not distinguish between targets and indicators. They are now separate. Second, while the original logframe included medium term benchmarks for expected achievements by specific end-dates, such as 1993 or 1995, it did not have annual benchmarks. We have added annual benchmarks through 1995 for most indicators.

Some of the indicators originally selected at the goal, strategic objective, and target levels last year could not be utilized because up-to-date information was not available. In other cases the estimated "actuals" included in last year's report for 1990 and previous years have now been significantly revised. In these cases we have opted to include the latest and most accurate figures for 1990 and previous years, while recognizing that this will make comparisons with last year's report somewhat difficult.

Notwithstanding these observations about expected changes in program direction and data limitations, we believe that this report is a useful assessment of OAR Togo's overall progress and program impact and an informative and useful step in our CPSP development.

OAR/TOGO PROGRAM OBJECTIVE TREE



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I. SPECIAL FACTORS AFFECTING THE OAR TOGO PROGRAM

OVERVIEW

During FY 91 Togo was designated as a Category I country, and received a 225% increase in DFA resources, up from $4 million in 1990 to $9 million in 1991. In response to this opportunity, the OAR embarked on an ambitious effort to design and obligate two major new projects, the Togo Child Survival and Population Project (TCSP) and the Togo Private Sector Support Project (TOPS). The OAR began the development of its first Country Program Strategic Plan (CPSP) for the 1992-1997 period. Development of the projects and the strategy were affected by international events such as the Gulf War and its accompanying travel bans, as well as Togolese political developments. We consider the latter to be so important that we have discussed them in more detail below. Riots, strikes and the transition to a democratically elected government delayed work on the strategy development so that it was postponed to FY92. The fifteen million dollar Child Survival and Population Project was designed, authorized and obligated in FY91. The project paper for the TOPS project was completed in draft, and had initial reviews, but was not authorized in FY 91.

FY 1991 was an unprecedented year for Benin as well. Political developments in Benin led to an eight-fold increase in program assistance in that country and the decision to open an A.I.D. office in Cotonou. Support for the Benin election process fell to the A.I.D. Representative in Lome. Delays in establishing the A.I.D. office in Cotonou mean that OAR Lome is still formally responsible for backstopping that country program.

The OAR/Togo program was unavoidably affected by a change in program management in the last quarter of the fiscal year. Both the AID Representative and program officer departed after four years at post and were replaced by a new management team. This change in mission management as well as the changes in the governmental climate are leading to a fresh look at program directions and operations and will have an effect on the shaping of the new country program strategy.

The Effects of Togo's Democratic Transition

The single most important factor affecting the USAID program and Togo's economic development in the last year has been the political reform process which has swept the country, bringing an end to 24-year, one-party rule, and establishing a transitional government. Violent street riots and mass civil disobedience in October and November of 1990 led to major political and economic concessions in April, including amnesty for political exiles and the legalization of other political parties. Continued popular pressure on the regime, including violent confrontations between security forces and popular demonstrators and a general strike in June, led to the convening of a National Conference in early July. The Conference was

attended by almost a thousand delegates representing all sectors of the society and continued until the end of August.

The National Conference resulted in the formation of a transitional government, headed by prominent lawyer and human rights activist, Joseph Kokou Koffigoh, and a decision to hold multiparty parliamentary and presidential elections in April and June of 1992. President Eyadema relinquished many of his formal powers, but an agreement was reached that he continue as titular head of State in the interim period. The transitional government assumed its new responsibilities and is coordinating the drafting of a new constitution. However, the current political situation is still fragile and will remain so until the transition period comes to an end and a new democratically-elected government is firmly in place.

The unsettled political situation and related strikes and labor unrest have had a negative effect on the Togolese economy and the Government of Togo finances. These have in turn sharply increased the GOT's fiscal deficit and jeopardized Togo's structural adjustment program with the IMF and the World Bank, long recognized as one of the most successful economic reform programs in Subsaharan Africa.

The political liberalization process has surfaced widespread popular discontent with the social implications of the decade-long period of structural reform in Togo, which resulted in a decline in real wages for many workers in the 1980s. Thus, the push for political reforms has been accompanied by widespread strikes and strong pressures for significant increases in salaries and fringe benefits, particularly in the public and parastatal sectors. These strikes have resulted in a loss of productivity and decline in government revenues over the last year, and perhaps over the longer term, as well as the granting of substantial wage increases and other concessions by the government. As a result, the fiscal deficit has increased from 6.2% of GDP in 1990 to an estimated 8% or more in 1991, almost double the initial IMF target of 4.2%.

The Government of Togo has been unable to negotiate a new agreement with the IMF and World Bank, for the third year of its 1989-1991 arrangement under the enhanced structural adjustment facility (ESAF). The IMF ceased its disbursements under the ESAF in January of this year, further exacerbating the Government of Togo's budgetary crisis. An IMF/World Bank team is arriving in Togo in November to negotiate a new agreement with the transitional government that will permit disbursements to resume next spring. The representatives of the IMF and the World Bank are interested in supporting Togo's democratic transition, but it is challenging to negotiate a new ESAF agreement given the nature of the transitional government and its budgetary pressures.

Togo now stands at a critical juncture both politically and economically. The democratization process presents both opportunities and challenges to OAR/Togo. Togo has now joined

many other African countries on the path to democracy, and the United States has been viewed by both the Government and people of Togo as instrumental in this process. The Embassy, USIS and AID offices are working together to respond in appropriate ways to this process.

The changing situation presents challenges as well. When the transitional government was formed in September, all Ministers were replaced and there were other personnel changes in the bureaucracies of some Ministries. Similar changes may take place after the elections next summer. The transitory nature of the current government and uncertainties about future government policies make it challenging to establish a solid foundation for a five year country program strategy.

Fortunately, most government service delivery programs have continued to function at a basic level throughout this period, with only occasional interruption. OAR/Togo has been able to continue the implementation of its bilateral programs and to make concrete progress towards its current strategic objectives. The Ministry of Health and Population, as well as NGO'S, have continued regular immunization and other preventive health and family planning programs designed to reduce infant mortality and fertility. The Ministry also collaborated closely with OAR/Togo in the design of the large new Child Survival and Population project. The strengthening of the National Credit Union movement in Togo, another of OAR's key objectives, has also continued apace during this period. Although the business climate is very difficult, the government has continued its support for the establishment of an Export Processing Zone (EPZ) and related efforts to increase exports in the public and private sectors.

II. PROGRESS TOWARDS OVERALL COUNTRY PROGRAM GOALS

USAID/Togo's overall program goal as defined in the program logframe for last year's API was to: "Improve the quality of life in Togo by supporting development processes which help achieve sustainable, broad-based economic growth." This general goal statement was further articulated in terms of the following goal and subgoal:

Program Goal: Help achieve sustainable, broad-based economic growth

Program Subgoal: Improve the quality of life

The continued work on the program logframe in FY 91 has already suggested substantial changes in the program goal and subgoal, and more changes will certainly be proposed as work on the new CPSP progresses. However, promotion of sustainable, broad-based economic growth and improvements in the quality of life are very general goals that are likely to remain central to OAR/Togo's long-term development objectives. Therefore, it is useful to make an assessment of recent progress towards these original goals in relation to selected country trend indicators.

Progress Towards Program Goal: Sustainable, Broad-Based Economic Growth

For the purposes of this year's assessment we have taken a number of the macroeconomic indicators presented in last year's API report and re-grouped them. The basic areas are Growth in Domestic Production, Balance of Payments, External Debt, and Population Growth (see table). In the process, some of the old indicators have been dropped for lack of information and other indicators have been added.

A. Growth in the Gross Domestic Product (GDP)

Several key factors are important to an understanding of Togo's pattern of economic growth and annual fluctuations in GDP. Togo's economy, which is officially classified as a low income economy by the World Bank, remains heavily dependant upon agriculture for both employment and exports. Coffee, cocoa and cotton are its principal agricultural exports. Togo is also the world's fifth largest supplier of phosphates, and phosphate mining is the single largest source of foreign exchange. Together, phosphates, cocoa, coffee, and cotton account for more than 60% of Togo's export revenues (re-exports account for most of the remainder). Therefore, Togo's economic performance over the last decade has been highly subject to fluctuations in external factors such as the weather, e.g. rainfall, and world commodity prices. Exchange rates, and the relative overvaluation of the CFA franc have been other important external factors affecting Togo's balance of trade and economic growth. 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

PROGRAM GOAL: HELP ACHIEVE SUSTAINABLE, BROADBASED ECONOMIC DEVELOPMENT

MACROECONOMIC INDICATORS

INDICATOR	SOURCE	1988	1989	1990	1991	1992	1993	1994	1995
Gross Domestic Production									
- GDP(Current Billion CFA francs)	IMF Report[1]	411	430	447	474	491	520	651	603
- Growth in real GDP (% change)	"	6.2	3.7	0	3.9	2.3	3.6	4.3	4.0
- Inflation Rate (GDP deflator)	"	3.0	1.0	3.9	2.2	1.3	2.1	3.6	3.3
Balance Of Payments									
- Exports (FOB billions CFA)		137.2	149.2	136.6	147.4	160.3	173	188.1	199.6
- Imports (FOB billions CFA)		155.3	160.2	165.4	173.7	180.2	191.2	203.8	217.3
- Trade Balance		-18.1	-11.1	-28.9	-26.3	-19.9	-18.2	-15.7	-17.6
- Exports/GDP		33.4	34.7	30.6	32.9	32.6	33.2		
- Imports/GDP		37.8	37.3	37.0	36.6	36.7	36.7		
- Non Traditional Exports/Total	BCEAO	8.2	7.75	9.55	N/A	N/A	N/A	N/A	N/A
- Current Account Balance (Current billion CFA)	IMF Report[1]	-26.3	-16.7	-27.3	-26.7	-20.8	-16.8	-16.5	-17.3
External Debt									
External Debt Outstanding as % GDP	"	80.5	70.3	68.1	70.6	71.1	68.7	65.6	62.8
Debt Service/Exports (Debt Service Ratio)	"	29.3	23.3	19.3	16.2	15.2	13.4	12.2	10.1
Population Growth									
Total Population (in millions)	"	3.3m	3.4m	3.5m	3.6m	3.7m	3.8m	3.9m	4.0m
Population Growth Rate	DHS Survey	3.3%	3.3%	3.3%	3.3%	3.2%	3.2%	3.2%	3.2%

NOTES:

1) The primary source for data in this table is the July 1991 IMF Staff Report for the 1991 Article IV Consultation.
2) 1988 and 1989 figures are actuals. 1990 figures are estimates, 1991-1995 figures are projections.
3) Export, Impact, Trade Balance and Current Account Balance figures have been presented in CFA Francs to facilitate comparison wit GDP figures presented in CFA Francs. These figures can be converted to dollars using the following overall CFA/Dollar exchange ra 1988: 297.9, 1989: 319, 1990: 272.3, and 1991: 271.

telecommunications system, coupled with its liberal trade policy, have all contributed to make it an important center for regional commerce.

Real GDP Growth: Togo's positive rates of GDP growth during the 1987-89 period (ranging from a low of 0.5% in 1987 to a high of 6.2% in 1988)took a sharp turn for the worse in 1990. Original GDP growth estimates for 1990 of 2.6% (cited in last year's API) have been revised downward to zero. There were several key causes of the stagnation in real GDP last year. Two of the most important were drought in 1989 leading to poor harvests in 1990, and a sharper than expected drop in phosphate production and exports. Coffee production was 12% down, cocoa production was 7% down and the cotton crop was 6% down. In 1990 both phosphate production and exports were down more than 25% below the high 1988 and 1989 levels. Low export prices for cash crops, a leveling off in transit trade and increased oil prices linked to the Gulf War also affected economic activity.

The initial economic prospects for 1991 were favored by a recovery in agricultural and phosphate production. A record cotton crop is expected, up some 10% from 1990, compensating for a continuing decline in coffee and cocoa yields. Phosphate export revenues are also expected to increase by about 19% in 1991. The low world commodity prices for Togo's exports appears to be bottoming out, and a decline in the price of oil is reducing Togo's imports bill. As a result, an IMF Mission estimated in May that Togo's GDP would increase by 3.9%, "assuming that the political uncertainties will not significantly hamper economic activity in other sectors".

However, as noted at some length in the previous section, the pressure for political change and accompanying labor unrest has continued, contributing to significant wage inflation, increased fiscal deficits and loss of productivity. The security problems, strikes and political uncertainties have also affected Togo's important regional trade, tourism and the climate for private business and foreign investment. The Port of Togo, which is central to the country's regional trade and an important source of Government revenues, was closed several times over the last year. Tourism, a small but important source of foreign exchange and sustenance to the country's hotel and restaurant businesses, has declined. The labor unrest and wage pressures, coupled with slackening demand, have increased the strain on the private sector, causing some businesses to close.

The multiple effects of the changing political situation make it more difficult to make accurate estimates of Togo's economic performance in 1991 and reliable predictions for the coming years. But there are now unofficial estimates that Togo's real GDP will only grow by 1.5% this year. The third quarter Country Report prepared by the Economist Intelligence Unit goes further; this source estimates a negative growth of 1.5% in Togo's GDP for 1991.

Inflation Rate (GDP Deflator): Togo enjoyed low rates of inflation in the late 1980s due in large part to the success of its economic reform program and efforts to keep wage and price increases under control. The IMF estimates for the rate of inflation in 1990 were revised upward from 2.9% to 3.9%, but even this higher rate of inflation remains modest compared to most other developing countries. The latest IMF projection for 1992 is a relatively low 2.2%, although the actual rate of inflation is likely to be higher due to the strong pressures for wage increases noted above.

B. Balance of Payments

Togo's balance of payments situation has followed the general trend of exports and imports described in the previous section. The sharp decline in exports in 1990 after the highs in 1989, coupled with increased oil prices and a weaker dollar, contributed to a deterioration in Togo's balance of payments situation. The trade deficit virtually tripled, from 11.1 billion CFA to 28.9 billion CFA, or from $34.5 million to $106.1 million. This year the trade deficit is projected to decline moderately from 28.9 billion CFA to 26.3 billion, or from $106.1 million to $97 million, largely due to expected rebound of phosphate and cotton exports. Predictably, the ratio of exports to GDP declined by 3% from 1989 to 1990, with the fall in phosphate production, and it is expected to increase by 2% this year as phosphate exports recover. Imports have remained at a relatively constant share of GDP, although their share is expected to decline by a modest 0.4% in 1991, due in part to lower oil prices.

The proportion of non-traditional exports (i.e., small and medium enterprises) to total exports is an important figure for OAR/Togo given the strategic objective to increase non-traditional exports. Between 1989 and 1990 the results were excellent. The value of non-traditional exports increased by almost 10% from 9.3 billion CFA to 10.2 billion CFA. The percentage of non-traditional exports to total exports also jumped from 7.7% to 9.6%, due in part to the sharp decline in phosphate exports. The prospects for 1991 and the immediate future are not as promising. The value of non-traditional exports is expected to grow by a modest 6% due in part to the difficult market situation in the region. The expected increase in cotton and phosphate exports this year is likely to reduce the share of non-traditional exports in the total.

The outlook for the current account balance is quite positive. The current account deficit increased by only 10.6 billion CFA, or $48 million in 1990 in spite of the poor trade figures because of a decline in interest payments (linked to debt cancellation/ rescheduling) and an increase in foreign aid, including our A.I.D. program. In October, the U.S. provided more than $6 million in debt relief through agreement with the Entente Fund. This year the current account deficit may actually decline due in part to further debt relief and increases in foreign assistance levels.

C. External Debt

Togo's external debt and debt service burden actually improved significantly over the 1988 to 1990 period as a result of favorable Paris and London Club rescheduling terms and debt cancellation. As indicated by the figures in the table, outstanding external debt as per cent of GDP declined from 80% in 1988 to 70% in 1989 to 68% in 1990. Togo's debt service as a percentage of exports declined from 29% in 1988 to 23% in 1989 to 19% in 1990. This year, the IMF has projected that the external debt will increase moderately to 71% of GDP, but the debt service ratio is expected to continue to fall to 16% as a result of the growth in exports.

D. Population Growth

The population growth rate was included as an important indicator of progress towards OAR Togo's program goal because reduction of the country's high rate of population growth is critical to its success in achieving sustainable, broad based economic growth. This has also been a significant area of emphasis for A.I.D.'s development efforts in Togo, both centrally and bilaterally, and is clearly linked to OAR Togo's current strategic objective to reduce fertility and infant mortality.

The last estimate of Togo's population growth rate by the World Bank in 1989 was 3.3%. Although current data are not available, we believe that the population growth rate is gradually declining, partially as a result of our efforts. We expect the next DHS in 1993 to show that the rate has declined to 3.2% or 3.1%. This is in line with World Bank projections.

Progress towards Program SubGoal: Improving the Quality of Life

Measurable changes in the quality of life do not necessarily occur on an annual basis. In a country like Togo, data for many of the indicators typically used to measure changes in the quality of life are only collected intermittently through census or demographic surveys. As noted in the preface to this report, up-to-date information for many of the indicators included in last year's API could not be obtained. Identification of an appropriate set of indicators (or proxy indicators) and establishment of information systems that can measure changes reliably on a regular basis remains one of the challenges of the CPSP exercise.

In this section we will report on specific changes in four of the indicators included in last year's API which do have relatively current data reflecting annual changes -- per capita GDP, the consumer price index, cereals production and the GOT health budget.

SUBGOAL INDICATORS: IMPROVEMENTS IN THE QUALITY OF LIFE	1988	1989	1990	1991
% Change in real Per Capita GDP, Sources: IMF 7/91, DHS	2.9	0.4	-3.3	0.6
Consumer Price Index (% change) Source, IMF 7/91	0.2	-1.2	1.0	2.5
Cereals Production (thousands of metric tons), source GOT	490.4	555.1	474.6	510
Health Budget/%Total Sources, IMF/GOT	3.8	4.2	5.2	6.5

Per Capita GDP: Given Togo's high population growth rate (approximately 3.3%), real GDP must clearly increase at an even faster rate in order to maintain positive growth in per capita GDP. Therefore, as we can see from the above table, in 1988 and 1989 Togo was successful in maintaining a positive rate of growth in per capita GDP. However, in 1990 when real GDP was stagnant, per capita GDP declined by a rate equivalent to the population growth, or 3.3%. In 1991 real per capita GDP is projected to increase marginally if one uses the official IMF estimate of 3.9% growth. However, if the lower, more recent estimates are correct real GDP may decline for the second year in a row.

Consumer Price Index: This "African index" reflecting the cost of living for an African family resident in Lome has fluctuated by only a point or two a year and has remained relatively low, due in part to a general rise in the value of the CFA franc in recent years, which has helped keep down the price of imports. Although this index is up one and a half points from last year, the 2.5% increase in the cost of living is relatively low by the standards of most developing countries.

Cereals Production: Cereals production was selected as an indicator for quality of life given its importance to Togo's population as a source of revenue and basic alimentation. It is also an indicator which OAR/Togo is directly affecting through its support for the rural credit infrastructure and dissemination of modern grain storage facilities. As indicated in the table, cereals production decreased substantially in 1990 as a result of the 1989/90 drought. It is projected to rebound in 1990 but will still fall short of its record highs in 1989.

Health Budget: Increases in the health budget serve as a proxy indicator for improvements in government health services, and in this regard Togo has fared quite well. The health budget has steadily increased its share of the total budget over the last several years. This year the health budget is expected to increase by almost 25% due in part to pressures on the government to improve health services and major new financial assistance from the World Bank and USAID.

III: PROGRESS TOWARDS STRATEGIC OBJECTIVES AND RELATED PROGRESS INDICATORS

STRATEGIC OBJECTIVE 1: Reduce Infant Mortality and Fertility

OAR has been a major donor in Togo's population and health sector for over ten years. This choice of focus for OAR was based on the direct constraints to development posed by high population growth, and a recognition that better health and increased survival of children would contribute to the development of Togo's human resource potential. In the last decade, for example, reported growth in the economy and growth in agricultural production has often failed to match either the 3.3% (World Bank) or 2.9% (GOT) population growth rate figure. High infant mortality levels have been a major development problem for the country.

Although precise current year figures are not available for fertility and infant mortality, there is evidence of substantial progress in these areas. Togo's reported infant mortality rate fell significantly from 106 deaths per 1000 live births in 1983 to 80 according to a 1988 Demographic and Health Survey (DHS). This progress was due in part to the Government's increasing attention to child survival over the last ten years, and substantial donor (including USAID) support for preventive public health programs over the period.

Immunization levels have also increased dramatically over the last three years. These levels are important precursors to further reductions in infant mortality. With regard to fertility, preliminary government figures from Lome show substantial increases in contraceptive prevalence as a result of newly opened service delivery sites. In both these areas, OAR direct support through our ongoing projects have played an important role in the improvements noted. These three project are: Family Health Initiatives (FHI), Combatting Childhood Communicable Diseases (CCCD), and Health Sector Support for Child Survival (HSSCS).

The major new Togo Child Survival and Population Project (TCSP) scheduled to begin in FY 92 will continue OAR/Togo's significant contributions to this sector.

Target 1.1 Increase vaccination coverage of infants 0-12 months:

A national vaccination coverage survey was done in February 1991. The results continued to show improvement over previous years. The percentage of children below the age of 1 completely vaccinated against all six target diseases rose nearly 15 points over the year before, to 45%. Coverage reached nearly 70% for measles, the most important target disease in terms of morbidity and mortality impact on children. OAR contributed to these increases in coverage through a series of training programs supported by the CCCD project, which trained all health workers with vaccination responsibilities in improving their services based on the previous year's national survey.

API REPORT: SECTION III: FORMAT

Objectives	Indicators	Baseline (data/yr)	Actual and Planned FY 90 A*	FY 91 A/P**	FY 92 P	FY 93 P	FY 94 P
Strategic Objective 1:							
Reduce Infant Mortality and Fertility	Infant Mortality Rate (IMR)	106/1983	80	80/80	78	76	74
	Total Fertility Rate	6.6/1987	6.6	6.6/6.6	6.4	6.3	6.2
Source: Baseline data source is World Bank reports FY90/91 actuals are Demographic and Health Survey (DHS) Figures which come fro survey. Follow-up survey planned for 1993.							
Target 1.1: Increase vaccination coverage of infants (age 0-12 mos)	% of children <1 year completely vaccinated (measles, BCG, polio3, DPT3)	10%/1984	32%	45%/45%	50%	55%	60%
Source: Baseline data source is GOT/CCCD project reports. FY90/91 actuals come from national level surveys done in 1989 and indicator may be revised to vaccination by antigen over the next year.							
Target 1.2: Increase use of Oral Rehydration Salts (ORS) for treatment of diarrhea	% mothers reporting use of ORS for diarrhea treatment	0%/1983	20%	30%/30%	35%	40%	45%
Source: 1988 DHS survey is source of current data. Will be repeated in 1993.							
Target 1.3: Increase use of standard malaria treatment for children (0-4 yrs)	% of children 0-4 yrs receiving standard treatment dosage	10%/1983	76%	70%/70%	72%	74%	76%
Source: Baseline data source is GOT/CCCD reports. Most recent data comes from GOT national surveys.							
Target 1.4: Improve Planning and Coordination capacity of Ministry of Health and Population (MOHP)	Directorate of Planning fully staffed and functioning	No Directorate /1991	0%	0%/10%	20%	40%	60%
Source: Planning Directorate created 1991. Percentages represent proportion of planned total staffing.							
Target 1.5: Improve accuracy and timeliness of health statistics/ reporting system	Report published within 4 mos. of end of year 100% of prefectures report on time	12 mos/1986 40%/1986	4mos/4mos 80%/100%	5 mos 96%	4 mos 100%	4 mos 100%	4 mos 100%
Source: Additional indicators for this objective will be developed over the next year, and will include qualitative and an assessment.							
Target 1.6: Increase use of modern contraceptives by Togolese women	% of women of childbearing age (15-45) using modern contraceptives, i.e., pills, IUD, injectables, condoms and foaming tablets	3%/1988	3%/6%	3%	7%	9%	11%
Source: Baseline data source is 1988 DHS Survey. No earlier national data are available. Repeat DHS planned for 1993.							

A* = Actual
**P = Planned

The percentage of children in the survey who did not complete their series of DPT/polio vaccinations was smaller than in previous years (22% lost between the first and the third doses), indicating that the program was achieving better follow-up, a particular emphasis of AID-financed training.

Target 1.2 Increase use of oral rehydration salts (ORS) for treatment of diarrhea:

The use of ORS continues as the standard treatment policy for infant diarrhea in Government clinics. However, precise information is not available on the number of diarrhea cases actually receiving appropriate treatment in the home, an important indicator, since many cases never are seen by the health system. This issue will receive attention by OAR over the next year through ongoing projects.

Target 1.3 Increase the use of standard malaria treatment for children 0-4 years:

National Health statistics show a steady increase in the numbers of reported cases of malaria from a low of around 250,000 in 1982 to over 800,000 in 1990, due in part to the spread of chloroquine resistant malaria. Over the last few years, malaria has steadily accounted for around 35% of all outpatient visits in the public health system, with children under the age of five accounting for almost one third of total cases reported in 1990. Malaria was the highest single cause of death in hospital (11%) in Togo in 1990.

Given the growing importance of malaria as a cause of infant and child morbidity and mortality, OAR has made increasing the use of appropriate malaria treatment one of its key targets in this sector. There is good evidence that progress is being made in this area. The February 1991 vaccination coverage survey showed that of all the reported cases of fever in children from 0-4 years during the two weeks that preceded the survey, nearly 70% of the cases received anti-malarial treatment. This includes a mixture of cases seen in health facilities and those not taken for treatment at health facilities. However, out of those cases which were seen in a government health facility, 98% received malaria treatment. Comparable figures for previous years are not available, but the health facility figure is encouraging in that it indicates that health personnel have adopted the MOHP policy of treating all cases of fever as malaria.

Target 1.4 Improve MOHP planning and coordination capacity:

Lack of planning and coordination are major impediments to improved Ministry of Health and Population (MOHP) operations. Given the importance of donor inputs to the Government's child survival and primary health care program, and the recent constraints in direct Government funding for these programs, the creation of an official planning body in the MOHP is crucial to efficient utilization of resources. For this reason, OAR has chosen the creation of such a body as a key target for support

over the next few years. A formal Directorate of Planning and Staff Training has been created recently by the MOHP and staffing will gradually be completed in the next few years.

Target 1.5 Improve accuracy and timeliness of the health statistics reporting system:

Timeliness and accuracy of the National Health Statistics Report have improved. The gap between the end of the report year and the issue date of the report has been reduced over the last few years to less than six months. The report has also become more inclusive. In 1990, the report was expanded to include in-patient records. It includes more analysis which will make it more useful as a management tool.

Target 1.6 Increase use of modern contraceptives by Togolese women:

Because of its importance to overall development, high population growth affects all other specific sectoral efforts to develop Togo's economy. OAR has been working in this area for over 15 years and has been the predominant supplier of contraceptives (presently over 85% of country total). OAR supports both Government and private sector programs working in the area of family planning. OAR has supported the equipment and training for 27 facilities, and UNFPA is supporting an important extension of services in two regions.

Low use of modern contraceptives (3% in 1988) has been fairly stable over time on a national basis and seems to be related to lack of Government commitment to increasing family planning services in the past. Yet the results of the 1988 DHS survey show a significant unmet need for modern family planning services. There are signs of change, however, which have not yet made it into our measurements, particularly in the regions that have received AID/UNFPA assistance. Last year the Government gave preliminary approval to a national population policy which should pave the way for increasing family planning service delivery. Preliminary data coming from the MOHP regarding the extension of services in Lome alone indicate that significant increases in contraceptive prevalence can be expected as services are extended.

STRATEGIC OBJECTIVE 2: Increase Rural Savings and Volume of Jood Crops Stored

OAR/Togo's second strategic objective is to increase personal savings throughout Togo's rural areas and increase the storage of food crops for marketing. Specifically, the objective is to raise rural working capital and farming profits by supporting: a) the national credit and savings union movement; b) promotion of modern grain storage facilities technology; and, c) policy dialogue to improve profitability in this sector. Rural savings have increased three times since the base-line level in 1988 and post harvest losses have been reduced significantly. The last API stated the need to rethink this objective and indicators and this will continue as the CPSP is developed.

OAR/Togo's two key targets in relation to this objective are to strengthen the National Credit and Savings Union movement and to increase the storage and marketing of food crops. These two targets are closely linked in OAR's strategy because the development of rural self-owned financial institutions (e.g. credit unions) is critical to provide the credit necessary for increasing production and reducing post harvest losses.

Target 2.1 Strengthen National Credit Union Movement

Assistance to the credit union movement in Togo is the centerpiece of AID's activities in this sector. AID also contributes technical assistance, operational support, training and backing to promote the development of grass roots democratic financial institutions at all levels of the Togolese economy.

The growth of the National Credit Union movement has surpassed all expectations. Indicators for Target 2.1 show that the National Credit Union Office can achieve self-sufficiency (generate enough income to pay all operating expenses) as early as 1994 (4 billion CFA, approximately $15 million is considered the break even point). In less than three years, membership has increased by 115% and savings by 300%.

Target 2.2 Increase in food crops stored and marketed

Some years ago, OAR/Togo, with other donor support, began a strategy to convince the GOT that the private sector management of food crops is more efficient than public management and would assure the best chance for meeting their goal for achieving food self-sufficiency. An AEPRP project, which ended in 1990, had as its goal to encourage the private sector to take over from the GOT grain marketing board (TOGOGRAIN) which was to have disappeared under the second World Bank structural adjustment program.

The indicators for target 2.2 are designed to measure farmer response to this initiative. Proper storage of cereals allows farmers to hold their production for higher prices rather than sell for lower profits at harvest time. A linear increase in food crops stored over time (after factoring in drought and other

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Objectives	Indicators	Baseline (year)	Source	FY 90 A	91 A/P	Actual and Planned 92 P	93 P	94 P	95 P
Strategic Objective 2:									
Increase rural savings an volume of food crops stored	a) $ savings(rural)	(1991)	Finance	-	6.08m/na	*	*	*	*
	b) tons surplus food stored			**					
Target 1.1									
Strengthen National Credit Union Movement	a) increased number of credit unions	110 (1988)	FUCEC reports	115	134/125	165	200	250	300
	b) increased membership	12,654 (1988)	"	20,479	26,764/25,000	30,000	38,000	60,000	100,000
	c) increased savings	$1.96m (1988)	"	5m	6.07m/5.5m	8m	10m	15m	25m
	d) increased loans	$1.45m (1988)	"	3.8m	4.72m/4m	6m	7.5m	11.25m	18.75m
	e) increased Hq. self-sufficiency	25% (1989)	"	35	37/40	50	60	100	--
	f) decreased delin-quint loans	35% (1989)	"	10.4	27/10.4	20	15	5	5
Target 1.2									
Increase in rural stored and marketed food crops	a) increased quan-tity [$ value] of stored crops	corn: 150 t cowpeas: 11 t [48] (1989)	CARE Reports	214 t total [65]	157 t/200 t 2 t/25 t [37] /[70]	300 50 [82]	627 100 [192]	PACD	
	b) increased # of trained private businesses serving farmers in rural areas	0 (1989)	"	108	250/150	250	250		
	c) % of CU loans for agriculture	(1991)	FUCEC	-	2.4/na	*	*	*	*

* to be determined during the CPSP exercise
** measurements to be determined

natural disasters) indicates acceptance of technology transfer and expectations of higher profits. It also is a gauge to measure disengagement of the GOT from controlling the market. The quantities of stored cereals have decreased this year in the project zone. This is due, in part, to external marketing factors (perceived regional demand), but, to a great extent, to internal factors which include:

- a phase out of donor-managed credit, which prompted some members of the program to drop out of the program;
- anticipation of local marketing problems by farmers; and,
- high storage costs can create cash flow problems even though profits are higher.

A new indicator -- increased percentage of credit unions loans for productive agricultural purposes-- was added this year to indicate farmers "profit expectations" and by inference the policy climate. A figure of only 2.4% in a country where 75% of the population are farmers is not indicative of great expectations. Monitoring this indicator as well as improving the policy climate are two important tasks for the remainder of this project.

STRATEGIC OBJECTIVE 3: Increase Non-Traditional Exports

OAR/Togo's third strategic objective is to increase the exports of non-traditional products from Togo to regional and international markets. A central aspect of this objective is to increase foreign and domestic investment to small and medium industry in Togo. Attracting foreign investment and promoting non-traditional exports are key to Togo's economic growth. It was apparent that Togo needed to diversify and expand its export base in order to decrease its trade deficit and to reduce its heavy dependency on its traditional exports. This strategic objective was adopted by OAR Togo last year as a "target of opportunity" as a result of the significant progress made by OPIC and the Government of Togo, with AID collaboration, to establish an export processing zone (EPZ). OAR was interested in increasing its involvement with the private sector and saw the potential for the EPZ to become the centerpiece of a new private sector strategy. OAR/Togo is now reassessing its strategy in this area as part of the CPSP exercise. As a result, this strategic objective may be revised.

Significant progress was actually made towards this strategic objective between 1989 and 1990 as measured in terms of the dollar value of exports by small and medium enterprises. The dollar value of these non-traditional exports increased from U.S. $29.2 million to U.S. $37.5 million, or 28%. Although part of this increase was due to fluctuations in the CFA/dollar exchange rate, non-traditional exports grew by more than 10% in CFA terms, and their share of total exports increased. In 1991, the prospects are not as good, due in part to the labor unrest and related factors affecting trade and the climate for foreign business investment. This year non-traditional exports are expected to increase by only 6% (source IMF).

Since development of the EPZ has been central to OAR's strategy to increase Togo's non-traditional exports and attract foreign investment, the targets outlined below are all related to the establishment and growth of the EPZ. OAR's role in achieving these targets has been indirect, as it has played primarily an advisory and promotional role to date.

Target 3.1 Establish Export Processing Zone

Legislation was passed allowing duty-free entry/export to businesses that export more than 80% of what they produce and giving concessions to these businesses i.e., lower electrical rates and exemption from certain restrictive labor laws. Three physical EPZ sites have been designated by the government. Development of these sites by an American private sector firm is expected to begin soon.

Target 3.2 Establish EPZ Promotion and Regulatory Authorities

The EPZ Promotion and Administrative organizations are fully staffed from funds provided by a UNIDO project. Two technical assistants were recruited and put in place, also under this

API REPORT: SECTION III: FORMAT

Objectives	Indicators	Baseline	Source	90	91	92	93	94	95
				Actual and Planned		Planned and Actual FY			
STRATEGIC OBJECTIVE 3		(year)		A	A/P	P	P	P	P
Increase Non-traditional Exports	Dollar value of non-traditional exports(millions)	(1990)	BCEAO	37.5	39.7/41.2	45.3	49.8	54.7*	60.1
Target 1.1									
Establish Export Processing Zone	a) legislation enacted	no(1989)	EPZ documents	yes	-	-	-	-	-
	b) sites established	0 (1989)	"	2	3/3	3	*	*	*
	c) sites developed and managed by private firms	0 (1989)	"	0	1/2	3	3	4	4
Target 1.2									
Establish EPZ Promotion and Regulatory Authorities	a) adequate staff in place	0%(1989)	"	50%	90%	100%	-	-	-
	b) Authorities formally recognized	no(1989)	UNIDO/MISE	no	no/yes	yes	-	-	-
Target 1.3									
Attract foreign investment to Togo's EPZ	a) no. of operational firms	0 (1989)	EPZ documents	11	12/10	25	30	40	50
	b) No. of jobs created	0 (1989)	"	500	806/1700	1600	2500	3500	5000
	c) $ value of exports (annual)	0 (1989)	"	na	2.16m/2m	5m	10m	17m	25m
	d) value of investments (cuml)	0 (1989)	"	na	15.8m/10m	42.6m			60m

* to be determined during the CPSP exercise

project. The two organizations are not, however, formally recognized by the government for a number of reasons: a) the GOT does not have funds for their operation due to revenues lost under the civil disruptions; b) these organizations were originally supposed to by privately financed; and, c) A reorganization of all inputs to this sector is underway. These organizations are, however, fully functional, despite their informal status and the fact that their bills are not being paid.

Target 3.3 Attract foreign investment to Togo's EPZ

Despite the political unrest over the past year the EPZ continues to make some progress, though its growth has not been as dynamic as the first year. In reality, some firms halted operations to wait out the disturbances and five other firms went out of business due to poor management. Six new firms did, nonetheless, acquire EPZ status, bringing the total to twelve. Achieving the target of 5000 new jobs by the year 1995 will prove difficult, however. Only 800 jobs have been created to date, well below the expected level. A clear trend has emerged in which the companies attracted to the EPZ are essentially capital intensive, requiring smaller workforces than initially thought. The future of the EPZ, will depend heavily on the success rate of the existing companies and the stability of the political situation.