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**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



TOGO

**COUNTRY DEVELOPMENT
STRATEGY STATEMENT**

FY 83

Small Program Statement

BEST AVAILABLE

January 1981

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

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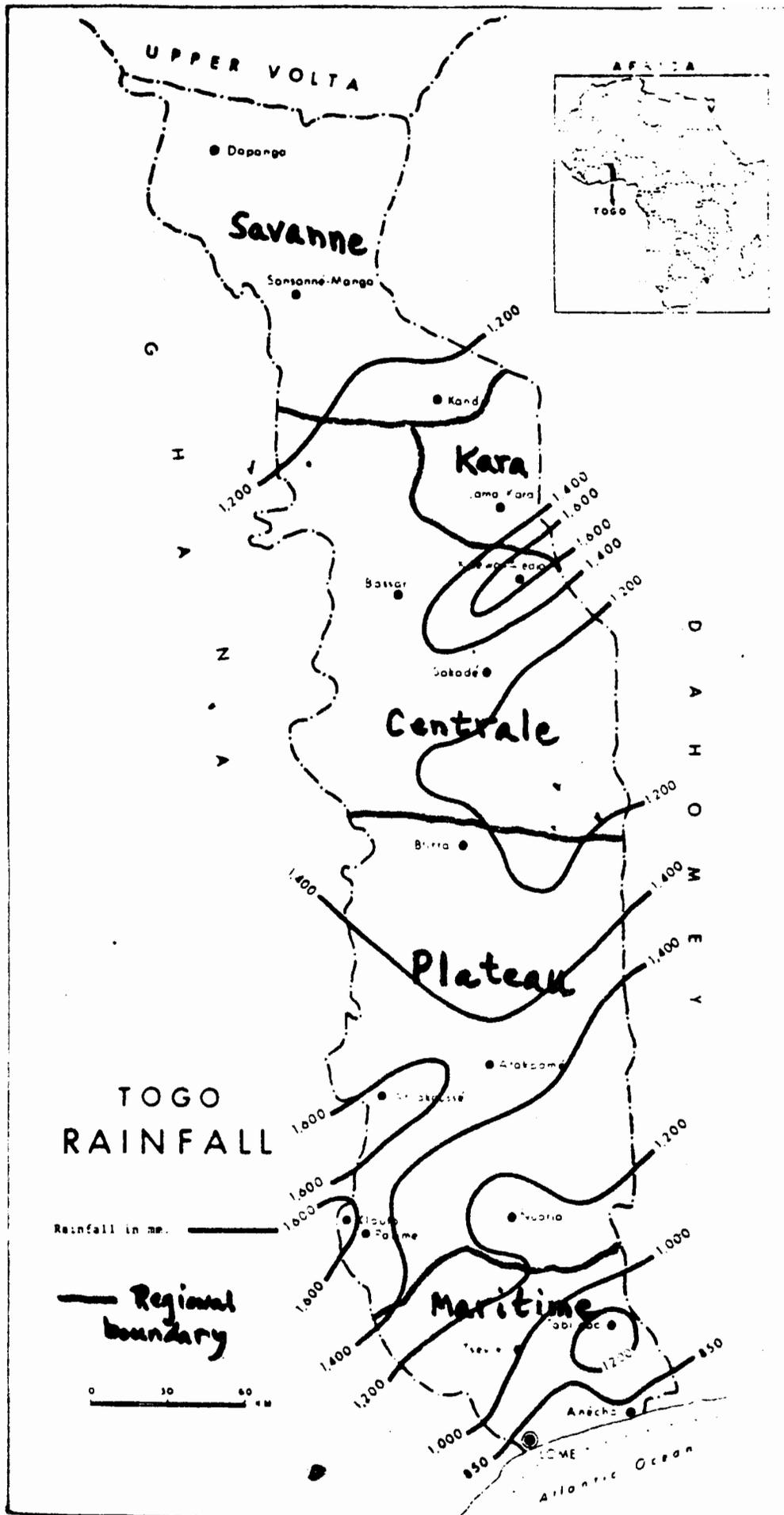
UNITED STATES
INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT

TOGO
SMALL PROGRAM STATEMENT
FY 1983- FY 1987

Office of the AID
Representative

Lome (Togo)

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T O G O

SMALL PROGRAM STATEMENT
FY 1983-87

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TOGO: SMALL PROGRAM STATEMENT, FY 1983 - FY 1987

I. Rationale for U.S. Assistance

On economic grounds, Togo has two claims to U.S. assistance. The first is that it is a poor country and has a clear need for concessionary donor funds. The second is that the Government of Togo is responsive to current U.S. conceptions of proper development strategies. On political grounds, Togo is an attractive partner in the AID relationship since it has a western-oriented, moderate and cooperative government.

II. Development Potential and Commitment Analysis

Poverty Profile

Togo's small size (56,800 square kilometers) and small population (2.47 million) imply a small domestic market which limits the prospects for industrial development. Except for phosphates, whose world market price has fluctuated wildly, the country's export possibilities are also limited.

Togo's population, which has been growing at 2.6 percent per year since 1960, is unevenly distributed geographically. Although average population density is 41 per square kilometer countrywide, it is 122 per square kilometer in the south (maritime region) and in some areas within the Kara region in the north, where potable water is available, population density reaches 200-300 per square kilometer. In the central zone, population density is often under 15 per square kilometer. These differences reflect disparities which have historic and socio-economic precedents and result in regional overpopulation, ecological stress through soil depletion, and regional inequalities in the distribution of income. The prevalence of onchocerciasis in some river valleys has prevented settlement in certain areas or led to their abandonment.

Togo is beset with a number of the general problems prevalent throughout West Africa: a serious incidence of endemic diseases; a low level of literacy and technology which limit development capacity; stagnating agricultural production resulting from adverse climatological conditions, traditional practices and inadequate technological inputs; a high level of urban unemployment stemming from a rate of rural to urban migration greater than the capacity of the urban economy to absorb unskilled migrants; and difficulties in national integration owing to inadequate transport infrastructure and ethnic diversity.

The World Bank sets its absolute poverty income level (per capita) for Togo at \$201 for urban areas and \$97 for rural areas, and its relative poverty level for rural areas at \$100. The absolute poverty level is defined as that income below which a minimal nutritionally adequate diet plus essential non-food requirements are not affordable. The relative poverty level is defined as one-third the average per capita personal income of the country. The proportion of the population below the higher poverty income level in each case is estimated at 35 percent for urban areas and 40 percent for rural areas.

Average income of farm families is a little over \$100 per capita. Farm incomes are even lower in the northernmost part of Togo where the poorest people are located. In this part of Togo there are many different ethnic groupings, among them the Kabre, who are notable for their terracing of hillsides and intensive agriculture. Until the past decade, the various ethnic groups in the north were discriminated against in terms of government services and exploitation of natural resources. More recently, the GOT has taken steps to rectify this situation. Irregular rainfall patterns in the north have put subsistence farming at a precarious level, and in many years farm families have had to

subsist on one meal or less a day. In the southern and coastal regions, where the most important exploitable natural resources and growth sectors are heavily concentrated, the average per capita income is probably twice that of the north. The groups in the southern regions have, in the past, received the bulk of investments. As indicated in discussion elsewhere in this paper, the GOT is currently attempting to attract more investment in the north. Nevertheless, the southern population has had longer and more complete exposure to western technology. This has its effect in terms of quality of life: conditions are marginally better, most people are familiar with simple machinery and they are better equipped to accept intermediate and/or modern technology. The Ewes who are the leading ethnic group in the south, are the most literate group in a country where the general adult literacy rate is only 12 percent.

Rural Togo suffers from a lack of sufficient water both for human consumption and for agricultural purposes. Only 16 percent of the population had access to safe water in 1975. The dry season lasts from five to eight months, causing much surface water to disappear and many wells to go dry. In rural areas, water for both domestic and agricultural use is strictly rationed during the dry season. Drawing and carrying of water (in some areas as far as 20 km) consume much time and energy. The limitation imposed by scarcity of water affects all villagers more or less equally, although by custom women and children have the responsibility for drawing and carrying water.

The dry season also limits the crop year and agricultural production. Most villagers have little opportunity during the dry season to do productive tasks, and limit their activities to domestic chores. Togolese food and cash crop agriculture is affected by the uncertainties of the rainy season. There are substantial annual variations in rainfall in all regions of the country and even when a good rain falls, the distribution may be inadequate for good crops. The few modern irrigation systems in Togo are aimed at insuring against variations in the natural rainfall cycle and

perhaps extending the growing season by a few weeks. No irrigation system aims at promoting year-round cropping. Thus, lack of water not only degrades the quality of life, but also limits agricultural production, thereby limiting the acquisition of income through cash crop and surplus food production.

For 1975 the urban population of Togo, defined as the population of centers with 10,000 inhabitants or more, was estimated at 450,000. For the same year, estimates of the population of Lome varied from 189,000 to 280,000.

With the urban population growing at some 6.7 percent per year (it is estimated that Lome's population grew at an average annual rate of 9.8 percent between 1960 and 1970) compared with a national population growth rate of 2.6 percent per year, the majority of urban dwellers are recent migrants from rural areas. Migrants to Lome come mainly from the plateau region, within a range of 100-150 kilometers from the capital. Many of the labor force participants among the migrants have entered the urban informal sector as artisans, service workers, peddlers and petty traders. Strong ethnic, family and tribal ties have helped ease the transition from the rural to the urban environment, and new arrivals are often put up without charge by relatives and friends originating from the same villages. However, urban infrastructure is inadequate so that overcrowded housing, inadequate water supply and sewerage system, and the resulting prevalence of parasitic and infectious diseases are major problems affecting the urban poor.

The GOT recognizes the poverty factors indicated above, and within its modest capabilities, is taking steps to alleviate the situation. Specific efforts will be discussed in the sections that follow.

Macro-Economic Analysis and Financial Situation

The medium-term economic outlook for Togo is moderate to good if the Government follows an austerity program begun in 1979, cuts back on Government spending on tourism, infrastructure and heavy industrialization and concentrates on productive investments in agriculture and export earning enterprises.

Following the quadrupling of phosphate prices in 1974, Togo embarked on an ambitious development plan. Although phosphate prices fell drastically in 1975 and recovery has been slow, Togo continued its expansionary fiscal and monetary policies sustained in larger part by private capital inflows. As a result of some imprudent investment, a rising short and medium-term debt burden, continued heavy investment spending and slower-than-anticipated growth in export earnings, Togo had increasing difficulty servicing its debt in 1978. By early 1979, Togo had built up arrearages of over 100 million dollars to both external and domestic creditors.

Faced with a mounting debt service to export earnings ratio of 30 percent and large budget and balance of payments deficits, Togo undertook a stabilization plan in cooperation with the international monetary fund and a rescheduling of public and private debt falling due in 1979 and 1980 with its major creditors. Over 52.1 billion CFA worth of debt (\$257.9 million) was rescheduled. The GOT, however, paid off arrears in 1979 at a slower rate than anticipated. On the other hand, the GOT executed a 1980 Government operating budget of moderate austerity and announced an intention to commit a significant amount, up to 20 billion CFA (\$90.9 million), to debt servicing in 1980. The 1980 budget of \$333 million in expenditures represented only a 7.47 percent increase over original 1979 budget figures and showed increased expenditures for debt servicing, up to 22.3 percent of the total budget. The Government's 1980 budgetary deficit was projected at 1.5 billion CFA (\$7.4 million), a level within IMF guidelines which hopefully would be financed from normal

sources. The balance of payments was expected to swing from a 2.3 billion CFA deficit in 1979 to a surplus of 15 billion CFA (74.3 million) in 1980. The head of a recent IMF delegation to Togo declared in a press interview that he felt that Togo was fulfilling its obligations to the IMF under the stabilization plan.

While it is early to predict a favorable resolution of Togo's current economic problems, continued prudence and austerity in Government spending in the early 1980's combined with expanding exports should allow Togo to rectify its economic situation by the mid-1980's.

However, real improvement in the economy may require reorganization of the state enterprise sector. This sector, which contributes some 50 percent of Togo's GDP, has in recent years proven to be a serious drain on the Government's budget and the overall economy. Few of the state enterprises have proven profitable. The Government's foray into the tourism industry with its financial participation in the recent construction of three international class hotels in Lome has had disappointing near-term results. All three hotels are losing money, and although Togo now had an impressive infrastructure in place to attract tourism and international conferences, it is doubtful when, if ever in the foreseeable future, they will cease to be economic white elephants. In early 1980, the Government created the Ministry of Industry and State Enterprises. The Ministry has been given control over the 80-plus state enterprises. The Government has already reorganized the all-important phosphate marketing board (OTP) and has taken several other promising steps designed to AID and reorganize selected state enterprises.

The creation of OTP should increase Government receipts from the phosphate industry and prevent raids of its resources by the treasury. The Government is also counting on increased 1980 revenues from the oil refinery, which may or may not be realized because of uncertainty in the world petroleum market. The refinery is locked into using high-priced Nigerian crude oil, and there have been periods in the recent past when the refinery has curtailed production rather

than to take a loss on the world market. Given current unpredictability about the world market for petroleum products, the refinery cannot be counted on to be a significant contributor to GOT receipts until the situation stabilizes. Togolese leaders continue to hope that exploitation of off-shore oil deposits identified in the early 1970's will prove to be economically viable in the 1980's.

The GOT also hopes to create a budget surplus, before debt repayment, through improved revenues from other state enterprises.

While the oil refinery may and OTP will contribute to increased government receipts, other state enterprises remain a serious drain on, rather than a contributor to, treasury resources.

In an attempt to increase tax receipts, IDA is working with the GOT to improve the tax system and to implement IMF recommendations. Until this is done, there will be little increase in GOT tax receipts and there may even be a decline as trade patterns continue to change and the Government complies with ECOWAS decisions to create a free trade area by 1989.

Togolese budgetary performance in 1979 was uneven, and the Government failed to meet the revised budget targets established with the IMF in April 1979. Actual receipts were down, expenditures were up and extra-budgetary expenditures continue. In addition to poor budgetary performance in 1989, the Government has continued to characterize many expenditures, including some extra-budgetary expenses, as unimputed, i.e., not classifiable to specific expense categories. This perennial budgeting tactic allows money to be spent on political decisions outside the treasury's control. The treasury has tried to prepare for such contingencies by padding an otherwise austerity budget.

Unimputed expenses in 1979 combined with GOT failure to meet 1979 budget targets make it very difficult to evaluate the accuracy of specific revenue and expense categories. Nonetheless, the 1980 and 1981 published budget figures tend to indicate a GOT effort to produce a more reliable budget than in 1979 and to adhere to IMF suggestions for a better budgetary performance in 1980. For example reducing capital expenditures by some 50 percent in the 1980 budget, the Government halted all new investment, except for that financed on a long-term concessionary basis. The 1980 investment budget showed no new projects and all of the \$36.6 million budget was programmed to go toward financing on-going projects. This, combined with the completion of a number of large-scale investment projects in 1980, should enable the Government to bring a large portion of its extrabudgetary spending under control in 1981 and beyond.

To date, the GOT has adhered fully to IMF guidelines in the stand-by arrangement on new investments, and there are even indications that a number of GOT officials are convinced, for example, that the \$400 million phosphoric acid fertilizer plant planned for the 1980-85 period should only be undertaken on soft loan terms. Such attitudes bode well for the future.

Togo's agricultural and industrial bases are growing. From 1972-1978 Togo experienced real growth of five percent per year. Though the rate of growth fell to two percent in 1979, real growth for 1980 has been initially estimated at 3 to 5 percent. Gross domestic product remains under one billion dollars. In the past three years, Togo has added an oil refinery, steel mill, a textile plant, a cement clinker plant and a thermal generating plant to its industrial base. Light industries in plastic pipe and record production and in milk and cashew transformation will go on line in 1981. In addition, the cement producing and phosphate processing operations have been expanded and the oil refinery has added a gas bottling plant to its operation. Projects in cotton, cocoa and coffee are underway to raise Togo's export earnings base from cash crops. Togo has also completed a 9200 ton capacity palm oil processing plant and bids are

going out on a World Bank/European financed hydroelectric and irrigation project on the Mono River to be shared by Togo and Benin. Other efforts are aimed at the introduction of soybeans, the expansion of rice production and the installation of a 6000 metric ton capacity sugar refinery.

Acceptable budgetary performance combined with a balance of payments surplus may well allow Togo to make substantial progress on paying off arrears and working with the IMF to develop a medium-term extended facility for Togo in the early 1980's. Certainly, top GOT officials are aware of the need for continued austerity as they face another stabilization agreement with the IMF and a new round of debt rescheduling negotiations with the Paris Club. Also aware of the need for administrative reform, they have assigned an expert from the UNDP to the Ministry of Plan and Administrative Reform in early 1981.

In summary, it would appear that in the long-term, while the Togolese economy is susceptible to such uncontrollable forces as prevailing world prices for its narrow export base and the escalating cost of petroleum imports, macro-economic factors should allow Togo to experience economic growth and development to the benefit of its poor. This of course, will depend upon continuing implementation of sound economic and development policies on the part of the GOT. Whereas low grades can be given to the GOT performance in the second half of the 1970's, recent indications are that the GOT is now on the right track. Certainly, recent GOT policy pronouncements have the right ring to them. Nevertheless, the GOT's debt burden and limited revenue earnings capability will probably preclude substantial direct GOT financial contributions to AID-financed development projects for the duration of the current SPS planning period. Additionally, the GOT adheres to a foreign assistance recipient philosophy that despite strong interest and mutual priorities, the GOT considers foreign assistance projects to be, for the most part, the financial burden of the donor advancing the specific proposals.

Private Sector

Togo has a thriving private sector, particularly in commerce and services. The private sector has continued to prosper despite the Government's financial problems. The Togolese Franc remains freely and fully convertible to the French Franc at 50 FCFA to 1 FF. Togo has no significant import or export restrictions, and there is a wide range of consumer goods available everywhere. Local banks appear to have excess liquidity and a continuing faith in the Togolese economy. Thus, the private sector appears willing and able to assist in an expansion of the economy during the early 1980's. A healthy private sector will do much to maintain economic stability and hence, political stability during Togo's current economic problems.

Togo's extensive private business sector experienced a mild recession in 1980 due to the termination of large construction projects. Although commerce is dominated by five large West African trading houses (SGGG, SCOA, CICA and UAC), Togo's market women dominate most of the market trade in foodstuffs and textiles, and many local businesses import a variety of consumer items. Togo's commercial sector also conducts a substantial cross-border trade with Ghana and Benin and indirectly with Nigeria. Transporters and merchants are increasingly concentrating on the North-South trade to the Sahelian countries.

The private sector may well be given an increasing role to play in the operation of the important, but ailing, plethora of state enterprises.

To encourage foreign investment and trade, Togo maintains open-door and non-discriminatory trade and investment policies. Togo actively searches for foreign participation in its growing industrial base. The Government maintains a liberal investment code providing new capital with customs duty and tax exoneration as well as the right to profit repatriation. The Government has

also created a free port area and industrial zones in Lome and Lassa-Kara. At the extraordinary congress of the one national political party in November 1979, party documents emphasized the essential free enterprise nature of the Togolese economy. Indeed, the Togolese Government encourages a thriving private sector in Togo and prides itself on its liberal business climate and policies. The third five-year plan (1976-1980) anticipated sizeable private foreign investment. While investments envisioned fell far short of goals, the fourth five-year plan (1981-1985) is expected again to encourage private foreign investment, particularly in agricultural development and agro-industrial projects such as transforming and conserving industries. In April 1981, the GOT will host a conference on expanding and financing the world trade of industrializing nations organized by the New York World Trade Centers Association.

Togo hopes that with the advent, by the early 1990's, of a free trade area and customs union through the 16-member Nation Economic Community of West Africa States, (ECOWAS), it will be able to offer private investors a stable political environment, an open market philosophy and a freely convertible currency, combined with access to a market of more than 130 million people. The ECOWAS fund for cooperation, compensation and development is located in Lome, and Togo has been a driving force behind the ECOWAS movement. As a member of the West African Monetary Union which governs the Franc Zone, Togo joins the other members in coordinating monetary and credit policies. Re-discount rates are established for all members and the governing board of the zone has attempted to influence sectorial distribution of credit by establishing preferential discount rates for agriculture, low-income housing and small and medium-size businesses.

On February 1, 1978, a new investment code was signed into law. The new detailed code not only maintains Togo's liberal policy, but strongly encourages investment in national development by the use of incentives. The code provides for various categories of direct tax benefits. There are tax exemptions to encourage regional development with the greatest benefits going to industrial companies establishing themselves in the three northern-most regions. There are special exemptions for spur agriculture with most favored conditions once again going to agriculture projects and agro-industries in the North.

There appears to be no difference between official positions on investment and the manner in which investment laws are enforced. The laws are fairly administered and the institutionalized corruption that exists in some countries is frowned upon here. There has been only one case of nationalization and, in that case, full and fair compensation was paid.

In conclusion, Togo development potential benefits from a strong private sector and liberal GOT policies fostering greater private participation and foreign investment in the economic development of Togo. There appears to be adequate access by the private sector to productive resources. The GOT's agrarian reform program purposes designation of substantial land area in each of Togo's regions for use by foreign investors interested in large-scale agricultural projects. Investment code policies give priority to agricultural activities and geographic dispersion with regional development emphasis to deprived regions in the north. These policies are directed toward increased benefits to the poor rural population.

Labor Considerations

Togo's population is 2.47 million with an annual growth rate estimated at 2.6 percent. Togo has a young and expanding population with nearly 50 percent under 15 years of age. Estimates are that the salaried labor force approximates 130,000 and the unsalaried force 875,000. Data from 1975 estimated that approximately 180,000 persons comprised the urban labor force. Of this number perhaps 45,000 (25 percent) were employed in the modern sector and 110,000 (64 percent) engaged in urban informal sector activities. This would put the estimates for urban unemployment at approximately 20,000. The country-wide average unemployment rate for 1980 was estimated at 2.5 percent. Underemployment particularly in rural areas, is considered more common than unemployment. Seventy-five to 80 percent of the working population depends for its livelihood on agriculture. Employment in the modern sector appears to be on the increase. The labor supply is adequate to good, but the majority of workers are unskilled.

The Togolese worker is covered by a minimum wage law. Increases in the rate are made by presidential decree. The last increase was 10 percent in January of 1980 and was the first such increase since January 1977. Wages have tended to lag behind the general inflation levels of recent years with price increases outstripping salary gains. During the current austerity period, for example, the Government has had to increase the fixed and subsidized prices of certain basic necessities, such as bread, sugar, taxi fares and petroleum products. Although the Togolese standard of living continues to be good in comparison with those of neighboring countries, prevailing wage levels cannot be considered excessive or detracting from labor intensive practices. Continuing economic difficulties into the 1980's may pose pressures on the Government as it attempts to balance demands for higher wages with the necessity for government fiscal restraint. In the private

sector, collective labor agreements are negotiated which often provide wage and fringe benefits beyond those required in presidential decrees and the Togolese Labor Code.

Togolese laborers are covered by Social Security at a rate of 20.5 percent of the basic salary. The employer's contribution to Social Security is 18.1 percent and the employee's contribution is 2.4 percent.

The Confederation Nationale des Travailleurs du Togo (CNTT) is the sole national labor organization. All trade unions are affiliated to it. The seven-year-old movement is reasonably strong by African standards. While militant labor rhetoric is customary, strife is rare and strikes are strongly discouraged.

Formation of small Credit Union Cooperatives is on an upward trend with increased activity on the part of CONAUDEC, The Togolese Federation of Credit and Savings Cooperatives. This movement is directing attention to the rural population, and plans call for the expansion of activity in the northern regions.

According to the fourth 5-year plan, the GOT will encourage full utilization of human resources in both the public and private sectors. GOT policies and investment activities have tended to encourage employment generation. Labor-intensive practices are encouraged by these policies and recent undertakings.

Agriculture

Agriculture is a mainstay of the Togolese economy employing 75-80 percent of the population and accounting for an estimated 25 percent of GDP in 1979. Although implementation and policies have been traditionally beset with problems, the GOT has consistently demonstrated a commitment to support the agricultural sector.

Good weather conditions in 1978 and 1979, following several years of drought and near-drought, have produced a more favorable agricultural outlook. Although sporadic and unseasonal rains in 1980 caused some crop failures in the north, overall harvests were good. Food crop production has almost kept pace with rural population growth and has accounted for 75 percent of agricultural output in recent years. Food staples consist of manioc, yams, maize, millet, sorghum, rice and beans. The remainder of agricultural production is devoted to cash crops; such as cocoa, coffee, cotton, groundnuts and palm oil products, with cocoa and coffee exports normally contributing some 25-30 percent of Togo's export earnings.

Several product-oriented, para-public corporations are charged with the execution of Government agricultural policies. Since their creation, these organizations have furnished planting materials and fertilizers, provided extension services and marketing mechanisms and established processing facilities. Through the Caisse Nationale de Credit Agricole (CNCA), these agencies also extend credit to the small farmer. The GOT, aware of the need to emphasize agricultural production, devoted 22 percent of the 3rd five-year development plan (1976-1980) to agricultural development and related industries. To date, actual investment has lagged considerably behind planned investment.

GOT planning strategy in the past has stressed regional development along with popular participation (mainly through the promotion of cooperatives) and production. A 10-year target set for 1985 was to double the area cultivated per farmer (from 0.5 hectare in 1974 to 1.0 hectare in 1985).

The Government of Togo's previous attempts at regionalization have run into serious administrative difficulties. In the mid-1960's, the Government organized regional institutions for rural development called Societes Regionales d'Amenagement et de Developpement (SORAD) which were overwhelmed by the responsibilities assigned to them. The SORAD's were gradually replaced by sectoral institutions (dealing in cotton, palm products, coffee and cocoa, fruits and cereals) during the 1970's and further weakened when the Ministry of Rural Economy was split into two in 1974: i.e., a Ministry of Rural Development dealing with agricultural production, and a Ministry of Rural Works (Amenagement rural) dealing with civil engineering. The SORAD's were finally abolished in 1977 and replaced by two sets of regional offices, the ORPV's (Office Regionaux de Production Vivriere) and the ARACs (Animation Rurale et Action Cooperative), under the Ministry of Rural Development.

The weak point of the Government of Togo's policies toward cooperatives seems to have been a lack of clear directives explaining what the cooperatives are supposed to do. The only ones which are successful at the present time are the large coffee and cocoa production cooperatives. Cooperative production and marketing of foodcrops have been emphasized recently and figure prominently in the fourth 5-year plan.

The production programs in the Third Development Plan were conceived along three lines: food production by small farmers; a range of specific programs for the modernization of agriculture including cattle ranches, a half dozen large agro-industrial complexes based on sugar cane, tomato and pineapple production, and cereals, and small irrigation schemes intended for exploitation by cooperatives; and sectoral programs for the production and processing of coconuts, fruits, cocoa and coffee, cotton, forest products, tobacco, fish, livestock, and animal products. In effect,

the Government of Togo still hopes to raise the productivity and income levels of the country's small farmers. While the GCT is directing attention to increasing small-scale agriculture production, and is encouraging, for example, small farmers to adopt animal traction techniques, the GOT still expects to get its major production increases from larger-scale mechanized agriculture.

The constraints on the improvement of peasant agriculture are severe. Traditional practices are aimed at minimizing the risk of crop failure by diversification, staggered planting and other techniques. Most Togolese peasants do not practice modern approaches to plant disease, soil fertility and crop rotation. When appropriate knowledge is available in the Government services, the transfer and application of this knowledge is hampered by the lack of adequate institutional support to get technology and input (quality seeds, fertilizer, etc.) into the hands of farmers. The delivery and support systems for the purpose of bringing change to the rural areas are poorly managed and underfunded.

Despite setbacks to earlier agricultural development plans, the Government has emphasized that it will continue to stress agricultural self-sufficiency, establishment of transforming industries and construction of grain storage and small-scale irrigation facilities during the next five-year investment plan (1981-1985). The rural sector is slated to receive 35 percent of the plan's total investment of 250 billion CFA \$1.24 billion). The plan will also stress, through land reform measures, the need for Togolese to utilize all suitable land area for agriculture, in a country where only 11 percent of the total land area is now under cultivation.

In the past two years the Government has begun implementing an agrarian reform program which will bring unused land under cultivation and distribute land resources more widely among the people. The program also plans to designate large sections of land in each of Togo's regions for use by foreign investors interested in large-scale agricultural projects. A national education plan has been conducted to convince tenants and land owners that they must utilize the land under their control or run the risk of losing it. Nearly all farming in Togo is done on plots of 0.5 to 5 hectares.

The GOT has undertaken to increase food crop production, which totalled over 1.1 million metric tons in 1978/79. Production of maize, millet, sorghum and rice continues to run below expectations and does not meet national needs for these specific commodities. Weather conditions greatly affect production levels of individual crops in a given year, but to date, the Government's programs have also encountered major problems in extending adequate credit, supplying fertilizers and extension services, providing enough grain storage facilities and in dealing with the land tenure problem. On the other hand, periodic regional food shortages are not necessarily a question of absolute inadequacy of national food production, but inequitable distribution caused by localized deficiencies resulting from uneven regional production and accentuated by logistical problems militating against attempts to equalize regional food availabilities.

World bank and French-financed programs in cocoa, coffee and cotton production have been successful in raising the export earnings base from these and other cash crops. Cocoa and coffee have traditionally accounted for an average of 85 percent of agricultural exports and 30 percent of export earnings. In 1972 cocoa production

peaked and coffee production reached a high. Subsequently, significant production declines have been caused by low producer prices, lack of investment in agriculture, and aging of trees. To remedy the situation, the GOT initiated a \$10.5 million World Bank/French-financed cocoa and coffee program in 1976. Program objectives include rehabilitation and expansion of cocoa and coffee production, provision of extension services and development of an infrastructure to support the program. The Government has also increased producer prices by up to 83 percent since 1975 and has instituted bonus systems to encourage farmers to participate in the program. The World Bank and France have agreed to finance the second phase (1980-85) of the project, which is expected to total \$34.2 million.

In other agricultural areas, Togo has undertaken a World Bank/French-financed cotton project and is taking steps to remedy a severe shortage of cotton storage and ginning facilities. Two palm oil processing plants have been built recently by SONAPH (The National Palm Oil Agency) and a third polyvalent plant is under construction. Togo hopes to increase its production of palm oil, other oil bearing seeds and cashew nuts. Togo is completing installation of a 750-ton capacity cashew treatment plant in the north of the country and must now develop additional cashew plantations to supply the factory. Domestic production of cattle and other livestock, as well as poultry, has remained inadequate to meet domestic demands.

Health and Population

The pathology of Togo is similar to that of other West African countries. Communicable diseases (malaria, measles, amoebiasis, onchocerciasis, schistosomiasis, yaws, venereal diseases) are a major public health problem causing high morbidity and mortality rates. The country-wide infant mortality rate (0-1 year) is estimated at 148 per 1,000 live births and the total child mortality rate (0-5 years) approaches 50 percent in rural areas. Life

expectancy at birth is estimated at 41 years for both sexes. The crude birth rate is estimated at 50 per 1,000 population and the crude mortality rate at 23. The urban areas have a higher concentration of medical personnel. Based on 1974 statistics, nationwide there was approximately one doctor for every 16,000 people. By region, there were 77 employed in the maritime region giving a density of one physician for 10,000 inhabitants. The Kara region was endowed with one physician for every 40,000 persons. Both the plateau and central regions had only one physician for 60,000. The savannah was the worst off with only three physicians, a ratio of about one physician to 90,000 persons. The number of nurses (state and auxiliary) of almost 700 yields a satisfactory density of one to every 3,000 inhabitants and actually exceeds WHO's goals. However about half of the nurses are employed in the Lome area, with very low coverage in the rural areas. A 1977 nutrition survey noted that the nutritional level of the subsistence farmer in the northern region was much lower than that in the other regions in the country.

Togo has a fairly well-developed health infrastructure but the system suffers from inadequate material and logistical support, trained medical and health personnel, and administrative and managerial support. The Government has initiated a program to upgrade basic health infrastructure. Increasing numbers of health service delivery operations are currently being established by the GOT, particularly in the rural areas.

Almost all medical care provided to the population throughout the country originates with the government or from foreign sources provided in the development assistance context. The limited number of private medical professionals in the country are located for the most part in Lome, and their private practice is directed primarily to that portion of society willing and able to pay for their services.

Macro-economic issues militate against the GOT being able to marshal sufficient budgetary capability to address in a comprehensive manner country-wide health problems. Nevertheless, the Ministry of Health merited slightly more than 10 percent of the monies spent during the past year by the various individual ministries, and only the Ministry of Education had a greater increase in personnel during that period.

GOT development plans have allocated funds to the construction, expansion, and functioning of health service facilities: hospitals, clinics, and dispensaries. Rural population must have access to district or regional hospitals for more complex medical problems which cannot be treated in primary health centers or dispensaries. Eighty percent of the funds envisioned for improvement of health facilities are for those facilities that serve the rural areas. A large portion of the planning budget is devoted to campaigns against preventable diseases, especially tuberculosis and onchocerciasis. Other significant items are for sanitation and maternal and child health programs which have as their target the rural population and preventive medicine.

It would appear that official Togolese and popular acceptance of the concept of family planning is growing. The GOT has welcomed family planning assistance from a variety of international funding sources. IPPF has established a regional office in Lome. The UNFPA has sponsored a program in sex education. FPIA is scheduled to initiate with the GOT a training program involving family planning. The Ministry of Health maintains an active family planning division. The university, the National Institute for Scientific Research and the Ministries of Health and Education have been involved in many demographic, population, fertility and child mortality studies, and the GOT promotes family spacing as a maternal and infant health measure. Although there is no pronounced policy

advocating birth control or limiting population growth, evidence is manifest that the GOT supports policies and programs that address in a positive manner the problem of high fertility (and infant mortality) rates.

Education

In education, there has been considerable expansion of school enrollment since independence. With a current enrollment ratio of about 65 percent, versus 10 percent in the late 1940's, Togo now ranks with the small group of West African countries, such as Ivory Coast and Ghana, where universal primary schooling appears feasible in the foreseeable future. Regional imbalances and inequities based on sex, unfortunately, remain. The Government is now turning its attention to basic education for adults and training young people in agriculture and the informal rural and urban sectors where a great majority of the labor force will continue to work in the future. Togo's university, established in 1970, has steadily increased in students and departments. The Government is trying to correct the uneven regional distribution of school enrollment through national education reform. The GOT development plan includes a long-term program for introducing innovations into the education system. The Ministry of Education has consistently received the largest allocation in the national budget.

In the 1980 budget, education was up 25.34 percent giving that ministry slightly more than 25 percent of the entire national budget. This budgetary increase reflected a sizeable augmentation in personnel; more than twice the 1980 increase for all other ministries combined. In reality, the actual amount spent for education is more than that indicated. Because that ministry, along with several others, receives monies directly or indirectly from other parts of the budget, it is not possible to determine an absolute ranking of GOT spending priorities and resource allocations by comparing ministerial budget lines. For example, considerable educational spending is placed in the state interventions category where a 53.15 percent

increase took place for scholarship expenses. As a result, the Government planned \$ 8.4 million for educational scholarships in 1980. The increase in state interventions also included a 35 percent increase in subsidies to the one national university, which was to receive 6.1 million dollars in 1980.

In summary, the Government, faced with a formidable problem of providing relevant education on an equitable basis to the poor throughout the country, is giving priority attention to the execution of that task.

Urban considerations

The urban population in Togo is approaching one-quarter of the country's total, with the urban population doubling every 10-11 years and increasing at three times the rate of rural population growth. The urban poor, therefore, may be considered to represent the fastest growing members of the poor majority. This is in keeping with the result of a recent study prepared for the World Bank Projects Department which suggests that in West Africa the number of urban poor will more than double over the next 20 years if present trends continue. Inversely, the number of rural poor will decrease and, during the 1990's, actually drop below the number of urban poor.

Two-thirds of the urban population increase may be attributed to migration, one third to natural increase. Improvement of urban shelter conditions, including access to potable water and environmental sanitation will, however, have no significant impact on the rate or direction of migration, which is a world-wide phenomenon; the absence to date in Togo of any such effort has not prevented urban growth. Half of urban population is in the capital city, Lome, where population growth has led to densities of six persons per room in low-income areas and where rapidly escalating land costs limit the traditional extension of low-density family compounds.

Recent estimates by the Statistical Bureau of the Ministere

du Plan put the median monthly income of wage and salary earners in the modern sector in 1979 at CFAF 35,000 per household of 6 members (hence a median per capita annual income of \$350). Although monetary incomes in urban areas are considerably higher than in rural areas, income in kind is lower in urban areas because of the absence of subsistence farming. Furthermore, overcrowding, poor sanitary conditions and inadequate nutrition combine to intensify health problems and the spread of water-borne disease vectors, and to reduce productivity. Awareness of the related need to create productive employment for low-income urban residents is growing.

Aid's shelter assessment for Togo identified four sets of problems: difficulties of institutional development; inadequacy of access by lower income groups to shelter finance; the inappropriateness of existing practices with respect to building codes that price legal shelter out of the reach of the low-income population, to land speculation, and to traditional low-density settlement; and the special problem posed in Lome by the location of the city on low-lying land which creates difficulties for development of a sanitary waste disposal system.

Togo's general urban goals as stated in its developmental planning are (a) more equitable distribution of urban infrastructure and services, and (b) access to adequate housing for all Togolese. A number of institutions have been created since the 1950's to deal with various physical aspects of urban development:

- A center for construction and housing which is concerned with building materials research, rural housing, manpower training and town planning;
- The Banque Togolaise de Developpement which finances housing mortgages and small construction materials loans;

- A Department of Town Planning and housing within the Ministry of Public Works;
- AGETU (Agence de Gestion et d'Equipement des Terrains Urbains), a major new institution for the development of urban land set up in 1977 to purchase, equip and dispose of land to counter speculation;
- and SITO (Societe Immobiliere Togolaise) which is to develop housing projects on land services by AGETU.

In Togo, as elsewhere, the city offers many real or apparent possibilities to individuals seeking an alternative to low productivity and low incomes in agriculture. The injection of incomes into the national economy from sources external to agriculture, in the Togolese case particularly mining and trade, stimulates mainly the urban economy and enhances the attraction of the city. Urbanization is a consequence of, as well as a stimulus to, economic growth and progress. A responsible government has the obligation to deal with the resulting problems in the urban areas where they occur -- however great its parallel concern with rural development. The obligation is perhaps greater when, as in the case of Togo, the Government has not been particularly successful in devising and implementing effective rural development programs.

As part of its on-going urban development program in Togo, AID is financing a low-income housing project which is providing technical assistance to the Direction Generale de l'Urbanisme et de l'Habitat (DHUH) and to AGETU, the agency responsible for development of sites and services projects and for urban upgrading. This activity is also providing technical assistance to the GOT in the project development and administration of a recently approved \$15 million HIG.

Other Policy and Commitment Considerations

One of the central objectives of the GOT, as cited in the economic development plans, is the reduction of regional disparities. Closely related to this are Government efforts to decentralize the administrative structure, particularly with respect to agricultural and rural development, and to open new lands for settlement, particularly in the central region and in the traditional onchocerciasis zone now part of a WHO-directed vector control project.

The tendency is toward broadening regional representation within the administrative and political power structure. In a significant move in this direction, Togo held elections for the national assembly in December 1979 for the first time since 1969. Its deputies, meeting in regular and special sessions in 1980 approved the annual budget and the 1981-85 investment and development plan.

Administrative reform is a priority concern of the GOT, and the organizational structure to accomplish this goal has been established. A UNDP-provided expert began work with the relevant department of the Ministry of Plan in December 1980. Many of the short-comings within the Government bureaucracy can be attributed to over-centralization of responsibilities in the hands of a narrow spectrum of Government Officials, and a lack of depth in managerial and technical capabilities within the ranks. The effectiveness of Government planning is limited by short-comings in the practical aspects of interministerial coordination, although attempts are made along those lines, and the inability for various reasons, primarily financial, of the government to follow through with concrete action.

The capability of the Government to implement its policies and projects has been limited by the financial and technical restraints that negate the ambitious nature of its plans.

As a result of considerable efforts over the past, particularly with the help of the French, the GOT has a fairly accurate set of statistics about its population, its economy and its socio-economic performance. The primary problem in this regard results from an inadequate collation, publication and retrieval system, complicated by the volume of disparate data collected over the years.

Togolese society appears open to new ideas, and there is a free flow of information concerning the general state of affairs affecting national concerns. On the other hand, mass media are under Government control. The principal censorship concerns are directed toward the active political opposition outside of Togo which has rallied around the family of the former president deposed almost two decades ago. The current relative political calm is conducive to an openness with respect to economic, social and technical matters related to the development effort. The political structure is fairly responsive to the needs of the poor. The sole political party (RPT), that of the President and present Government, has an organizational structure which permeates all levels, sectors and regional foci of togolese society. This provides an opportunity for the poor to be heard and, to a certain extent, participate in the addressing of their concerns. As mentioned earlier, it is GOT policy to reduce regional disparities which implies equal treatment to various ethnic and geographical groupings. The Togolese have within the restrictions of educational preparation and earnings capacity a fair degree of mobility among the various groups of society.

In the social sphere, the GOT is making a major effort to incorporate women into education as well as into all other aspects of developmental concern. The GOT has a small, but active, Ministry of Social Affairs and Women's Status. This ministry recently received 22 additional staff positions for its Division of Women's Status. This Ministry maintains liaison with the Togolese Federation of Women and various organizational entities of the RPT concerned with promotion of women's affairs.

As in the other coastal countries of West Africa, the economic role of women in Togo presents an interesting paradox. The market women dominate traditional commerce in foodstuffs, textiles and other consumer goods; and as many as 90 percent of all Togolese merchants are women. However, most of the market women are illiterate, so that despite their keen sense for trade and the success of many of them as merchants, their potential for developing the modern sector of the economy is limited. Greater access to education and training is needed. There is on the other hand, an increasing number of women professionals in the government, law, and medicine; and the market women are a force to be reckoned with in politics.

International Donor Activity and AID's Role

As in other francophone West African countries, France continues to be the major bilateral donor of external assistance. According to rough estimates, approximately one-fourth of the annual foreign assistance flow to Togo has emanated from French bilateral aid.

Aside from the concentration of French assistance on education, other major assistance programs are for the most part concentrated on improving Togolese export earnings and providing basic infrastructure. The Federal Republic of Germany has extended loans for the creation and expansion of the Lome port; World Bank and France have financed efforts to improve the production of such export crops as coffee, cocoa and cotton; the European Development Fund has financed the improvement of the North-South

road system which is the economic backbone of Togo; and the World Bank and other donors combined financial resources to build a regional clinker plant for the supply of cement factories in Togo, Ghana, and the Ivory Coast, and are financing a joint Togo-Benin hydroelectric and irrigation project on the Mono River. The Chinese have assisted with the expansion of rice production and the installation of a 6000 mt capacity sugar refinery. The long-term effects of these efforts will be to improve Togo's economy and generate revenues which can then be applied towards concentrating on the basic human needs of the target population. These other donor efforts deal with major economic constraints to Togolese growth.

The UNDP and FED are executing activities that focus on basic human needs in rural areas. The UNDP and FED are both implementing, in collaboration with the Government of Togo, integrated rural development activities in the north. These activities focus on the resettlement of farm families from overpopulated to less populated areas in the onchocerciasis program zone. Emphasis is given to agriculture. The Entente Fund, with AID regional funding, has projects in food and small ruminant production. The World Bank is also undertaking a rural development activity in the Maritime Region which focuses on increasing farmers' food production output. Other donors - Belgium, Austria, Germany- are providing advisors to carry out economic studies, to establish cooperatives for farmers, and to develop animal traction activities. The Swiss are financing a cattle ranch in the north. Most donors offer scholarships for advanced studies in Europe. The UNDP, through WHO and UNICEF, is providing assistance in health. WHO is operating a regional training school for mid-level health personnel; UNICEF is providing medical supplies for maternities, dispensaries and maternal and child health centers, principally in the rural areas. Germany, France and Belgium provide medical personnel to work in the regional health centers and the medical school in Lome. The World Food program is operating a small

food-for-work program. FED and FAC are both collaborating with AID in a significant rural water supply program.

Historically, the United States has played a minor role as an international donor in Togo. The short-lived bilateral effort immediately after Togo's independence had an insignificant impact and is all but forgotten except by the one hundred or so Togolese that benefitted from the AID-financed training and scholarship programs during the 1960's and into the 1970's. The 1970's saw a modest regional effort, primarily through the Entente Fund, that resulted in the creation and operation of a regional heavy equipment training center, a modest small-enterprise loan program and several small pilot activities in food and livestock production. Additionally, AID sponsored a substantial PL 480 effort of varying size over the years.

More recently, AID bilateral efforts have resulted in a \$ 1 million low-income housing technical assistance project coupled with a \$15 million housing investment guarantee program; a \$7.8 million rural water supply and sanitation project; a \$1.2 million construction and commodity activity directed toward the improvement of family health training; a \$2 million volag experimental agriculture production/training activity; and a variety of mini-projects. Although such a program over the years cannot be considered to have been of significant consequence on togo's overall macro-economic scene, eventual implementation of the HIG program and the Rural Water Supply Project, both of which are about to get underway, will ultimately have considerable impact on specific population groups directly affected. Beyond that, the AID program, to date, has demonstrated a friendly interest in Togo as an LDC. As such, it has played a somewhat effective public relations role on the diplomate scene.

Given the negligible magnitude of the AAPL projected over the planning period of this SPS in comparison with Togo's development needs and the anticipated efforts of other donors, the AID program foreseen at this time cannot be expected to have, relatively speaking, a significant impact on improving Togo's macro-economic problems and, therefore, should not be considered in that light.

III. AID Program Strategy

General Orientation

The DG program proposal for Togo in Table 1 is aimed at the country's most disadvantaged poverty group, i.e., the rural poor. The DG program concentrates on rural development in accordance with the GOT's recently inaugurated 4th Five-Year Plan (1981-1985) which stresses rural development with its salient goal being food self-sufficiency. It is anticipated that agricultural production, rural health delivery and energy components will be linked in mutually-supporting project activities of the AID program.

A substantial housing investment guarantee, developed and supported by related technical assistance, is already a part of the approved Togo program portfolio. In anticipation of its successful implementation, a second phase is projected midway through the current SPS planning period.

Program development will direct appropriate attention to modern technology exchange techniques, in particular those related to renewable energy. Attempts will be made to incorporate these techniques into both the rural and urban development components of the program. Relevant regional and central funding, such as that available for mini-hydropower development, will be exploited to introduce energy components when appropriate to the implementation of the program strategy.

In addition to the development program managed by the AID office in Lome, the ambassador would like an increase in the number of innovative small projects of a self-help nature, because of the help and models they offer to the rural poor, their possibility for rapid implementation and Peace Corps participation, and the public relations impact for USG assistance. One funding source and mechanism for such activity would be the African Development Fund.

In the regional area, overall program strategy calls for continuing assistance to Togo through AID's initiatives with ECOWAS, the African Development Bank and the Entente Fund. Of particular interest is the continuation and expansion of Entente Fund programs in agricultural development, small ruminants and small enterprise loans.

While primary program attention will be devoted to the northern areas of the country, certain activity, rural as well as urban, will take place in the south, as dictated by the experience of past and present activities, investments previously made and/or infrastructure already in place. In the case of the rural component, the north/south mix recognizes not only the more prevalent poverty of the north, but conversely, the greater agriculture production potential of certain areas to the south. Of equal importance, this geographic mix will provide a valuable comparative vehicle to evaluate relative development potential in regions of disparate human and natural resources as well as different inputs of capital infrastructure. The housing investment guarantee is programmed to have an impact on the low-income inhabitants of Lome, and its suburbs, as well as urban population in the north.

An essential consideration to the development of the Togo program is the one of coordination with other donors. A specific administrative problem is posed by AID's requirement of a 25 percent host government contribution to projects because Togo, although its current financial situation would so warrant, is not on the relatively least developed (RLDC) list. As a direct GOT contribution to a large discrete foreign donor project in a magnitude comparable to this requirement is not likely, sizable projects within the AID program will necessarily have to be developed as multi-donor activities. This presupposes the necessity of meshing the interest and criteria of others within the donor community with our own. In any case, the program proposed in this SPS consciously solicits multi-donor collaboration. This collaboration includes a determined effort to maximize the utilization of Peace Corps resources in AID program implementation. The overriding rationale for this emphasis is, of course, the desire to achieve the most impact possible from the modest AID resources available.

Another point that must be taken into consideration in the review and analysis of the program for Togo, as proposed, is the fact that the AID planning level for each FY within the SPS planning period equals only 1.67 percent of the pro-rated annual requirement of the current five-year development plan adopted by the GOT and is a mere 2.6 percent of the total donor input anticipated. The negligible aspect of this input negates analytical concern for linking program comparability to macro-economic considerations and limits the importance of impact analysis at that level. Under present circumstances, such analysis would be better treated within the context of individual project design, which will require further consultation with the GOT and other donors to pinpoint the specifics of the AID collaborative role in addressing macro-economic and impact issues at the project level.

Manifestly of importance at this time is to be supportive of a logical program continuum in coordination with other developmental agencies, whether other donors or intermediaries, such as the Peace Corps and VOLAGS, whose potential collaboration is maximized by being combined into, or enhanced by our program development planning. No new bilateral program initiatives are being proposed beyond those identified in previous program planning documentation. This SPS reflects priority requirements for program development in a magnitude limited by the presently approved AAPL for Togo. The activities selected for continuation and/or expansion are those which meet criteria and interests mutually important to AID, the GOT and other collaborating donors.

Therefore we come to the conclusion that development of the Togo program during the present planning period is more a matter of sensible exploitation of specific circumstances manifest than the selection of new program ventures deriving from the theoretical analysis and linkages of macro socio-economic and/or sectoral factors.

With respect to the overall AAPL level allocated to the Togo program, it should be noted that elaboration of the planning budget in table 1 is in FY 81 dollars and assumes no inflationary increases. As it is, the constant level over the entire planning period leaves no room for appreciable program expansion. If we are to assume modest replicable success in the implementation of what is essentially a start-up program, and more so, if we are to anticipate inflationary pressures, the constant AAPL level over the entire planning period is unrealistic.

The DG program proposal for Togo in table 1 adheres to the AAPL for the FY-82-87 planning period, except as noted. This exception involves a major VOLAG project currently under review in AID/W. During the course of the OYB, a determination will be eventually made either to continue that project through the short-term only, or to redesign it for expansion throughout most, if not all, of the current SPS planning period. As other elements

proposed for the Togo program during the FY 82-87 period are considered to be a higher priority, additional financing of the activity in question beyond the current OYB would require funds above the AAPL currently planned for Togo.

Agriculture and Rural Development

The GOT has emphasized that it will continue to stress agricultural self-sufficiency during the next five-year plan for 1981-1985 and will take appropriate measures, as required, including land reform, to support the need for Togolese to utilize all land area suitable for agriculture. Other priority elements of GOT agricultural plans stress training throughout the various regions and the provision of services, materials and credit to small farmers. The agriculture component of the AID program for Togo, in conformance with GOT plans, will focus on increased food production and concomitant income-generation through application of extension services, training and agricultural credit; factors which are considered priority concerns related to grass-roots rural development in Togo.

As indicated earlier, specific project activity will be limited necessarily to undertakings which can be developed in concert with other donors and agencies. Analysis of salient ARD problems in comparison with current GOT interests and donor strategy/funding availabilities has identified a small number of possibilities where AID can, in that context, capitalize on its previous program initiatives and apply its limited resources to a modest attainment of the above-stated sector goals.

It is anticipated that a principal unit of management to achieve these goals could be a collaborative rural development project undertaken in coordination with FED as part of the latter's ambitious resettlement program in the north. The FED project, itself, is but one element within a larger multidonor effort involving FED, FAC, UNDP and WHO in coordination with various GOT

Ministries to implement a multisector rural development plan for Northern Togo. It is contemplated that AID's contribution would be to both health and agriculture related activities within the overall rural development strategy. AID-financed agriculture components of the project would be animal traction, agricultural credit and small village-level initiatives. It is among these latter initiatives, the health/sanitation elements of the project would be undertaken. The Peace Corps and the German volunteer service would participate in its implementation, thus mitigating, to a certain extent, the need for more expensive forms of technical assistance. Such a project would build on the on-going animal traction AIP and various other Peace Corps rural development experiences and implement the recommendations of a recent AID-financed study of agricultural credit factors in Togo, as well as utilize the results of the ROAP Tchiri feasibility study soon to be completed. Specific target groups are to be identified as an attribute of sites selected during the course of project design. Additional study will be required subsequent to preparation of this SPS to identify specific characteristics of an AID program initiative in the context of the above.

Additionally, AID is currently financing a pre-design feasibility study that will likely lead to the identification of a labor-intensive irrigated agriculture production activity taking advantage of a relatively extensive irrigation infrastructure (constructed under a completed project financed by the Chinese and valued at approximately \$10 million) serving a specific area of high production potential and relatively dense population on the Sio River. The target group of such an undertaking would be the roughly 45,000 farming population living in the immediate vicinity of that infrastructure. It is anticipated that the fundamentals of this activity could, to a large extent, equate with those of the previously described project, particularly with respect to agriculture credit, extension services and village-level initiatives. It is believed, therefore, these two projects could

offer an interesting comparison of rural development initiatives where non-capital inputs are similar under circumstances that differ appreciably with respect to local population, natural resources and availability of extensive capital infrastructure. Such a comparison is considered to be of prime importance to the development of long-term (10-20 years hence) development planning for Togo. Subsequent to completion of the above-mentioned pre-design feasibility study, we intend to work with the GOT in an attempt to elicit donor support for the implementation of the recommendations of that AID-financed study.

In a location nearby to the previously described project site and immediately adjacent to the Entente Fund's experimental food production project at Notse, the VOLAG, Opportunities Industrialization Centers International (OICI), has been implementing for a number of years, an experimental agricultural production/training project which, by AID criteria, until now has not met with significant success. Considerable effort has been undertaken by AID during the past in the review and evaluation of this activity in an attempt to determine its potential for the future. It appears that properly re-oriented and integrated into the GOT agriculture training program, the OICI initiative could play an important role in that priority field as well as the provision of extension services to a sizable peasant population in a geographic area of agricultural importance. AID/W is currently reviewing the OICI/Togo program to determine its fate. Beyond technical considerations, funding availability, immediately as well as over the SPS planning period, is an important consideration in that determination.

We anticipate, also, that early in the SPS planning period another on-going VOLAG (Credit Union National Association - CUNA) activity designed to strengthen the credit union cooperative movement

in Togo will develop an organizational framework leading to the operation of local cooperatives which can be integrated into the implementation of the rural development program described above, particularly as related to agricultural credit. The target group of this activity would be the totality of the potential membership of the cooperatives being organized through the efforts of the present CUNA OPG by CONAUDEC, the Togolese Federation of Savings/Credit Cooperatives. Such an undertaking would probably require continuation of CUNA technical assistance beyond the project life of its current OPG.

Rural Health and Population

As a very small country, Togo's health needs can only be viewed in a regional context and therefore its health strategy must mesh with those of the World Health Organization and its neighboring countries.

AID's health sector strategy calls for Togo's integration into relevant regional health activities, such as CCCD (Combatting Childhood Communicable Diseases), Yaws control as an extension of the Ghana program, and possible programs in malaria and schistosomiasis. These activities adhere to current WHO regional strategy for West Africa and would satisfy some of Togo's most pressing needs in the health sector. Other needs beyond basic budget requirements include comprehensive health planning, upgrading of personnel, effective low-cost rural health delivery and better sanitation. AID's bilateral program is directed towards these needs and adheres to the regional strategies indicated above.

Strictly speaking, no new bilateral health/population sector initiatives are proposed beyond those already underway or previously envisioned as extensions of current on-going activities. Sectoral analysis is an integral part of on-going program documentation and individual project activity underway. AID in collaboration with

FID and FAC, is addressing major rural development concerns in the health/sanitation sector through a recently approved rural water supply and sanitation project within the context of a major multidonor program. The major components of this project will be : (A) the development of rural potable water supply systems through contractor-built village wells; and (B) the involvement of the Peace Corps in the dissemination of basic principles and practices of sanitation in villages where wells are to be constructed. A follow-up activity of the same nature is anticipated starting in FY 84.

We are also addressing a priority requirement for national health training as well as providing the framework for future planning in that respect through the implementation of the long-delayed family health center project in coordination with the WHO Regional Training Center already in existence in Lome.

Additionally, AID is presently providing a health planner to the GOT Ministry of Health under the ROAP Health Study Project. The results of this technical assistance inter alia will strengthen the GOT's health training program and, as such, will support AID's efforts in the Family Health Center mentioned above. It will also lead to the identification of vital components of a rural health delivery system which are of immediate priority for solving Togo's rural health needs and within the near-term capabilities of the Ministry of Health. The design of a pilot activity embodying these aspects falls within the context of the ROAP Health Study Project. The development of such an activity anticipates potential donor, including AID, funding. It is anticipated that such an activity will emphasize the Ministry of Health's current priority of endemic disease containment, particularly through vaccination and sanitation programs and other prophylactic measures integrated

with the existing rural primary health care system. It will also address the training and planning components necessary to support such an initiative. The target group of such a project would be the rural population of the two northern regions targeted for pilot initiation and principally, with respect to the vaccination component, the population under 4 years of age, approximately 80,000 children, as well as all females of child-bearing age. Details of the target group are to be specified as a function of project design. This is considered to be a sound approach to health sector considerations in Togo in light of the magnitude of prevalent health problems, GOT health sector priorities and the limited resources available both on the part of the GOT and the donor community.

It is anticipated that the results of the ROAP planning study and the ensuing pilot project identification can be integrated to a considerable degree with village-level initiatives within the framework of the collaborative rural development project described under "Agriculture and Rural Development".

Togo currently benefits from substantial support of international organizations, such as IPPF, engaged in population and family planning program. FPIA, for example, is scheduled to initiate a program in Togo early in CY 81. AID will assist in this effort by providing training support through the family health center project mentioned earlier. In addition, program strategy would support appropriate centrally-funded AID population programs in Togo. In this respect, AID/Togo has already been collaborating with Research Triangle Institute concerning the establishment of a regional program office in Lome, as well as assisting with the implementation of AID-financed subcontracts involving the University of North Carolina, International Project and the University of Ghana. The above responds to Togo's current needs in this area, and in light of limited resources available, no

additional bilateral population program is envisioned at this time.

Additional aspects of AID's health and sanitation strategy are addressed by our program in urban development which is described below.

Urban Development

AID program strategy in urban development calls for improving the living conditions of the urban poor, a sizable portion of Togo's disadvantaged population, both in and around Lome and in secondary urban centers to the North. As this strategy addresses urban sanitation problems and deplorable health conditions associated therewith, the urban development program relates closely to our broader efforts in health and sanitation. Initial goals involve:

- a) Upgrading of a low-income neighborhood in Lome through improved water distribution, storm water drainage, a system for human waste disposal, and improved street lighting. This upgrading element has obvious implications for the health and sanitation of the community;
- b) development of serviced building sites with lots affordable by households making less than the median income. Sites will be developed in the suburbs of Lome as well as in Lama-Kara, a rural service and administrative center for the north of Togo;
- c) a program of small loans for home building, home improvement, and purchase of construction materials to assist low-income households to speed up self-help construction and improvement of their own dwellings, and to expand access to credit by members of the target group;
- d) a fund to provide loans for working capital and/or expansion to small-scale informal sector enterprises in the HIG project areas. The initial target group will be small construction contractors and

locally-based building materials suppliers. The scope will later be extended to informal sector enterprises in other lines of activity.

These goals are being addressed by an initial \$15 million HIG which is already approved.

Initial implementation of this HIG benefits from technical assistance being provided through AID's on-going low-income housing project. The latter, however, is fully funded and present technical assistance is scheduled to terminate midway through implementation of the HIG. Successful HIG implementation will require application of appropriate management resources throughout the life of the HIG. Near-term consideration by competent AID authority will be required to determine the most effective solution to this matter, taking into consideration the possibility of increased availability of RHUDO personnel and/or the desirability of assigning a Housing Officer to the Togo program. Initially, at least, the matter could be addressed through the continuation of technical assistance already in place. Funding for this purpose would be required as an increase to the OYB, or as an early FY 82 obligation. Deferral of funding until FY 1982 would exceed the AAPL for that year.

Urban development strategy tentatively envisions a second \$15 million HIG, midway through the current SPS planning period, which would build on the experience of the first and would be directed primarily toward secondary urban centers to the north. This second HIG, however, will be dependent upon satisfactory implementation of the present HIG and the finding of a long-term solution to the problem of managing a large HIG program. (See discussion above and under OAR's work force analysis.)

Training

Training oriented toward all aspects of economic and social development is considered to be an essential element of any AID program, regardless of size, in Togo. Such training should be in the form of degree and non-degree programs at both American and African

institutions, relevant study and observation tours in the United States and elsewhere, and practical management seminars providing short-term training to cadres in Togo. If the present regional African Manpower Development project cannot sustain the magnitude of training activity desirable in Togo, a similar bilateral project should be developed.

PL 480

The PL 480 program for Togo is a small Title II voluntary agency feeding program carried out through the Catholic Relief Service (CRS). The CRS in Togo has recently shifted its emphasis from pure charity to a development-oriented program encompassing maternal and child health, school feeding, hygiene education and food-for-work components. The size of the program is limited by logistical difficulties, in particular, lack of warehouse space. For FY 1981 it is probable that due to resurgent storage problems only 4,000 mt will be called forward out of an approved level of 6,000 mt. An outreach project to build warehousing in the north of Togo is under development by CRS. Once the logistical system of its program is strengthened, CRS anticipates a significant growth in that program. The projection made here is for a volume increase of approximately 10 percent per year over the probable FY 1981 level.

OAR Work Force Analysis

Raising the funding level for the Togo program to the AAPL level assumes that AID will be able to effect the assignment of sufficient and appropriate resident staff backed up by REDSO to provide the management support necessary to implement a program sustained at that level. Lack of resident staff with appropriate REDSO support would be one of the over-riding internal constraints to development of the overall AID program in Togo. Although experience during the coming year may change our current perception,

generalist positions already established appear sufficient for the near-term provided they remain adequately incumbered at all times, and the analytic requirement for program documentation does not increase. It also presupposes no escalation in mini-project activity, nor an appreciable increase in Benin program management responsibilities. Immediate requirement for technical personnel is limited to the need for agricultural expertise for the design, evaluation and monitoring of project implementation. It is felt that this requirement could be met, initially, at least, through the availability of locally contracted expertise were sufficient funds made available from the operating expense budget for that purpose. Premature termination of technical assistance under the present Low-Income Shelter project would jeopardize implementation of the present HIG. Assuming no increased support from RHUDO, termination of project-funded TA would require the assignment of a housing officer. This matter is pertinent also to the consideration of a second HIG. (see discussion under section on urban development).

In summary, it is estimated that management of the program proposed throughout the planning period of this SPS would require an overall increase in USDH personnel not to exceed three individuals. Initial increase, probably in FY 82 or 83, would be dependent upon the timing of program development and its content, as well as the then prevailing circumstances with respect to REDSO support and the availability of personnel through contractual means and/or project inputs.

In any case, adequate management of the Togo program will require significant increase of operating expense funds over levels recently allotted.

TABLE 1

TOGO: Five Year Assistance Planning Level, FY 1983-FY 1987

(thousands of dollars)

Sector	Projected		Proposed (a)					SUB TOTAL FY 1983 -FY 1987
	1981	1982	1983	1984	1985	1986	1987	
<u>Agriculture and rural development</u>	700	1100	1200	1700	1700	1700	1700	8,000
Rural development		1100	1200	1700	1700	1700	1700	8,000
Agricultural Training(b) OICI	700	(800)	(1000)	(1000)	(1300)	(1500)	(1500)	(6,300)
<u>Rural Health</u>	<u>1700</u>	<u>2900</u>	<u>2800</u>	<u>2300</u>	<u>2300</u>	<u>2300</u>	<u>2300</u>	<u>12,000</u>
Rural health services delivery		300	300	300	300	300	300	1,500
Rural water supply	1700	2600	2500	2000	2000	2000	2000	10,500
<u>Urban development</u>	500	-	-	-	-	-	-	-
Low-income shelter T.A.	500	-	-	-	-	-	-	-
TOTAL	<u>2900</u>	<u>4000</u>	<u>4000</u>	<u>4000</u>	<u>4000</u>	<u>4000</u>	<u>4000</u>	<u>20,000</u>
<u>NON-ADD</u>								
HIG (Second Phase)	-	-	-	15000	-	-	-	15,000
PL 480 Title II (c)	1350	1485	1634	1797	1977	2175	2393	9,976

(a) Projections are in FY 1981 dollars and assume no inflationary increases over the planning period.

(b) Non/add. Consideration for continuing this activity is currently under AID/W review. Decision to continue activity beyond FY 81 would require a corresponding increase in AAPL level.

(c) Projected as an increase in volume of 10 percent per year, which implies constant FY 1981 prices.