

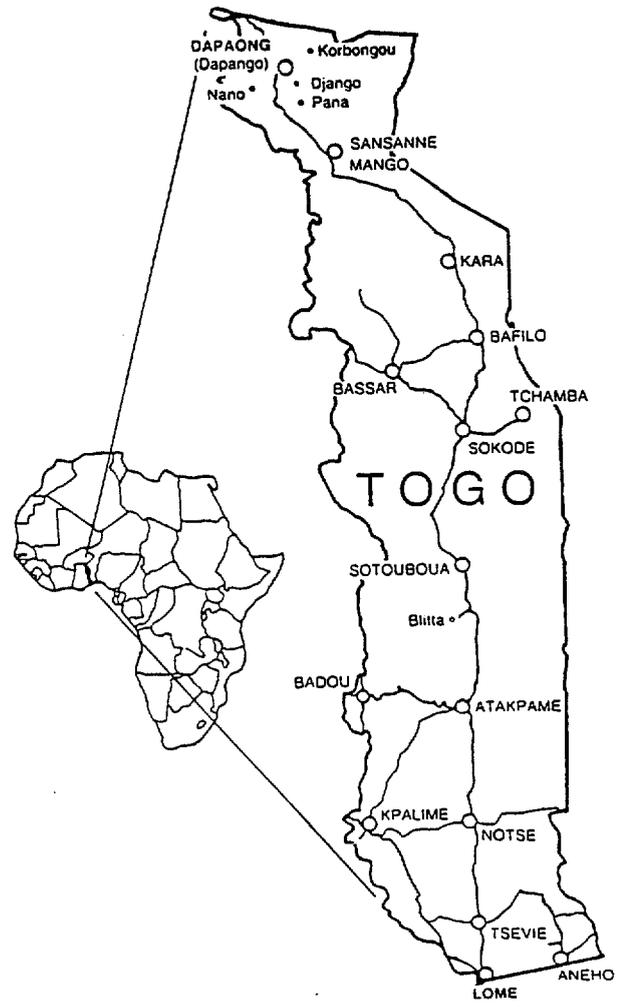
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→ Shoemaker

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**USAID/TOGO**

**Country Program Strategy**

**1993 - 1998**



**November 1992**

#

**USAID/TOGO  
Six Year Strategy  
FY 1993-1998**

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## TOGO Key Data

<u>Physical</u>	<u>Demographics</u>
Surface Area ..... 57,000 km <sup>2</sup>	Population (1991) ..... 3.6 million
Cultivable Area ..... 3,460,000 ha	Pop Growth Rate ..... 3.1%
Cultivated Area ..... 530,000 ha	Pop Density (1990) per 1000 ha. .... 635
Average Rainfall ..... 65 mm	Pop. in Agric ..... 73%
	Ave. Farm Family Size ..... 8 - 10

<u>Economy</u>	
GDP (1990) .....	\$1.6 Billion
GDP per Capita (1990) .....	444
Share of GDP in Agriculture .....	33%
Growth Rate (1980-90) .....	
Agriculture .....	5.4%
Industry .....	0.3%
Manufacturing .....	0.7%
Services .....	-0.2%

<u>Finance</u>	
Total Government Expenditures (1990) .....	128.6 Billion FCFA
Expend as % of GDP (1990) .....	28.7%
% of expend for Defense .....	3.6%
% of expend for Health .....	1.1%
% of expend for Education .....	3.2%
Budget Deficit (1990) .....	15.1 Billion FCFA
Inflation Rate (1991) .....	8%

<u>Social Factors</u>	
<b>Health</b>	
Life Expectancy at birth (1990) .....	54 Yrs
Infant Mortality (1990) .....	90/1000
Daily Calorie Supply (1990) .....	2,214
<b>Education</b>	
Literacy - total (1990) .....	43%
Literacy - female (1990) .....	31%
Primary Enrollment - total (1988-89) .....	72%
Primary Enrollment - female (1988-89) .....	58%
Secondary Enrollment - total (1988-89) .....	22%
Secondary Enrollment - female (1988-89) .....	10%
Higher Education Enrollment (1988-89) .....	3%

## ACRONYMS

ADB	African Development Bank
AEPRP	African Economic Policy Reform Program
AFGRAD	African Graduate Fellowship Program
AMDP	African Manpower Development Project
API	Assessment of Program Impact
AREAF	Africa Regional Electoral Assistance Fund
ATLAS	African Training for Leadership and Advanced Skills
CCCD	Combatting Childhood Communicable Diseases Project
CEAO	Communauté Economic de l'Afrique de l'Ouest
COOPEC	Coopérative d'Epargne et de Crédit
CRS	Catholic Relief Services
CTPI	Centre Togolais de Promotion des Investissements
DHS	Demographic and Health Survey
ECOWAS	Economic Community of West African States
ECU	(Currency of the European Community)
EEC	European Economic Community
EPZ	Export Processing Zone
FAC	(French) Fonds d'Aide et de Cooperation
FHI-II	Family Health Initiatives II Project
FUCEC	Fédération des Unions Cooperatives d'Epargne et de Crédit
GDP	Gross Domestic Product
GOT	Government of Togo
GTZ	Gesellschaft fur Technische Zusammenarbeit (German technical cooperation agency)
HAPSS	Health and Population Sector Support
HIV	Human Immuno-deficiency Virus
HPN	Health Population and Nutrition
HRDA	Human Resources Development Assistance Project
HSSCS	Health Sector Support for Child Survival Project
IBRD	International Bank for Reconstruction and Development
IFES	International Foundation for Electoral Systems
IMF	International Monetary Fund
MAPS	Manual for Action in the Private Sector
MDR	Ministère du Développement Rural
MOHP	Ministry of Health and Population
NDI	National Democratic Institute
ODA	Official Development Assistance
OIC	Opportunity Industrial Center
OPIC	Overseas Private Investment Corporation
OYB	Operating Year Budget
PROG	Program Officer
PSC	Personal Service Contractor
PSO	Private Sector Officer
PVO	Private Voluntary Organization

E

RDO	Rural Development Officer
SAZOF	Société d'Administration de la Zone Franche
TAACS	Technical Advisor for AIDS and Child Survival
TCSP	Togo Child Survival and Population Project
TOPS	Togo Private Sector Project
TRIPS	Togo Rural Institutions and Private Sector Project
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
USDH	United States Direct Hire
WAMU	West African Monetary Union
WHO	World Health Organization
WID	Women In Development

**USAID/TOGO  
Country Program Strategy  
1993 - 1998**

**EXECUTIVE SUMMARY**

**A. TOGO'S POLITICAL AND ECONOMIC CONTEXT**

**A critical  
juncture**

Togo is at a critical stage in its development. Popular demands for democratic change beginning in 1990 led to an altered and highly uncertain political climate. An interim government is now in place charged with organizing democratic elections by the end of 1992. However, military intimidation and sporadic violence threaten a smooth transition. Togo's economy, dominated by a stagnant agricultural sector, is dependent for export earnings on a limited number of primary products with falling prices, and a brisk but decelerating commercial sector. A stabilization and structural adjustment program was initiated in 1983 and continues today in its fourth phase. Unfortunately, this program has so far failed to generate adequate, sustainable economic growth.

**B. CONSTRAINTS AND OPPORTUNITIES FOR ECONOMIC GROWTH**

**Policy  
constrains  
potential**

Togo enjoys certain comparative advantages for its future economic development, including a variety of mineral resources; large amounts of uncultivated, arable land; a relatively well-developed infrastructure; a climate open to the private sector; a brisk transit trade; and a relatively sound macroeconomic environment stemming from the reforms of the 1980s. Sustained economic growth in Togo will depend largely on government policy decisions and the outcome of the democratic transition.

To realize its potential, Togo must still address a number of factors that inhibit its progress. Some of these constraints are fundamental in nature, such as Togo's small size, or beyond its control, such as the exchange rate. Others are amenable to government action, such as economic management, and fiscal and trade policy.

### C. DONOR SUPPORT

Togo is a major recipient of development assistance. France, Germany, the United States, and multilateral agencies including the World Bank, the IMF, the African Development Bank (ADB) and the European Economic Community (EEC) all provide support. The Government of Togo's capacity to coordinate and track donor assistance is very weak. Fortunately, cooperation among the donors is excellent.

USAID/Togo's resource levels, steady through the 1980s, more than doubled from \$4 million to \$9 million in FY 91. Today, with an OYB of \$10 million, USAID is the third largest bilateral donor to Togo.

### D. LESSONS LEARNED

Since 1980, A.I.D. has invested in numerous bilateral health projects in Togo. One key lesson drawn from USAID's experience is that programs and projects must build on and work with existing institutional structures. Project experience has also made clear the importance of adequate supervision, information systems, and program integration in successful health and family planning activities.

USAID/Togo's experience with the private sector is much more recent than its involvement in health and population. Among its private sector experiences, the Mission counts its early involvement in the development of Togo's Export Processing Zone (EPZ) and its success in developing a robust national credit union.

The Mission's experience with democratic initiatives is also new. Early experience has led to three important conclusions: donor coordination is essential; U.S. support for democracy is valued at a level that far exceeds its cost; and the management of this program is highly labor intensive.

### E. PROGRAM STRATEGY

USAID/Togo's strategy for the six-year period is built upon its experience, and on extensive analysis carried out over the last two years. The Program Goal of the Mission's strategy is **an increase in broad-based, sustainable, market-oriented economic growth**, which is consistent with the aims of the Development Fund for Africa. Through a series of Program Subgoals, the Mission's strategy incorporates one Strategic Objective and two Targets of Opportunity that define the program's focus for the upcoming period.

**Health-  
a major focus**

The Mission's Strategic Objective calls for **improvements in maternal and child health care and fertility reduction on a sustainable basis**. Both the Government of Togo's readiness for change and USAID/Togo's extensive health and population sector experience led to a concentration in this area. While its focus is on women and children, the Mission's program will simultaneously improve access by all segments of the population to health care, affordable drugs and contraceptives.

With respect to private sector development, USAID/Togo has defined a Target of Opportunity that focuses squarely on Togo's need to increase its rate of economic growth. While government policy constrains export-led development in the general economy, many policy constraints have already been removed for the EPZ. USAID/Togo therefore focuses on the EPZ as the best opportunity for generating new export earnings, creating jobs, and raising incomes.

**Exports and democracy are targets**

USAID/Togo's second Target of Opportunity focuses on the current political situation and the need for a transition to a democratically elected government. Democracy is a key foundation for broad-based, sustainable economic growth.

The two pillars of the Mission's ambitious health and population program--the Togo Child Survival and Population project and the Health and Population Sector Support program--are already in place. A new EPZ project will be designed in 1993. The Mission's democratic initiatives focus on preparations for elections, on leadership development and on civic education. The Mission has developed four strategic scenarios that represent possible responses to the changing dynamics of the political and development environment.

## **F. MANAGEMENT CONCERNS**

**Staffing is a major concern**

The USAID/Togo program has grown dramatically in recent years. Program development has increased apace as two major new projects were added within 14 months. The Mission has also taken on many new activities in democracy and governance. Yet the number of USDH staff has remained constant at four for the last decade. The mission is responding by increasing the number of its technical and support Foreign National and U.S. PSC staff. As an AID Representative Office and Schedule B Mission, USAID/Togo will continue to depend heavily on REDSO support for a wide variety of functions.

## **G. PROGRAM MONITORING AND EVALUATION**

USAID/Togo is committed to the effective monitoring and evaluation of its portfolio and to the assessment of program impact. It has already given considerable attention to the identification of program performance indicators for each of the three areas included in the strategy. Over the past two years the Mission has gained considerable experience with the collection and reporting of performance data in connection with its annual Annual Assessment of Performance (API). Those indicators for which it has not already identified existing time series data are being given special attention. The collection of information in these areas is being built into Mission programs and projects.

## CHAPTER I

### POLITICAL AND ECONOMIC SETTING

#### A. THE POLITICAL CONTEXT FOR DEVELOPMENT

**Togo's  
political  
climate  
changed  
dramatically**

Beginning in late 1990, the twenty-five year authoritarian regime of President Gnassingbe Eyadéma came under increasing pressure, culminating in the first half of 1991 in violent street riots and mass civil disobedience. In response, a National Conference was convened in July 1991. The Conference resulted in the formation of a one-year transitional government headed by the present Prime Minister, Mr. Joseph Kokou Koffigoh, elected by the conference delegates. The Prime Minister assumed most of the previous functions of the presidency. Multiparty parliamentary and presidential elections were initially scheduled for April and June of 1992. Continuing political violence, which included the assassination of prominent opposition leaders, contributed to delays which have extended the transition period through December 1992. Approval of a new constitution through a popular referendum in September 1992 provides a basis for cautious optimism. But other elections have been postponed, and it is highly uncertain whether they will be held before the end of 1992. This political instability has had a negative impact on productivity, government revenues and the climate for private sector investment. A successful outcome of the democratic transition is critical to Togo's short and medium term prospects for growth.

#### B. TOGO'S ECONOMIC ENVIRONMENT<sup>1</sup>

This section provides an overview of the structure of Togo's economy, a brief history of the phases of the economy's development since independence, and a summary of the current macroeconomic situation.

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<sup>1</sup> This section draws heavily on the macroeconomic analysis, Annex C, to which the reader should refer for a detailed description and analysis of Togo's economic environment and performance.

**Agriculture  
dominates  
Togo's  
economy**

## 1. The Structure of the Economy<sup>2</sup>

Agriculture is the dominant sector in Togo's economy. It accounts for a third of the nation's GDP and approximately 25% of its exports, excluding reexports. Seventy percent of the population is employed in agricultural production. Togo's major agricultural exports are cotton, cocoa, and coffee, commodities which have faced serious price fluctuations since independence. Cereals exports to neighboring countries, which were recently legalized, supplement agricultural trade.

The industrial sector as a whole accounts for about 20% of Togo's total domestic output. The sector is dominated by mining rather than manufacturing. More than 30% of the country's export earnings, excluding reexports, derive from the output of its phosphate mines. Togo is the world's fifth largest exporter of calcium phosphates. Mining provides roughly 4% of the jobs in the industrial sector (less than 1% of the total labor force), and accounts for 5% of GDP. Togo's manufacturing subsector, which employs only 5% of the total labor force, includes food processing industries as well as the manufacture of consumer goods, construction material, and capital goods, largely for domestic consumption. Overall output from the manufacturing subsector accounts for less than 10% of GDP. The rest of the industrial sector, including construction and energy, account for approximately 5% of GDP.

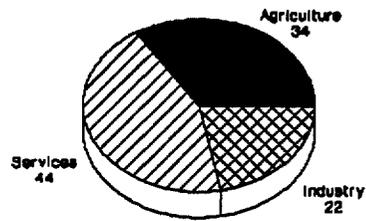
The services sector accounts for almost half of GDP and employs roughly 25% of the nation's labor force. Togo's location on the coast and its excellent harbor facilities have facilitated the country's evolution as the center of West Africa's transit trade. Over the years, transshipment has become an important aspect of the overall economy. Transshipments represent 58% of Togo's total exports, when reexports are included. Also included in this sector are the many small service and commercial establishments which meet the needs of Togo's urban population and support agricultural production and the large percentage of citizens living in the rural areas. To round out the picture, non-traditional exports account for about 45% of total exports.

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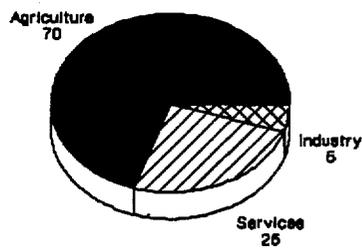
<sup>2</sup> Figure 1-1 illustrates sectoral allocation of GDP, composition of labor force, and the structure of exports.

Figure 1-1 Selected Economic Indicators (1990)

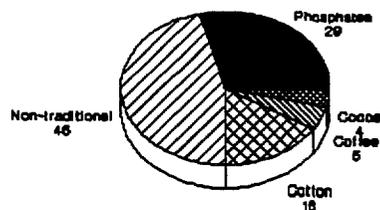
### GDP Sectoral Shares



### Labor Force Sectoral Distribution



### Structure of Exports (Formal Sector)



**Strides  
have been  
made to  
privatize**

**Government  
involvement  
still important**

As of mid-1992, the Government of Togo owned and operated 50 parastatal enterprises. At that time, 24 public sector enterprises had already been privatized, and another 24 publicly-held enterprises were targeted for privatization; a final 26 key enterprises will remain in the hands of the State. Rough estimates of the contribution of parastatals to GDP include 100% of the official exports of coffee, cocoa and other cash crops and 50% of the food processing sector. In the industrial sector, the GOT has a monopoly on the mining and export of phosphates, cement production, cotton processing, the printing industry and handicrafts. Energy and water are also government controlled, and the GOT is involved in communications and the management of key elements of Togo's infrastructure, including the port, airport and major roads. On the commercial side, the government operates a number of hotels and has, until recently, maintained a monopoly position with respect to the importation and distribution of pharmaceuticals.

The presence of government parastatals, particularly government monopolies, limits the range of economic activity available to the private sector. Togo has a moderately well developed private business sector. Roughly 520 registered enterprises, most of which are located in Lome, operate in the commercial and services sectors. In addition, there is a large and growing informal sector engaged in private business. The majority of these firms are small, employing fewer than five people. Employment in informal enterprises has reportedly doubled over the past ten years, while formal sector employment dropped by half.

## **2. Stages of Economic Growth**

Togo's economic development can be separated into three sub-periods: 1965-1972, 1973-1982, and 1983 to the present.

The first of these periods was characterized by the pursuit of prudent fiscal and monetary policies within a relatively stable external environment. In the first fifteen years following independence in 1960, Togo's GDP grew by 7.2% annually, a rate of growth which ranked among the highest in Sub-Saharan Africa. This performance was based on rapidly growing mining and agricultural sectors which generated surpluses for investments, and on a liberal economic policy that made possible the productive use of foreign factors, mostly labor and capital. Per capita income increased 4% annually until the mid-70s, outpacing an annual population growth of 3.1%. This impressive record was achieved in a mixed economic system, in which the public sector played a leading role in key areas while encouraging private initiative, especially in commerce and industry.

**Economic surpluses were squandered on misguided industrialization**

The second period, which began with the oil shock of 1973, also saw the quadrupling of phosphate prices in late 1974 and a coffee and cocoa boom in 1976-1977. The surplus generated was invested in an ambitious development strategy aimed at rapid industrialization and modernization of the economy. The chief features of this strategy were a rapid expansion of public sector investment and the creation of a wide variety of parastatals in the industrial sector. When commodity prices declined in 1979, the Togolese economy emerged extremely weakened. Real output fell sharply, and the debt service ratio rose to more than 80% of GDP. Adverse changes in the terms of trade led to a severe balance of payments crisis.

The government's policy response to the external shocks of the commodity boom and oil price hikes of the 1970s was inefficient and contributed to the weakening of the economy. It involved a significant increase in public investment in large projects with high unit costs, long gestation lags, and low foreign exchange earning potential. When the commodity boom came to an end, the government continued its inefficient investment program, borrowing heavily on international capital markets at high real interest rates. Its low return on investment, coupled with the subsequent sharp rise in world real interest rates, led to a rapid deterioration of Togo's internal and external economic situation in the early 1980s.

**Strong performance under structural adjustment in the 1980s**

In the third period, beginning in 1983, the GOT launched a stabilization and structural adjustment program with the support of the World Bank and the IMF. This program aimed at ending two consecutive years of recession and laying the foundation for sustainable long term economic development. The pursuit of the dual goals of stabilization and structural adjustment required government actions at two levels. At the macroeconomic level, the GOT implemented a set of restrictive fiscal and monetary policies designed to cut domestic consumption. At the sectoral level, it undertook a series of policy reforms to correct distortions in the system of economic incentives, liberalize prices, and shift resources from the public into the private sector. This adjustment program, which continues today, led to an improvement in the macroeconomic environment and strong economic growth in 1988 and 1989. Togo's performance under structural adjustment in the 1980s is widely recognized as one of the best in Africa.

### 3. Current Macroeconomic Situation

**Present  
economic  
situation  
is fragile**

In recent years progress has faltered and the Togolese economy has been characterized by declining trends of real GDP growth. In 1990, the growth rate of GDP fell to 0.6% from 3.8% in 1989 and 6.2% in 1988, as suggested by Figures 1-2. The economy weakened further in 1991 with GDP showing no real growth. Drops in prices for Togo's main exports and uncertainties in Togo's political situation help account for the recent declines. Over the medium term, Togo is likely to remain heavily dependent on foreign savings, especially grants and soft loans, to finance total government expenditures. At the same time, restrictive fiscal and monetary policies, with tight controls on current expenditures, and high interest rates, will, of necessity, continue to characterize Togo's macroeconomic environment.

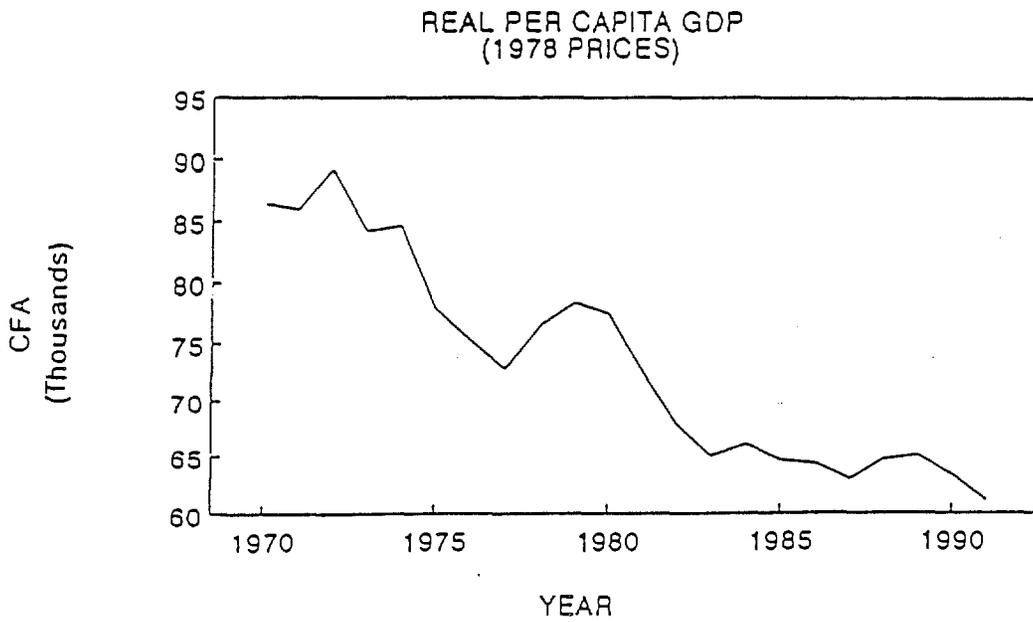
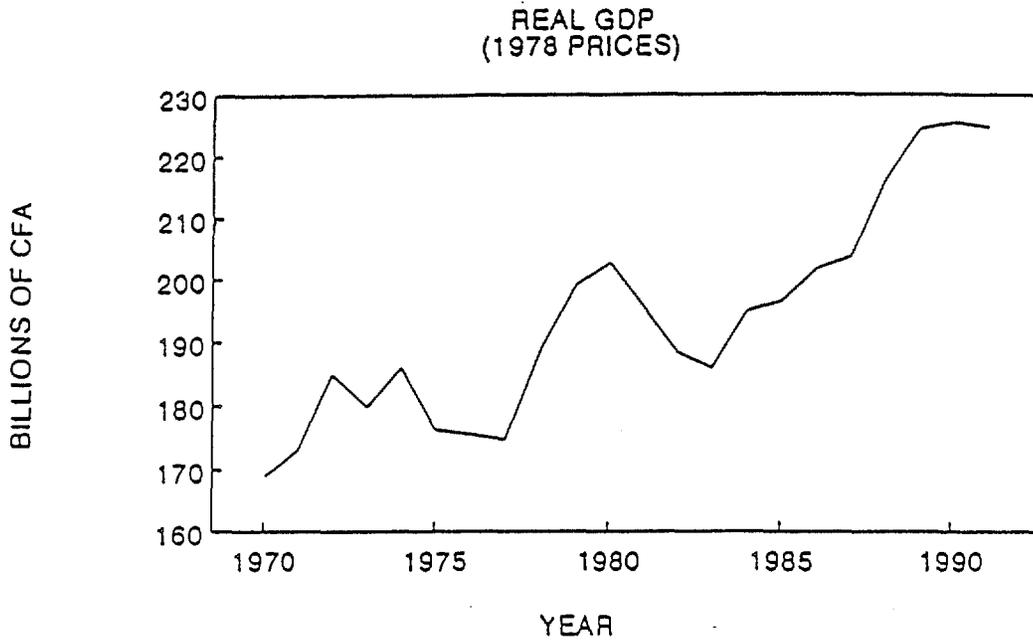
**Current  
structural  
adjustment  
strategy**

Under the current macroeconomic framework agreed upon with the World Bank and the IMF for the 1992-1994 period, the government of Togo has adopted a new strategy to reduce macroeconomic imbalances and promote long term growth. Under this strategy, the government will seek to accelerate GDP growth to more than 4%, maintain an inflation rate of 3% or less, reduce the external current account deficit to less than 8% of GDP from 1995 onwards, and reduce disparities between rural and urban areas by increasing rural incomes.

Achievement of these objectives will require continued donor support as well as the government's commitment to the pursuit of prudent fiscal and monetary policies; public expenditures which enhance growth prospects, promote the development of human resources, and satisfy the needs of the most vulnerable groups; and a commitment to increase the efficiency of the public sector.

Figure 1 - 2

Growth in Real GDP  
(1970-1991)



## CHAPTER II

### ANALYSIS OF KEY CONSTRAINTS AND OPPORTUNITIES

The experience of the 1970s and 1980s suggests that the achievement of self-sustained economic development in Togo will depend largely on the policy decisions of the government. It must capitalize on Togo's comparative advantages while addressing the constraints that weaken the nation's growth potential.

#### A. TOGO'S COMPARATIVE ADVANTAGES

##### **Important basic resources**

Large amounts of uncultivated arable land; a variety of mineral resources including phosphates as well as copper and uranium; and coastal access are among the basic resources that characterize Togo's resource base.

##### **Good primary infrastructure**

Lome's infrastructure is one of the best in West Africa. Its port is one of the largest and most efficient in the region. Port operations, which were disrupted by the onset of the political transition have been restabilized. Electricity, water, and telecommunications services are reliable, albeit expensive. Lome also serves as the West African hub for major continental airlines.

##### **A receptive business climate**

Togo's recent return to prudent fiscal and monetary policies in the 1980s and its recent privatization efforts created a more hospitable environment for private investment. Low inflation rates have been maintained. Togo's investment code offers appropriate safeguards and guarantees to business. The productivity of labor is relatively high, and wages, while higher this year than last, remain competitive with other countries in the region.

##### **Progressive trade policies**

Successive stages of Togo's economic reform program have yielded important reductions in tariff levels, and requirements for import and export licenses have been eliminated. Customs procedures are less cumbersome than in many developing countries.

## **B. CONSTRAINTS TO ECONOMIC GROWTH**

### **1. Fundamental Long-term Constraints**

Togo faces a series of fundamental constraints related to the structure of its economy, its rapid population growth rate, and the level of investment in its human resource base.

**Small  
domestic  
market**

Togo's population of about 3.6 million people and its GNP per capita level of roughly \$390 translates into a weak domestic effective demand which, in turn, acts as a major impediment to large scale investment, especially in the manufacturing sector.

**Low  
agricultural  
productivity**

Togo's agriculture is characterized by stagnant yields due in part to the slow introduction of new technology and also to soil erosion and deforestation. Inappropriate government policies include the GOT's continued monopolistic involvement in the seed and fertilizer industries, and its control over the marketing of outputs.

**Inadequate  
investment  
in human  
resources**

Education in Togo has been in a steady decline since the mid-1970s and the system is currently characterized by inefficiencies. The illiteracy rate is over 60% -- one of the worst in Africa. Primary school enrollment is at 62 percent; students often repeat grades, and secondary school is accessible to less than 25% of school age children. Poor health status, combined with inadequate education, constrains the productivity of labor.

**Rapid  
population  
growth**

Rapid population growth, which results in spiraling strains on all social services, compounds Togo's other problems. Rapid population growth has a negative impact at the family level on per capita income. This effect is particularly devastating when a country's economic growth rate is running well below its rate of population expansion, as has been the case in Togo for a number of years.

### **2. Internal Constraints**

Internal constraints are constraints that could be eased over the near term.

**Low  
savings  
levels**

Low levels of savings constrain Togo's economic development by limiting investment. Savings levels are low due to falling real incomes and to the lack of adequate incentives to increase savings. Togo's system of financial institutions has too few facilities, such as savings banks, participating in efforts to mobilize domestic capital resources, especially in the rural areas.

**Rising  
production  
costs**

Recent GOT policy decisions have resulted in increases in a range of production costs, including the nominal interest rate, and the price of electricity and wages. In addition, the GOT, a major user of electricity, does not pay for this service. Rising input prices have led to reductions in output levels, employment, and overall economic activity.

**Weak  
economic  
management**

Although Togo has achieved some success in the implementation of policy reforms aimed at reducing macroeconomic imbalances, inadequacies in domestic policies, particularly economic management, continue to block progress toward an improved macroeconomic environment.

**Costs of  
instability**

Labor strikes, demonstrations and border closings which have come to characterize Togo's political transition, negatively impact on economic productivity in the short term. Instability has been estimated to cost up to 60% of revenues for transporters and informal traders, and 30% of business for industry because of delays and strikes associated with the political situation. Work stoppages also exacerbate Togo's fiscal imbalances.

**3. External Constraints**

Fluctuating world prices for Togo's major exports and an overvalued exchange rate are the major external constraints, but are largely beyond the control of the government.

**Narrow,  
vulnerable  
export base**

Togo is dependent on the export of a few primary products that are sensitive to any fluctuation in world prices. This dependence on world demand is beyond Togo's control and has imposed "stop and movements on the economy.

**Overvalued  
exchange  
rate**

The CFA franc is pegged to the French franc, and cannot be unilaterally devalued. While misaligned, Togo's exchange rate is less overvalued (10-20%) compared to that of other countries that make up the West African Monetary Union (WAMU), including the Cote d'Ivoire and Senegal (40-50%).

**C. CONSTRAINTS AND OPPORTUNITIES IN THE HEALTH AND POPULATION SECTOR**

Togo faces a formidable task in trying to raise its health and nutrition status. Nevertheless, Togo's Ministry of Health and Population (MOHP) is committed to the policy reforms and structural improvements that are required for progress.

## 1. Constraints

### Low health and nutrition levels

Infant mortality is high, estimated at between 80 and 130 per 1,000 live births. Chronic malnutrition is reported to be high, particularly in rural areas. Malaria, infectious diseases and diarrhea continue to be major killers. The emergence of AIDS in the adult population further complicates Togo's health situation.

### Health service gap

Togo's high population growth rate of 3.1% and birth rate of 45 per thousand, as well as the young average age of its population, increasingly strains the capacity of the country's public health service. The growing "health service gap" cannot yet be filled by the private sector, since until very recently, the practice of private medicine has been limited to Lome, and serves only the better off segments of the population.

### Dependence on donor financing

Since independence, it has been Togo's policy to provide free health care to all who need it. The GOT's ability to finance national health care has never matched the level of this promise, and over the years, the MOHP has grown ever more dependent on donor resources.

### Poor health management

Inadequate information, redundant management systems and wasted resources all characterize the inefficiencies that make Togo's health care system less effective than it might be, even with its limited resources.

### Lack of motivation

The basic technical training of health personnel is outdated and does not cover many of the priority programs of the Ministry. Public sector personnel are ill paid and their performance is limited by lack of incentives, supplies and adequate supervision.

## 2. Opportunities

Long term improvements in the health sector are possible. Both the political will and the experience base required to achieve progress are present in Togo.

The MOHP has recently modified and updated many of its policies and program objectives, introduced cost-recovery, encouraged the competitive procurement and use of generic drugs, and encouraged private medical practice. The Mission also has an excellent base of experience and knowledge in the health and population sector. It has the contacts and credibility with the GOT that are required for success.

## **D. CONSTRAINTS AND OPPORTUNITIES FOR PRIVATE SECTOR DEVELOPMENT AND THE PROMOTION OF NON-TRADITIONAL EXPORTS**

While Togo's comparative advantages make it a natural site for business expansion, the business community views many GOT policy choices as inhibiting progress.

### **1. Constraints**

#### **Policy constraints**

As USAID/Togo's 1992 private sector survey indicates, both formal and informal private firms view Togo's business environment as being less hospitable than is desirable. Togo's complex tax system and its relatively high corporate taxes are strong disincentives to both formal and informal sector firms. Informal firms, many of which actually pay taxes, report that, as applied to them, Togo's tax system is highly unpredictable and arbitrary. Difficulties in obtaining clear title to property and an inadequately developed legal system exacerbate problems of contract enforcement. Complex corporate registration procedures involve multiple steps and assume literacy on the part of those registering. Formal sector labor laws require firms to deal with a National Labor Board on matters of wage levels as well as the hiring and firing of individual employees.

#### **Incomplete trade arrangements**

Business people believe the government's incomplete participation in regional trade arrangements hinders their ability to fully exploit Togo's geographical trade advantages. Togo is a founding member of ECOWAS (Economic Community of West African States) and is merely an observer to CEAO (Communauté Economique de l'Afrique de l'Ouest). Togo's business community believes that the decision to join ECOWAS was based on political rather than economic considerations. While ECOWAS has a larger total market due to the presence of Nigeria and Ghana, this trade bloc has been less well developed than CEAO (which includes Benin, Burkina Faso, Cote d'Ivoire, Mali, Mauritania, Niger, and Senegal). As an observer, Togo's exports to neighboring CEAO countries face import duties ranging from 40-60%, compared with rates under 10% for members. This single factor has made many potential Togolese exports uncompetitive in their natural markets -- French-speaking neighbors under the same currency regime.

**Potential  
markets**

## **2. Opportunities**

In spite of serious government intent to promote exports, changes in policies and administrative procedures have been largely insufficient. Donor program proliferation has not helped. One element which does seem to work is the Export Processing Zone. Liberalized EPZ regulations offer Togo a laboratory for developing non-traditional exports. The opening of zone operations in 1990 gives an impetus to the private sector for export diversification.

Togo's location places it in an excellent position to take advantage of growing consumer demand in neighboring countries. Nigeria, the largest market in the region, already looks to Togo for cereals and as a transshipment point for products from Europe and other developed country markets. Economic growth in Ghana and Benin also creates opportunities for firms that export from Togo.

## **E. CONSTRAINTS AND OPPORTUNITIES FOR DEMOCRATIC POLITICAL CHANGE**

Togo is now at a critical juncture in its democratic transition. There are impediments to progress, but a strong desire by the Togolese population exists to push the process forward.

### **1. Constraints**

Togo's political transformation is moving more slowly than once anticipated, plagued by: repeated technical delays, periodic violence and continued military interference.

Each step toward democratic elections at the national level has taken longer than initially expected. Political negotiations among rival multiple parties delayed agreement on a new constitution for several months. Technical problems, such as the distribution of voter registration cards and establishment of the voter lists also impede democratic progress.

Delays in the pace of political reform in Togo have been exacerbated by periods of violence. Some are random. Others, such as the assassination of opposition leaders, are quite deliberate. Involvement of the military in the political landscape also complicates the situation, and serves to intimidate voters and candidates alike.

Taking advantage of delays in the democratic transformation process, President Eyadema has recently reclaimed some powers that had, it appeared, been successfully transferred to the transition

government. This reclamation of presidential powers does not bode well for the transition process, or increase the likelihood that national elections, when held, will be "open and transparent."

## **2. Opportunities**

Despite the slow pace of progress, Togolese citizens continue to look forward to the emergence of popular democratic rule. Inspired by the democratic example of neighboring Benin, and progress in other African countries, the Togolese people appear to be determined to move toward, rather than retreat from, their democratic transition.

### **Popular desire for democratic transition**

The United States, Germany and the EEC have made their strong support for a democratic transition well known to both President Eyedema and the transition government. Assistance from these sources depends upon progress with the political transformation.

## CHAPTER III

### GOVERNMENT OF TOGO AND OTHER DONOR EXPERIENCE

#### A. OVERVIEW OF DONOR SUPPORT AND INTERACTION

#### Aid Levels

As a low income developing country, Togo is a major recipient of Development Assistance (ODA). Total ODA, which increased from \$163.2 million in 1989 to \$203.5 million in 1990, accounts for about 46% of Togo's GDP. The major providers of this aid are the governments of France, Germany, and the United States, and multilateral agencies such as the World Bank, the IMF, the African Development Bank (ADB) and the European Economic Community (EEC). As Table 3.1 indicates, their assistance covers all sectors of economic activity, including work in agriculture and rural development, health, population, human resources, and economic management. Donor activity in support of democratic initiatives and private sector development is expected to increase significantly over the next several years. This recognizes the private sector's role as an engine of economic growth, and the importance of support to the country's evolution towards a stable democratic political process.

The Government of Togo's capability to coordinate and track donor assistance is very weak. Both the UN Development Program (UNDP) and Gesellschaft fur Technische Zusammenarbeit (GTZ) have recently initiated special programs to assist the Ministry of Plan to improve procedures for coordinating and tracking donor assistance. While UNDP assumes nominal responsibility for coordination among the donor agencies themselves, much of the donor interaction takes place on an *ad hoc* basis. In cases of special interest, such as support for the democratic transition, interagency working groups are sometimes established. Fortunately, because of Lome's small size and the high level of interaction among the representatives of donor agencies, cooperation among the donors is excellent.

Table 3.1  
Donor Program Matrix

DONORS	1990 DISBURSEMENT (\$000)	MAJOR SECTORS													
		HEALTH/POPULATION	RURAL DEVELOPMENT	NATURAL RESOURCES	HUMAN RESOURCES	INFRASTRUCTURE	PRIVATE SECTOR	PLAN/FINANCE	AGRICULTURE	ENVIRONMENT	DEMOCRACY	TRANSPORTATION	INDUSTRY	ENERGY	TRADE
EC	27,476					X			X		X	X			X
IBRD	42,761	X	X		X	X	X	X	X					X	X
IMF	20,500						X								
UNDP & UNIDO	6,857		X		X		X	X		X					
CANADA	1,690				X										
DENMARK	1,154			X											
FRANCE	43,928		X		X		X	X		X		X			
GERMANY	22,378	X	X		X		X	X	X	X			X		
JAPAN	4,600														
USA	5,435	X	X		X		X		X		X				X

Source: Based on UNDP Report: CO-OPERATION POUR LE DEVELOPPEMENT, TOGO, 1990.

## B. DONOR SUPPORT FOR HEALTH AND POPULATION

### Health and Population framework

The Government of Togo and the donor community share a commitment to improve health status and promote family planning. The development of a common framework for health and population work in Togo began with the development of a World Bank sector adjustment program and benefitted from technical assistance from all major donors. A 1990 Health Sector Analysis supported by USAID/Togo identified many of the impediments to progress which the GOT and the donor community are now working to eliminate.

### A.I.D. is the major bilateral donor

In the fields of health and population, the World Bank, USAID and the ADB are the major donors. Overall donor support for health and population in 1989 was about \$18.4 million, a figure roughly equal to 95% of the total value of government budget allocations for health. A similar ratio of donor to government support to health continued in 1990 when donor support for the total government health budget reached \$21.5 million. Indications for 1991 and 1992 suggest that this ratio of donor to government support has remained roughly the same.

### Health sector reform

The World Bank's 1991 Health and Population Sector Adjustment Program, financed through a \$14.2 million IDA loan, was the first donor program to address needed reforms in the sector. A complementary \$17 million loan from the ADB is helping Togo's Ministry of Health and Population to improve its drug procurement and distribution system. On a bilateral basis, GTZ, the German technical cooperation agency, and the French Fonds d'Aide et de Cooperation (FAC) are supporting innovative cost recovery pilot projects and government efforts to decentralize. Togo also receives assistance from the United Nations, through the World Health Organization (WHO), which is providing \$1.38 million over two years to support the training of medical professionals and for some ongoing disease control programs. In addition, UNICEF collaborates closely with the MOHP, providing supplies and

#### A FIRST POPULAR STEP TO DEMOCRACY

On September 27, 1992, the citizens of Togo voted in the first of five long awaited and oft-postponed elections leading up to the popular election of the President. Citizens gave a massive "oui" to a new constitution. A yes vote was sought by all major constituencies, so it was not a true test of a contested election. Technical problems with registration and logistics hampered operations. Nonetheless, the new constitution installs an open electoral process for the first time in 25 years and gives heart to Togolese democrats.

support for training as well as assistance with the development of record keeping and cost recovery procedures.

### **C. DONOR SUPPORT FOR PRIVATE SECTOR DEVELOPMENT**

**Improved  
macroeconomic  
climate**

The structural adjustment program initiated 1983 has set the stage for specific efforts by the GOT and the donor community to foster the development of Togo's private sector. Current donor efforts to support the development of Togo's private sector are concentrated in three areas: credit/financial system development; support for enterprise development, including entrepreneurship and business training; and support for Togo's EPZ. In the area of credit/financial system development, the World Bank currently provides lines of credit to local commercial banks valued at \$18 million.

On a bilateral basis, both the French and German governments support business development, particularly the development of small and micro-enterprises. The UNDP and UNIDO fund an enterprise development program through the Chamber of Commerce. Donor support for Togo's EPZ is currently provided by UNIDO, under a 30-month, \$2 million UNDP-financed project, which pays for local staff as well as two long-term technical advisors. An internal project evaluation undertaken by the UNDP in March 1992 identified the GOT's failure to provide staff and funding at anticipated levels, and the projects lack of clear performance expectations and indicators as problems. UNIDO currently plans to terminate its assistance to the EPZ in 1993.

### **D. DONOR SUPPORT FOR DEMOCRATIC INITIATIVES**

**Multi-  
donor  
support  
for democracy**

In 1992, France, through FAC, has pledged \$800,000 for election materials, observers and technical assistance. The EEC has allocated approximately 1 million Ecus for materials and operating expenses for elections. An additional 500,000 Ecus has been requested for election observers from the European Parliament. The Government of Germany also supports Togo's democratic evolution. Since December 1991, German aid has been channeled through the Hanns Seidel Foundation to support the democratic process. The United Nations funds a \$200,000 technical assistance program administered by the UNDP and will provide another \$200,000 for election observer support and coordination.

## CHAPTER IV

### LESSONS LEARNED

#### **Three decades of experience**

USAID/Togo's resource levels remained fairly steady through the 1980s, and then more than doubled from \$4 million to \$9 million in FY 91. Today, with an OYB of \$10 million, USAID is the third largest bilateral donor to Togo. USAID/Togo has been involved in a wide range of sectors over the last three decades including health and population, agriculture and rural development, private sector development, training for human resource development, and most recently support for participatory democracy.

Health and population has been one of USAID/Togo's principal sectors throughout. It is in this area that the Mission has the deepest experience and the most successful track record and can capitalize on its lessons learned. The Mission's experience with the private sector is much more recent, and includes its early involvement in the development of Togo's Export Processing Zone (EPZ) and its success in developing a robust national credit union movement (FUCEC). USAID's experience with democratic initiatives is newer, and was developed in an *ad hoc* fashion without benefitting from an extensive needs or constraints analysis. It is founded on USAID's success in training and its support for human rights, both of which predated and contributed to the current political changes.

#### **Across the board training success**

USAID/Togo has had considerable success with graduate training programs in the U.S., and regional and local training over the years. HRDA and ATLAS are extremely valuable and flexible resources which complement the Mission program.

In contrast, the Mission has had less success with its many activities in agriculture and rural development. These range from the promotion of animal traction; the development of rural enterprises, and the organization of agricultural producer associations to policy reform for the liberalization of cereal exports. Mixed results in these areas are due to the complexity of the problems in the sector, policy constraints, and the fact that USAID/Togo's efforts have been so widely scattered.

## A. HEALTH AND POPULATION

In the health sector, lessons learned have come from both the Togolese experience and the experience of USAID-supported projects.

### 1. The Togolese Experience

**Togo's new health policy gives the private sector an expanded role**

Historically, Togo's health policy was based on the assumption that the government would deliver all required health services, as well as drugs, free of charge to all who needed them. However, the GOT has never been able to mobilize the financial or human resources needed to successfully address all of Togo's health care requirements. Resource constraints have led the government to rely increasingly on donor support. Recently, the GOT has recognized and accepted the fact that an alternate policy, involving a partnership between the government and the private sector, is more likely to succeed.

**A strategic framework is an essential element of a successful health program**

The GOT now understands the need for a national strategic health and population framework. In the past, programs suffered from a lack of clear objectives and performance feedback. The absence of effective coordination led to duplication of effort and a waste of resources. The GOT has responded to this lesson by adopting and applying a new national health and population policy.

#### LOCAL RESOURCES MOBILIZED FOR HEALTH FACILITIES

Koffi Amouzou is in charge of the Government dispensary in Anyronkope. He has just purchased five liters of kerosene at the gas station down the road to keep his refrigerator running. Last year at this time, his refrigerator was out of kerosene for two weeks, destroying the dispensary's stock of heat-sensitive vaccines. **What's new?** Anyronkope was selected as a pilot site for testing a new cost recovery system in which non-brand name drugs are obtained at very low cost, and then sold to public sector clients at much cheaper prices than the drugs currently available in Togo. Some of the revenue can be retained at the dispensary level to meet immediate needs. The extension of this system throughout the country with USAID support will put funds in the hands of local officials to address community health problems.

The GOT has also learned that an integrated approach to service delivery is more efficient and effective than a vertical approach. One of its most pressing administrative problems is the lack of integration of program activities. This is particularly true where external donors create programs to meet their own requirements. Both the donor community in Togo and the Government now recognize the need to integrate vertical programs, and to establish the necessary planning and management capability to do so successfully.

Even with substantial donor support, the resources available to finance minimal levels of primary health care throughout Togo are insufficient. Households spend about 5% of their income for health care, mostly in payments for high-priced brand-name drugs. The MOHP is seeking ways to make that money go further--through providing generic drugs and brand name drugs at competitive prices, and expanding private provision of health services.

## **2. USAID Experiences**

The Togo Rural Water Supply and Sanitation project worked through Government structures. Despite initial difficulties, the evaluation team found positive gains for long-term sustainability and consensus building. Similarly, the Combatting Childhood Communicable Disease Project (CCCD) was located in the MOHP's Division of Epidemiology. Even though one of the components of the project, oral rehydration therapy, did not fall under the direct responsibility of this Division. The overall advantage of integrating into an existing structure outweighed the inconvenience of not having all project activities under the control of one director. In contrast, the Health Sector Support for Child Survival (HSSCS) Project has suffered from the fact that, as a new entity, it was never totally integrated into the Ministry's structure. After the mid-term evaluation, this situation was improved by attaching the project's planning unit to the Minister's office.

**Build on and use existing institutional structures**

**Strong supervision is essential**

Evaluations of both of USAID/Togo's direct service delivery support projects, CCCD and the Family Health Initiatives II (FHI II), identified lack of supervision as an area for improvement. This finding, coupled with a recognized need for decentralization and integration, has led USAID/Togo to propose to support a comprehensive, integrated supervisory system at the prefecture level, headed by the chief medical officer.

**Health MIS  
improves  
coordination**

The evaluation of the CCCD and other projects also found in spite of significant progress in certain technical areas, information needs were often overlooked. Projects collected data, but they were analyzed or put to use in decision-making. The Togo Child Survival Project (TCSP) creates an integrated management information system by combining elements of health statistics, personnel, logistics, and financial information together in one place for planning and management.

**Policy reform  
is essential**

The Health Sector Analysis (Annex H) and project evaluations have highlighted the fact that the technical assistance and financial support provided is essential by AID projects must be accompanied by policy reform to address key constraints to progress in the sector. For example, before affordable drugs can be made available to the Togolese population on a widespread basis, TogoPharma's monopoly on drug importation and distribution must be broken.

## **B. PRIVATE SECTOR DEVELOPMENT**

**The business  
community is  
pessimistic**

While USAID/Togo has been involved in private sector development, that involvement has been *ad hoc*. Mission efforts have included its development of a system of credit unions; its support for training in business skills, and its early support for the development of Togo's EPZ, all of which have made positive contributions. Yet until recently, neither USAID/Togo nor the GOT understood the composition of Togo's private sector or the constraints to its development. In 1992 USAID commissioned several analytic studies, as noted above, including a private sector survey which produced a Manual for Action in the Private Sector (MAPS). Key findings indicate that despite steps taken by the GOT to improve macroeconomic policies, the business community is pessimistic about Togo's economy. Nearly nine out of ten reported that the business climate is either worse or no better than it was three years ago.

**Interest in  
exports  
remains high**

At the same time, exporting is perceived by firms in Togo's business community as being an attractive business strategy. Roughly 35% of formal sector firms, and 15% of informal sector firms are either exporting today or intend to begin exporting in the near future. Most firms interviewed were aware of Togo's EPZ legislation and the benefits it offers to exporters. What is more, a detailed examination of the status of Togo's EPZ, carried out for USAID/Togo late in 1992 suggests that Togo's unstable political situation is not a significant deterrent to investment by EPZ firms.

The MAPS study and EPZ assessment confirm that businesses in Togo face a daunting array of obstacles ranging from inappropriate government policies to a deteriorating business climate. These findings, and USAID's experience to date, indicate that the Mission's greatest chance for success in supporting private sector development lies in working in a setting such as the EPZ where many of the key policy constraints have been addressed.

### **C. DEMOCRATIC INITIATIVES**

The U.S. Government is committed to assisting the Togolese transition to a participatory democracy. Through an Interagency Working Group on Democracy and Governance, USAID/Togo's involvement has focused on leadership and constituency development and, more recently, on preparations for national elections. USAID/Togo's experience to date with democratic initiatives has led to three important conclusions regarding assistance in this area.

**U.S. support for democracy is appreciated**

**But its management is labor intensive**

Support from the U.S. Government through grants, training and high level visits is visible and tangible proof of America's support for and commitment to Togolese democracy. It is appreciated among Togolese leaders and the public. By supporting a number of small is appreciated activities and broader institutions, USAID/Togo's effort is perceived as being even-handed and not controlling. At the same time, the Mission notes that its program is not geared to flexible, fast response. Each new program and each new inter-agency grant, no matter how small, has its own set of administrative requirements which are severely labor-intensive and disruptive.

**Donor coordination is essential**

To avoid overlap and duplication, the donors have worked well together, sharing proposals and experience with each other. Working together in this new area has had a positive spill-over to relations with donors on other topics.

### **D. AGRICULTURE AND RURAL DEVELOPMENT**

**Statist views dominate policy and inhibit growth in the agricultural sector**

Both A.I.D. and other donors have worked in the agriculture sector in Togo over the years, but without great success. The GOT, as reported in the recent USAID/Togo agribusiness assessment, Annex F, over-regulates all aspects of agriculture, and as a result, agriculture is one of the least profitable economic activities in Togo. The chances of policy reforms occurring in the near future are not good. USAID/Togo's experience with efforts to liberalize cereal exports under its AEPRP Project, as well as its on-going work with

the Ministry of Rural Development, confirm that statist attitudes continue to dominate in this sector.

USAID/Togo has experience in past projects which dealt with a variety of topics including inputs supply and use, appropriate technology development, extension, training, cooperative development, credit, off-season employment and policy reform. The results of this experience are mixed.

**Cradle-to-grave assistance is expensive and unsustainable**

The CARE component of the Togo Rural Institutions and Private Sector (TRIPS) project includes nearly all of the production support activities listed above. A mid-term evaluation was very critical of all activities except training. It found that cheap credit, producer group formation, extension, the provision of inputs and marketing assistance were very expensive and not sustainable. As a result, this component of TRIPS has been radically refocussed and will terminate in September 1993. Similar findings were reported for the Mission's lengthy effort to promote the use of animal traction, and, accordingly, funding for this latter activity has ceased.

**USAID's support will foster credit union self-sufficiency**

USAID/Togo's work on credit union development has been very successful. The numbers of credit unions and savings have skyrocketed in the past three years. Though outstanding loans are high, the portfolio does not include significant agriculturally-related productive loans which pose too high a risk and promise too little return. USAID/Togo's continued involvement with this effort is designed to put the FUCEC operation on a self-sustaining basis.

#### LOANS STIMULATE BUSINESS GROWTH

Three years ago, Adanlete Kossitwa joined a credit union under FUCEC. "Before I joined a COOPEC (credit union), it was impossible for me to save any money or get a business loan. A good deal would come on the market, but I couldn't buy into it. My business was small and provided only a meager income."

Today Adanlete is a successful retailer of general goods from her small shop in Lome. "My first loan was small, but, thanks to God, I was able to make a good profit." She recalls that "my first deposit was only 5,000 CFA (\$20). Today I have 560,000 CFA (\$2,240) in savings and am successfully paying back a 791,709 CFA (\$3,164) loan."

Would she recommend others to join a credit union? "The COOPEC is for me my second family and I can assure you that its time the whole world understands the reasons behind COOPEC's especially my fellow retailers."

**Training projects facilitate achievement of USAID's objectives**

## **E. HUMAN RESOURCES AND TRAINING**

Training and Human Resource Development have been continuous elements of the USAID program in Togo. The Mission's African Training for Leadership and Advanced Skills (ATLAS) project and its predecessor have provided long term training at the Masters and PhD levels for more than 50 Togolese participants in areas such as health and family planning, business administration, agriculture, economics and management. The performance of the Togolese participants has been excellent and there has been a high rate of return to positions in the public and private sectors. The Mission's Human Resources Development Assistance (HRDA) project has focused on in-country and third country training in a broad range of areas. This training has been complemented by significant short and long term technical training through the Mission's bilateral projects. The Mission recently completed a major evaluation and review of its training program which has highlighted the following lessons learned and opportunities to increase its impact. The evaluation found that:

- Broad-gauged training programs provide flexible and valuable support for the achievement of USAID's program objectives;
- The impact of the training programs can be significantly enhanced by more cost effective utilization of training resources;
- Explicit training objectives, carefully defined participant selection criteria, and a well organized application and review process are key to maximizing the impact of training programs.

## CHAPTER V

### PROGRAM STRATEGY

#### Strategy for a brighter future

For the average citizen of Togo, prospects for the future seem diminished. Nearly one child in ten dies before its first birthday; a second dies before beginning primary school. Young people who do survive have fewer opportunities to earn even a modest income than did their parents before them. Togo's situation demands attention, not only to creating a chance for the children to survive, but also to developing new economic opportunities and creating conditions that will foster investment, create jobs and offer people a brighter future. USAID/Togo's development strategy recognizes these imperatives.

USAID/Togo's program strategy reflects its past experience; the comparative advantages of the United States development community in the broadest sense; and numerous analytic studies including:

#### Strong analytic foundation

- **Macroeconomic Analysis:** An analysis of Togo's economic situation, including its constraints and opportunities, prepared by Mission staff in May 1992 with assistance from AID/W and the Futures Group;
- **Health Sector Analysis:** An assessment of Togo's health sector, prepared with the assistance of University Research Corporation in June 1990.
- **Education Options Assessment:** A concept paper that examined education and human resources development in Togo, completed by the Chief of REDSO/WCA's Human Resources Development Division in February 1992;
- **Agriculture/Rural Development Project Evaluation:** A mid-term evaluation of USAID/Togo's experience with its TRIPS Project, which was completed by Winrock International in May 1991;
- **Private Sector Survey (MAPS):** An analysis of Togo's Private Sector and USAID strategy options, carried out by J.E. Austin Associates, Inc. and The Services Group from January to July 1992.

- **Agribusiness Opportunities Analysis:** An assessment of agribusiness in Togo carried out by Chemonics International in May-June, 1992 which defined constraints and opportunities in this subsector;
- **Togo EPZ Assessment:** An analysis of Togo's EPZ and recommendations for AID involvement, prepared by the Services Group in September 1992.

Studies carried out by other donors also added to the information base: the World Bank's review of the agricultural sector in Togo, completed in April 1991; its population and health sector adjustment program document signed in January 1991; and, UNIDO's May, 1992 review of UNIDO Projects in Togo, which included an assessment of its work with Togo's EPZ.

#### A. GOAL AND SUBGOALS

**Program Goal**

**BROAD-BASED, SUSTAINABLE,  
MARKET-ORIENTED ECONOMIC GROWTH**

**Togo's progress depends on economic growth**

Positive economic growth, at a rate which exceeds the rate of population growth, has characterized the Togolese economy in only two out of the last fifteen years. Togo's situation is not unique. It epitomizes the problems and opportunities facing many African countries. Africa's economic decline, particularly during the 1980s, underlies the U.S. commitment to a special economic development fund for this continent.

Broad-based, sustainable, market-oriented economic growth is the central objective of the Development Fund for Africa. USAID/Togo believes that this is the right goal for Africa and the right goal for the USAID program in Togo. For the past two years, the Mission has reported on Togo's economic performance in terms of this goal using reliable time series data. As one of the major bilateral donors to Togo, the United States should promote the country's long term economic growth.

Supporting the Mission's Program Goal are three distinct Subgoals which link planned program activities to the achievement of the overall Program Goal as is shown in Annex A Figure A-1. In its strategy the Mission has recognized that three of the keys to Togo's long term development are improvements in the human resource base, diversification of the economy through the promotion of nontraditional exports, and establishment of a stable democratic government.

**Program Subgoal 1**

**IMPROVED HUMAN RESOURCE BASE**

**Development depends on investments in people**

USAID/Togo's health and population strategy is linked to the Mission's Program Goal through a Subgoal that focuses on the development of Togo's human resources, as measured by improvements in adult life expectancy, female literacy, and other pertinent indicators. This subgoal highlights the "people-level" emphasis of the Mission's strategy. USAID/Togo's efforts to realize this subgoal include improving the health of the most vulnerable segments of Togo's population; reducing the population growth rate; and limiting the spread of the HIV virus. While advances made through improvements in health services and family planning assistance will go a long way toward improving Togo's human resource base, this Subgoal will not be fully realized unless Togo also addresses the literacy and related problems that stem from its inadequate educational system, as Figure A-1 indicates. Progress in this area will require policy reform, which will be addressed by a World Bank Education Sector Reform Program.

**Program Subgoal 2**

**TOGO'S NON-TRADITIONAL EXPORTS INCREASED**

USAID/Togo's second Program Subgoal focuses squarely on Togo's need to increase its rate of economic growth. In addressing

the problem of economic growth, USAID/Togo's analysis of the options led to the elimination of two avenues, which might, under somewhat different circumstances, have warranted attention.

Although agriculture has great potential for economic growth, USAID/Togo has concluded, as noted above, that this potential will not be realized until Togo reforms its government-dominated agricultural system. The GOT does not, at the present time, appear willing or able to do so. Secondly, given Togo's small population, neither manufacturing nor service industry expansion that focuses primarily on the Togolese market is likely to generate significant improvements in Togo's economic growth rate.

**An export-led strategy suits Togo's circumstances**

Having eliminated both agriculture and the growth of industries for the local market as strategy options, Togo's best prospects for stimulating economic growth in the near and medium-term lies in the expansion of its non-traditional export industries. Such an expansion builds on Togo's long term comparative advantages.

**Program Subgoal 3**

**STABLE DEMOCRATIC GOVERNMENT**

**Democracy lays a strong foundation**

The U.S. Government strongly supports Togo's transition to a democratic government as the soundest base on which to construct broad-based, sustainable economic growth. As noted above, national elections have been delayed several times, and there has been some erosion of the power of Togo's transition government in favor of Togo's long-term authoritarian leader, President Eyadema. Although a diminution of the power of the transition government is not a positive sign, the Mission expects that Togo will hold democratic elections at the national level within a reasonable period of time.

In its early days, democracy is often destabilizing and this is the case in Togo today. Investors are wary, monitoring reports of Togo's political transition. For economic reasons, it is therefore important for Togo to maintain the momentum generated by an open and transparent national election in the near future, moving to a stable democratic government over the next two decades.

## **B. HEALTH AND POPULATION**

### **1. Rationale**

While health and population are not the only aspects of Togo's human landscape that would benefit from reform and new investment, the Government of Togo has demonstrated an unusual readiness for change and a level of commitment to improvement in this sector. It is this readiness for change, combined with USAID/Togo's extensive health and population sector experience, that explains the Mission's decision to focus the major portion of its resources in this area.

### **2. Strategic Objective: Health and Population**

#### **Strategic Objective**

**IMPROVED MATERNAL AND CHILD HEALTH STATUS  
AND REDUCED FERTILITY ON A SUSTAINABLE BASIS**

#### **Health focus on women and children**

Recognizing the central role which the health status of women and children play in a nation's development, USAID/Togo's program strategy focuses on improving the health status of these two population segments. The Mission will also promote reductions in fertility which are closely linked to maternal and child health status, and address one of the most fundamental constraints to Togo's economic development--rapid population growth. The Mission's program will simultaneously improve the access of all segments of the population to health care, affordable drugs and contraceptives. USAID/Togo's strategy focuses on the financial self-sufficiency of Togo's public health care system, the expansion of private health care; and, the provision of essential drugs and contraceptives at more reasonable cost. Three targets in the health and population field support this strategy, as Figure A-1 indicates.

**Target 1**

**MORE PRIVATE SECTOR PROVIDERS OF  
HEALTH SERVICES**

**Private  
practitioners  
for rural areas**

Opening Togo's health care and family planning services system to full participation by private sector providers is a fundamental objective of USAID/Togo's health and population strategy. Reforms and incentives supported by the HAPSS program and TCSP project will enable private practitioners, including paramedical personnel, to supplement the public system, and encourage such providers to open practices outside of Lome. This is essential to improve the coverage and quality of health and family planning services in the country, and to promote the financial sustainability of the health system. Figure A-2, provides a detailed view of the subtargets that must be achieved if the number of private health care providers practicing in Togo is to increase significantly.

**Target 2**

**INCREASED AVAILABILITY OF CHEAP DRUGS**

**Affordability  
is vital**

This target recognizes the critical role played by the complementary "inputs" (other than health facilities and personnel) required for improving health and family planning services. USAID/Togo has put a priority on increasing the availability of affordable drugs and family planning supplies. In order to reach this target, the monopoly on the importation and distribution of drugs must be repealed by the GOT. Generic drugs will be produced competitively by the public sector and private firms will be encouraged to enter the pharmaceutical market as importers of competitively priced, brand-name drugs.

### Target 3

#### **INCREASED USE OF PUBLIC HEALTH/FAMILY PLANNING SUPPLIES AND SERVICES**

#### **Improved quality of care**

This target focuses on increasing the utilization of Togo's public health and family planning services. Its realization depends in part on the improved quality of care as well as the increased long-term financial viability of the public health system as Figure A-3 indicates. A strong public health service is essential for ensuring the widespread application of preventive health care measures, including AIDS control and the availability of medical and family planning supplies and services to the poor. The quality of service will be improved through better training of service delivery personnel, better supervision and their more equitable distribution. The keys to an improved revenue base include increased community financing of health care through cost recovery mechanisms; increased budget allocations by the GOT for health, and the improved management of MOHP operations.

USAID/Togo's strategy will be achieved through two parallel activities: a project and a program of sector assistance. Title II food distribution through CRS supplements USAID's child survival program.

#### ■ **Togo Child Survival and Population Project (693-0234)**

The Togo Child Survival and Population (TCSP) Project is a \$15.5 million, six year project, which ends on December 31, 1998. It aims to improve the efficiency and sustainability of the MOHP's service delivery system, especially for women and children. The project has four basic objectives which respond directly to constraints identified in the health sector analysis:

- Improve coordination, planning, budgeting, personnel management, and logistical support at MOHP central and prefectural levels
- Reinforce community participation in service delivery, and establish a functioning local cost recovery system in the public sector

- Integrate, improve, and expand MOHP service delivery programs at all levels; and
- Expand private sector health and family planning service delivery to under-served areas.

■ **Health and Population Sector Support Program (693-0237)**

The Health and Population Sector Support (HAPSS) Program is a \$19.0 million, six year program of non-project assistance, which ends on December 31, 1998. It will increase access to primary health care, essential drugs and contraceptives, through expanded private and more sustainable public services. The HAPSS policy reform agenda will accomplish four major objectives:

- an improved regulatory framework for health and family planning;
- ready availability of essential drugs, including contraceptives at reasonable cost from multiple sources;
- increased long term financial sustainability of public health services through the recovery of costs and increased annual recurrent budget allocations to health and population services; and
- expanded private practice in health outside Lome.

**3. Anticipated Program Impact**

As a result of its involvement in Togo's health and family planning sectors over the next six-year period, USAID/Togo anticipates that:

- Togo's health and family planning system will be characterized by a mix of public and private sector services, and cooperation between them.
- While not totally self-sufficient, Togo's public health and family planning programs will consistently be recovering a significant share of the cost of such programs.
- Medical, preventive health, and family planning services will be available to and routinely utilized by Togolese families, at all income levels.

- Essential drugs and contraceptives will be available at public facilities and pharmacies throughout the country, and will be affordably priced.

USAID/Togo's ability to monitor its performance with respect to its Strategic Objective and Targets in the health and population sectors is relatively strong. The new challenge for USAID/Togo over the next six years, will lie in monitoring the evolution of the private health sector. Indicators of performance and baseline data for a number of aspects of this program component are provided in Annex B.

### C. TARGET OF OPPORTUNITY: EPZ AND EXPORT PROMOTION

#### 1. Rationale

USAID/Togo's extensive analysis of Togo's business prospects has led the Mission's staff to conclude that, at the present time, the EPZ provides Togo with its most powerful major opportunity for generating new export earnings, creating jobs, and raising incomes.

Togo's EPZ legislation adopted in 1989 provides an improved policy regime for EPZ firms. Benefits offered to businesses that qualify for EPZ status include the duty free importation and exportation of raw materials, components, equipment and finished goods; a tax holiday for ten years, followed by lower than average corporate taxes; reduced payroll taxes; a tax exemption on dividends; the freedom to hold foreign exchange accounts and to repatriate profits, dividends and capital; and the flexibility to hire and fire employees without the approval of the National Labor Board.

**Jobs are a benefit**

**World Class Benefits Package**

**EPZ: You've got to see this place!**

In December 1991, an Italian entrepreneur received a call from his brother who happened to be driving through Togo. "You've got to see this place", he said and explained that a new EPZ was opening up. Four months later, Mr. Bertecco opened the doors to his \$500,000 telephone and computer cable manufacturing company. "I stepped off the plane, saw the area swept clean, walked through customs without being asked for a baksheesh, and knew immediately I could do business here."

After three months of production, the company - SADACA - employs 50 people full-time. It received an order for 2,000,000 units as a result of a partially AID-funded trade mission to South Africa. Happy? "I'm going to break the world-wide Chinese monopoly on cables," he said.

In principle, EPZ firms also benefit from preferential utility rates, including those for electricity. However, in practice, this benefit has not been available to firms that operate as part of the zone. While these benefits serve to attract firms to the zone, they are not direct subsidies. Many of the benefits of liberalization that are in force in the zone could potentially be made available to firms operating in the general economy.

**Early performance is promising**

Togo's EPZ is not a "start from scratch" operation. It has been in business for two full years. Since the EPZ program became operational, 45 projects designed to invest more than \$70 million and create over 6,000 jobs have been approved. At the present time, nine firms, that employ over 900 workers and represent \$11 million in investment, operate in the zone. After only two years of operation, employment in the EPZ accounts for 15% of all formal private industrial sector employment in Togo. These results have been achieved despite political unrest which, last year alone, cost firms operating in the zone to lose up to 30% of their production time. Of the potential investors with which it has dealt over the past 18 months, the EPZ's Togo Promotion Center reports that only one investor chose a neighboring country over Togo, and this choice was reportedly linked to Togo's high electricity costs, not to issues associated with Togo's current political instability. The performance of Togo's EPZ compares positively with zones in Central America and Senegal, which had less than 5 firms in operation at the end of their first year, and to Mauritius' extremely successful zone which had nine firms in operation at the end of its first year.

**The U.S. is identified with Togo's EPZ**

The GOT and other donors already associate the EPZ effort with U.S. assistance. In its earliest stages, USAID/Togo and OPIC were instrumental in helping to identify Togo's potential as an EPZ site, and in defining the parameters of legislation that would make such a zone attractive. While USAID/Togo does not currently finance the development of the EPZ, Mission staff know all of the key officials involved in the operation of the EPZ and coordinate closely with the other donors involved. In light of its early association with the EPZ and its continued interest, USAID/Togo has regularly reported on the EPZ's progress in its annual Assessment of Program Impact (API) submissions.

## 2. Strategy

### Target of Opportunity

**EXPORTS FROM TOGO'S EPZ INCREASED**

As Figure A-4 suggests, the achievement of this objective will contribute to the Program Subgoal which focuses on a general increase in Togo's non-traditional exports. Exports from outside the zone will also contribute to this Subgoal, but given a range of policy and other factors that constrain non-traditional export expansion outside of the EPZ, USAID/Togo anticipates a more rapid pace of export and job growth inside the zone.

### Target 1

**NUMBER AND SIZE OF OPERATING  
FIRMS IN THE EPZ INCREASED**

### **The EPZ enters a more stable phase**

In the early stage of EPZ development, firms that come in as "pioneers" tend to vary widely with respect to their size and viability. Invariably, some of these businesses fail. Yet, as word of success on the part of other EPZ firms spreads, established businesses begin to express an interest. Under normal circumstances, some will open operations, thus ushering in a more stable phase in the development of an EPZ. Coming into its third operational year, Togo's EPZ is beginning to show signs of turning this corner. USAID/Togo anticipates that with appropriate assistance, the number of firms operating in the zone, the level of investment, and the number of employees will all rise rapidly as Table 5-1 at the end of this section suggests.

**Target 1.1**

**INDUSTRIAL FACILITIES  
PROVIDED BY THE PRIVATE SECTOR**

At the present time, the EPZ is managed by two separate entities, one for administration and one for promotion. Neither of these industrial estates has been completed, and one is having problems establishing a clear title to the land on which it is being constructed. In addition, neither of these industrial estates is, however, large enough or well enough equipped to handle the needs of the number of firms that will eventually operate as EPZ firms in Togo.

USAID/Togo's analysis indicates that lack of a fully-developed and serviced industrial estate poses a constraint to smaller investors. It has always been expected that industrial estate development should involve and be financed by the private sector. This is still the case. However, it has become apparent that EPZ management will have to play a larger role in attracting estate development firms and in ensuring GOT cooperation and support.

**Target 1.2**

**MORE EFFECTIVE PROMOTION OF THE EPZ BY THE  
EPZ ORGANIZATION**

At the present time, the EPZ is managed by two separate entities, as noted above. SAZOF provides administrative support for the zone while CTPI carries out its promotion functions. A recent analysis of the EPZ's operations carried out for USAID/Togo by the Services Group (Annex E), has suggested that this mode of operation is inefficient. The two organizations should be combined under a single Director General. This report also confirms that the EPZ management structure needs more autonomy if it is to succeed. Underfunding of the zone's management entities by both the GOT and UNIDO also threatens their location in a facility near the port and the heart of Lome's industrial zone. Finally, zone management would

benefit from steps that would improve the efficiency of its operations and the speed with which it responds to client needs.

**Target 1.3**

**EPZ REGIME IMPLEMENTED IN  
ACCORDANCE WITH THE LAW**

While the EPZ operates with some independence from the government, firms that do business in the zone face many situations which require them to interact with government agencies. All of these interface points present opportunities for problems to arise. Thus, for example, it currently takes a good deal longer for zone applications to be approved by the Ministry of Interior than was originally contemplated. Such deviations from the GOT's original commitments to the zone discourage investment, and need to be corrected.

**Improvements  
are clearly  
needed**

Implementation of USAID/Togo's strategy for increasing non-traditional exports through Togo's EPZ would be carried out through a new Togo Private Sector Project (TOPS). The project will build on the work of UNIDO. It will also contain elements designed to consolidate the EPZ's management and reshape it into a single viable and sustainable organization. As originally conceived, the EPZ was to be directed by a private sector Board. USAID/Togo's current plans include revitalization of this idea, both to ensure that a business perspective permeates EPZ operations, and to ensure the zone's autonomous operations. USAID/Togo inputs will also be used to upgrade the promotion center's operation to world standards; provide tools and training to personnel from the Customs Service who operate specialized EPZ customs facilities; and provide for at least a portion of the cost of salaries and equipment required by the EPZ's management entity, until a cost recovery program can be established. Additional funds will be used to provide specialized technical assistance and training for members of the EPZ's administrative and promotion staff.

**3. Anticipated Program Impact**

Togo's EPZ has the potential for significantly increasing exports, attracting foreign investments, creating jobs, and providing a

platform for future policy dialogue within a relatively short time, and with limited resources.

Looking forward to the end of the six-year period covered by this program strategy, USAID/Togo anticipates:

- A substantial increase in the number of firms operating in the zone, in export earnings, and in jobs for Togo's citizens. Table 5-1 suggests the nature of that anticipated growth.

Table 5-1. PROJECTED PERFORMANCE OF THE EPZ TO 1998			
YEAR	EXPORTS (U.S. \$MIL)	EMPLOYEES	ACTIVE FIRMS
1992	6	1200	12
1994	9	1500	15
1996	18	3000	30
1997	24	4000	40
1998	31	5000	50

- Establishment of backward linkages from the EPZ into the economy through the emergence of suppliers that are able to meet the demands of EPZ firms; and the training of workers who return to enterprises operating in the general economy.
- Increased, organized and vocal interest on the part of the Togolese business sector in having the GOT liberalize the economy as a whole.
- An interest on the part of the GOT, stimulated largely by the success of the EPZ and the interest of local businessmen, in examining liberalization options including:
  - the rationalization and reduction of corporate income taxes;
  - elimination of taxes on corporate assets;
  - simplification of business registration procedures;
  - reduction of import tariffs and quotas on capital goods and inputs;
  - elimination of public sector monopolies in agriculture;
  - establishment of clear land tenure laws; and

- the reduction of GOT intervention in labor markets through the National Labor Board.

While exports from the zone will be the central measure of success for this Target of Opportunity, the level and kind of activity in the zone will also be monitored as indicated in Annex B. The number of new firms established each year, as well as the number that go out of business will be watched, as will employment levels and, as possible, the kinds of job and skills development opportunities created by the zone.

#### **D. TARGET OF OPPORTUNITY: DEMOCRATIC INITIATIVES**

##### **1. Rationale**

USAID/Togo responded rapidly to the opportunity presented by Togo's popular call for a democratic elections, and its response has been sustained over the ensuing months. The Mission's forward-looking strategy is rooted in its conviction that efforts made in the near-term to help Togo introduce participatory democracy offer the best hope for ensuring that a stable democratic form of government prevails in Togo in the long run.

##### **2. Strategy**

<p style="text-align: center;"><b>Target of Opportunity</b></p> <p style="text-align: center;"><b>PARTICIPATORY DEMOCRACY STRENGTHENED</b></p>
--

USAID/Togo's strategy views democracy as a process, rather than as a single event, as Figure A-5 suggests. Steps taken in the near-term to strengthen participatory democracy will contribute to the Mission's Subgoal which focuses on the sustained utilization of democratic processes over generations.

**Leadership  
development  
pays dividends**

**Target 1**

**ENHANCED LEADERSHIP CAPACITY**

USAID/Togo has long been convinced that activities which help to strengthen the leadership capacity of Togolese citizens have a profound effect on the course of the nation's development. Leadership skills are being fostered through a number of USAID funded training programs. Of particular import for Togo's transition to a democratic form of government have been recent workshops and seminars the Mission has sponsored, such as its seminar on "Democracy in Togo"; a workshop for journalists; and its "Democracy Training for Labor Leaders" seminar. The Mission's sponsorship of such programs will expand during the strategy period.

**Target 2**

**CITIZENRY EDUCATED ABOUT ROLES AND  
RESPONSIBILITIES IN A DEMOCRATIC SOCIETY**

Throughout Togo, there is a need for information and for experience with the democratic process. Opportunities for citizens to participate in activities that provide exposure to issue definition; the development of positions; advocacy, multi-party politics; and the process of voting need not be limited to national elections. Grass-roots organizations often offer such opportunities, even when their focus is not politics, as USAID/Togo's experience with the development of credit unions has demonstrated.

USAID/Togo is already engaged in efforts to educate Togo's population concerning the roles and responsibilities of citizens in democratic societies. The Mission's sponsorship of such programs will continue and expand under its forward program strategy.

### Target 3

## ELECTORAL SYSTEM ESTABLISHED

While the creation of an electoral system does not guarantee "open and transparent" elections, it does go a long way toward enabling a nation to implement a transparent, democratic process. USAID/Togo has worked directly with The International Foundation for Electoral Systems (IFES) and The National Democratic Institute (NDI) to provide technical assistance and training to establish sound systems and to monitor election results.

To achieve these objectives, USAID/Togo will work through the InterAgency Working Group to review and support discrete activity proposals submitted by Togolese groups, and design complementary technical assistance. These activities will address both immediate and long-term constraints associated with Togo's transition to democracy. Among the near-term needs is support for municipal, legislative and national elections. In the longer-term, Togo's needs relate to the requirements of building democratic institutions and social patterns, including the rights and responsibilities of democratic participation at all levels.

#### WOMEN GET THE VOTE

A.I.D. encouragement to Togo's democratic process started long before it became a hot topic. Since 1982 the World Council of Credit Unions has worked to establish credit unions. A prerequisite is functional participatory democracy. Not just between the rich and poor, but all members. Grace Ameganshi is a member of the Danyi Kakpa credit union. "We have the same rights to vote, discuss and propose on equal footing with men, the problems which surround our credit union. The democracy is real. We do not ask how much you have on deposit before a vote."

The Danyi Kakpa credit union has 128 members, of which 65% are men. Mrs. Ameganshi is the President of the Danyi Kakpa credit union.

### 3. Anticipated Program Impact

At the end of the six-year period covered by the Program Strategy, USAID/Togo optimistically anticipates:

- The results of Togo's **second** open and transparent election at the national level, demonstrating that on a sustainable basis, Togo's is ready to use democratic procedures to transfer power and to govern its society.
- Robust competition, on a non-violent basis, between multiple political parties for elected positions at all levels of government.
- The existence and continued expansion of grass-roots organizations, focusing on political, sectoral, social and economic issues that freely and effectively advocate the views of ordinary citizens.
- A citizenry that is more informed about rights and responsibilities in a democratic system.

Togo's Interagency Democracy Working Group, which is currently responsible for the monitoring of the U.S. Embassy's democratic initiatives, and for reporting on achievement with respect to specific activities, will continue in that role, as indicated in Annex B.

## **E. PROGRAM IMPLICATIONS**

Implementation of this program strategy will require some changes in the current USAID portfolio, but a strong base is already established. The two pillars of the Mission's ambitious health and population program, the TCSP project and HAPSS program, are now in place. These activities will continue through the end of this strategy period in 1998.

Action on the proposed Target of Opportunity with the EPZ will be carried out through the Mission's Togo Private Sector Project (TOPS), which will be redesigned in 1993. The Mission's familiarity with the institutions and actors involved, will greatly facilitate future activities in this area.

With respect to work on the second proposed Target of Opportunity, Democratic Initiatives, the Mission has already learned how to coordinate effectively with the Embassy and other donors. This includes programming substantial resources from HRDA, 116E, and the Africa Regional Electoral Assistance Fund (AREAF) in support of democracy activities.

**Mission will consolidate and focus**

While the foundations for the three proposed areas of emphasis are well established, USAID/Togo also recognizes the need to consolidate and focus the program in order to maximize its financial and staff resources. Three longstanding health and population projects -- FHI-II, CCCD, and HSSCS -- will all be closed out in FY 1993, enabling the Mission to focus its resources on TCSP, HAPSS, and the Title II program with CRS. The Mission will also phase out its agricultural and rural development activities with CARE and the Ministry of Rural Development under the TRIPS project by the end of FY 1993. It will continue only a limited involvement with the CUNA/FUCEC component of TRIPS until FY 1995, in order to ensure that this activity becomes self-sustaining. Finally, the Mission will phase out its Title II monetization support for the Opportunities Industrial Center (OIC), by creating an endowment to ensure its sustainability. Finally, the Mission will focus its HRDA and ATLAS training resources in direct support of the Mission's objectives. The Mission's Program Focus Table 5-2 outlines these plans.

**TABLE 5-2  
PROGRAM FOCUS CHART**

Project	FY93	FY94	FY95	BEYOND FY95
<b>Strategic Objective:</b>				
<b>Improve MCH Status/Reduce Fertility</b>				
FHI-II	X			
HSSCS	X			
CCCD	X X X			
TCSP	X X X X	X X X X	X X X X	X X X X
HAPSS	X X X X	X X X X	X X X X	X X X X
Title II-CRS	X X X X	X X X X	X X X X	X X X X
<b>Target: EPZ</b>				
TOPS		X X X X	X X X X	X X X X
<b>Target: D/G</b>				
	X X X X	X X X X	X X X X	X X X X
<b>Other</b>				
TRIPS:				
CARE	X X X X			
SPP*	X X X X			
CUNA	X X X X	X X X X	X X X X	
Title II-OIC	X X X X			

*closed down  
for the most*

*Suspended*

**TOPS is  
the major  
new project  
design**

In looking to new programs over this strategy period, the major new design effort in the immediate future is development of the Togo Private Sector (TOPS) project proposed for FY 93. The Mission is also considering the development of a new project in FY 1995 or 1996 focussing on AIDS prevention and on increasing the demand for health and family planning services. Finally, the Mission will continue to explore different options and modalities for support to democracy, including the possibility of a modest new project, depending on the evolution of the democratic transition, and the implications of new U.S. legislation on support for EPZs.

## **F. ALTERNATE SCENARIOS**

**Flexible  
response**

USAID/Togo's strategy has been prepared at a time of considerable uncertainty about the future of political and economic reform in Togo, as well as about future directions and priorities in the U. S. foreign assistance program. To address these uncertainties the Mission has developed four strategic scenarios that offer possible responses to the changing dynamics of the situation. Decision criteria shown on this table indicate which scenario is most appropriate under different circumstances. Each strategic scenario includes a specific level of funding and staff resources, as well as recommended program activities. Under all scenarios health and population remains the lead sector.

**Three program  
elements**

### **1. Proposed Scenario**

This is the one that the Mission prefers to implement if Togo makes progress towards democracy and if A.I.D. can obtain a Presidential certification for the Mission to support Togo's EPZ.

**EPZ  
dropped**

### **2. Modified Scenario**

This would be implemented if Togo makes continued progress towards democracy and structural reform, but A.I.D. cannot obtain approval to work with the EPZ. In this case the EPZ activity would be dropped with the Mission choosing between two options: 1) to develop a new project to increase support for democracy and governance, or, 2) develop a modified TOPS project following one of the other options recommended by the MAPS study.

**Program aid  
(HAPSS)  
suspended**

### **3. Reduced Scenario**

This would be implemented if the democratic transition stalled and there were long delays in electing a new government, and either a sharp deterioration in economic performance or reduction of DFA levels. In this case the Mission would suspend the major HAPSS policy reform program, and probably not develop a new bilateral democracy and governance project.

### **4. Minimal Scenario**

**PVOs  
in health  
and population**

This would only be implemented if there were a coup or other blatant return to authoritarian rule. Under this scenario the Mission would cease its direct programs with the government, and would implement its health and population program through PVOs, perhaps continuing some private sector and democracy training under HRDA.

Table 5 - 3

ALTERNATE STRATEGIC SCENARIOS

	Proposed	Modified	Reduced	Minimal
<u>Decision Criteria</u>	Continued Momentum to Democracy/Elected Government <u>and</u> Continued Performance Under SAL <u>and</u> \$800 million or so DFA	Continued Movement to Democracy <u>and</u> Continued Performance under SAL <u>and</u> Continued DFA levels <u>but</u> EPZ Blocked	Delays in Elected Government <u>and</u> Serious Fall Off in Economic Performance <u>or</u> Greatly reduced DFA	Reimposition of Authoritarian Regime
<u>Program Factors</u> USDH FSN/PSC OYB	\$8.5 - 10 million 4 USDH 8 - 10 FSN/PSC	\$8.0 - 9.5 million 4 USDH 8 - 10 FN/PSC	\$3.2 - 4.5 million 4 USDH 6 - 8 FN/PSC	\$2.5 - 3.5 million 1 - 2 USDH 4 - 5 FN/PSC
<u>Health:</u> Funding level Programs	\$6.5 - 7 million HAPSS/TCSP	\$6.5 - 7 million HAPSS/TCSP	\$2.5 - 3 million TCSP	\$2.5 - 3 million 0 Health TCSP/NGO's & PVO's Only
<u>Private Sector:</u> Funding level Programs	\$1.5 - 2 million TOPS/HRDA	\$0 - .3 million * HRDA	<i>out</i> \$0.2 - .5 million HRDA	\$0 - .2 million HRDA
<u>D/G</u> Funding level Programs	\$0.5 - 1.0 116e/HRDA/AREAF	\$1.5 - 2.2 million 116e/HRDA/AREAF D/G Project	\$0.5 - 1 million 116e/HRDA/AREAF	\$0 - .3 million HRDA

\* If Mission pursues alternate private sector project this amount would be increased

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## CHAPTER VI

### MANAGEMENT CONCERNS

#### **Staffing a key concern**

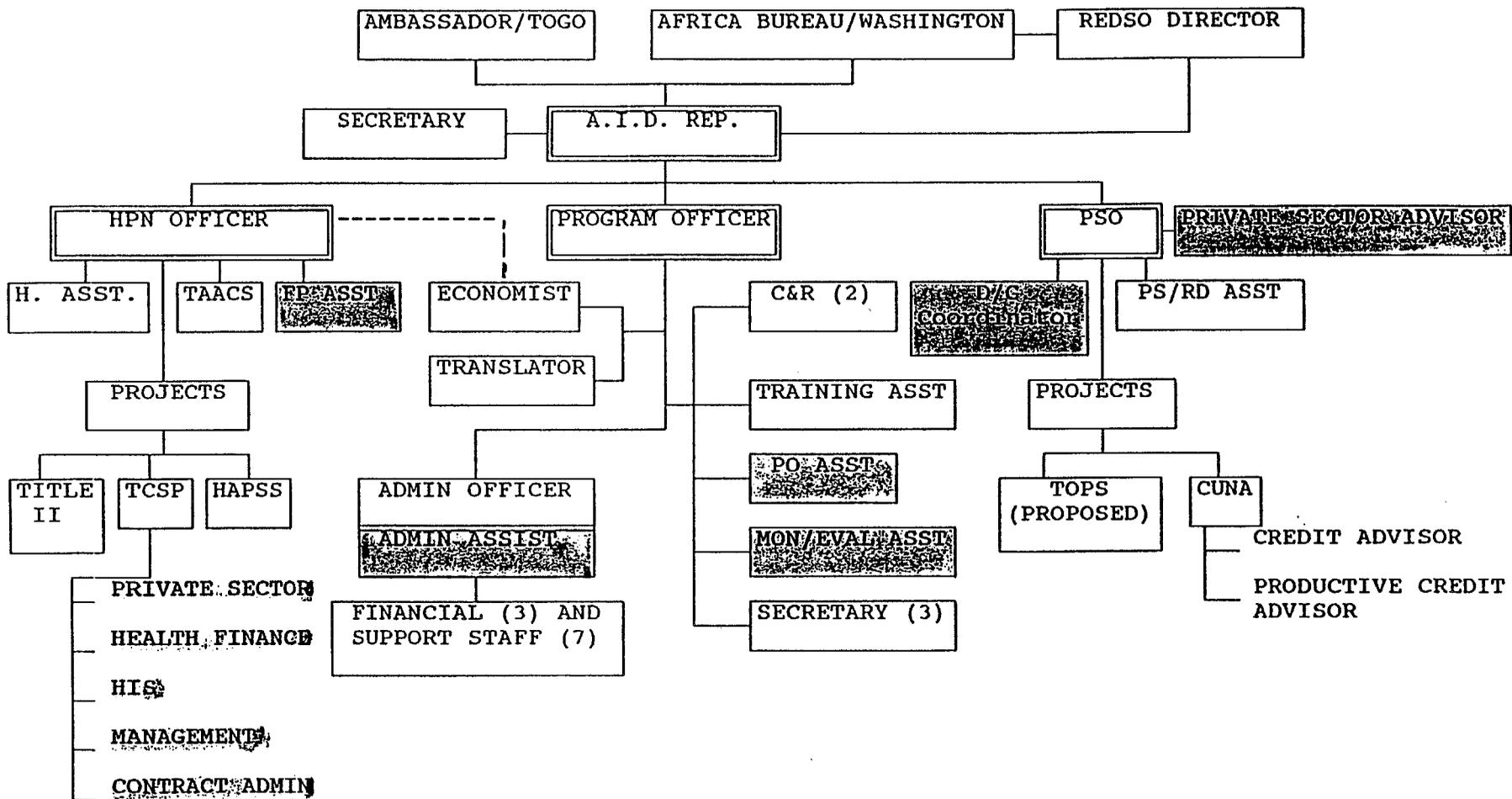
The USAID/Togo program has grown dramatically in recent years. The program budget more than doubled from \$4 million in 1990 to \$10 million in 1992. Program development has increased apace; in the last 14 months a labor-intensive effort has added two major new labor intensive activities-- TCSP and HAPSS -- to the health and population portfolio. The Mission has also taken on many new activities in democracy and governance. Yet the number of USDH staff has remained constant at four for the last decade. Therefore, staffing is the Mission's most critical management concern for the immediate future. In designing this strategy, the Mission has given careful consideration to these issues and to the need for increased program focus and concentration, in order to ensure effective program implementation.

#### **A. MISSION ORGANIZATION AND STAFFING**

#### **A plan to meet staff needs**

Finding an approach for meeting staff needs without increasing the number of USDH personnel is the challenge. The response has been to increase the staff in other categories: Foreign National and U.S. PSCs, and project technical contractors. The Mission has filled two key new staff positions in the last six months -- a Technical Advisor in AIDS and Child and Survival (TAACS), and a PSC program economist -- and plans to increase local staff positions over the next two years. Most of these positions were budgeted in the FY 94 ABS, and the Mission has sufficient OE and project resources to pay for the few remaining.

USAID/Togo's organizational chart, in Figure 6-1, diagrams the Mission's proposed organization and staffing. The USDH staff table, Table 6-1, summarizes key responsibilities of the four USDH Officers. The sections below briefly describe USAID/Togo's plans to ensure adequate technical and management backstopping for three program emphases, and overall program management and administration.



**USAID TOGO ORGANIZATIONAL CHART**

**Figure 6 - 1**

NOTE: Shaded boxes represent positions to be filled in FY 93 to FY 95  
10/24/92

**Stronger  
HPN Division**

**1. Health and Population**

Since Health and Population is now USAID/Togo's lead sector, with major project assistance and policy reform components, the Mission has reinforced the USDH HPN Officer and FN PSC medical doctor who manage that portfolio. A TAACS advisor from the Centers for Disease Control joined the HPN division on October 1, 1992, and will assume management responsibilities for the TCSP project as well as key technical backstopping functions. An FN PSC Family Planning Assistant will be hired in FY 1994 to coordinate activities of the family planning Cooperating Agencies which are implementing the family planning activities under TCSP.

The newly hired PhD program economist will play a critical role in providing the analysis and support required for implementation of the policy reform agenda under HAPSS. Similarly, a planned U.S. PSC private sector advisor will provide initial support for implementation of the private sector component of the health and population portfolio. Finally, the TCSP technical contractor team will include four highly qualified specialists in private sector development, health financing, health information systems, and health planning, who will play a major role in implementing the TCSP project and in supporting the policy reform actions under HAPSS.

**2. Private Sector Development/ EPZ**

**Private Sector  
advisor**

The USDH Private Sector/Rural Development Officer has been reinforced by a highly qualified FN PSC private sector assistant, hired in September 1992. The Mission has learned from experience that the design and initial implementation phases of new projects are management intensive. Therefore, plans have been made to hire a U.S. PSC private sector advisor in FY 93 for a one to two year period to assist with design and start up of the new TOPS project. The Mission will ease the management burden considerably in this sector by phasing out its traditional agricultural and rural development activities with CARE and the Ministry of Rural Development under the TRIPS project by the end of FY 93. The one component of TRIPS that will be continued through FY 95, support for CUNA/FUCEC, will require minimal Mission involvement because it is ably managed by two resident CUNA advisors.

### 3. Democracy and Governance

**New approach to managing democratic initiatives**

The Mission's activities in the area of Democracy and Governance have grown dramatically in the last two years in an *ad hoc* fashion, as USAID/Togo and the Embassy have scrambled to keep up with the political changes in Togo. The A.I.D. Representative has taken the lead responsibility, working in coordination with the Inter-Agency Democracy Working Group, with assistance from the program officer and training officer. In order to normalize and improve Mission support for democracy activities during the CPSP period, an FN PSC democracy coordinator will be hired, and the USDH Private Sector/Rural Development Officer will assume lead responsibility for this area in the future.

**Table 6-1  
USAID/TOGO USDH ROLES AND RESPONSIBILITIES\***

POSITION	RESPONSIBILITIES
DIR	Program Guidance and Direction; Mission Management; Liaison with Embassy, Government of Togo, and other Donors; WID; EEO; Audit follow-up; 116E; AID/W Liaison.
PROG	Program Strategy, design and monitoring; Administrative Services; Economic analysis; Project implementation and performance monitoring; Evaluation; Policy guidance; Contracting; Gray Amendment; Human Resources Development Assistance; Participant Training; Buy-America; REDSO Liaison.
RDO - PSO	Rural Development; Private Sector; Environment and Natural Resources; Agribusiness; Drought and Famine; PL480-OIC; Self-help; Democracy and Governance.
HPN	Health Project; Health Program; RD Liaison; Health Sector donor coordination; PL480-CRS.

\*Controller Function carried out by REDSO/WAAC.

\*Executive Officer Function carried out by US/PSC.

### 4. Program Management and Administration

**New program economist**

The rapid growth in the size and complexity of the program and the increasing demands for internal controls and reporting have been acutely felt by the program and administrative sections of the Mission. The USDH Program Officer serves also as the *de facto* Deputy to the A.I.D. Representative, and assumes responsibility for a

wide range of program planning, management and reporting functions (see Table 6-1). The need to add greater depth to the Program Office has been met in part through the recent recruitment of a highly qualified PSC program economist. This has significantly increased the Mission's capability for economic analysis and reporting, and management of the policy reform agenda in the health and population sector. The Mission's capabilities in project design, monitoring, evaluation, and reporting will be reinforced through the recruitment of an FN PSC program assistant and monitoring and evaluation specialist in FY 93 or FY94.

The Mission's experienced U.S. PSC Administrative Officer performs the multiple functions of office manager, executive officer, contracting officer, and financial officer. The increased demands in these areas will be met through the recruitment of an FN PSC administrative assistant and FN PSC financial analyst by FY 94.

## **B. OTHER MANAGEMENT CONCERNS**

### **1. Dependency on REDSO/WCA**

**REDSO  
support  
is crucial**

As an A.I.D. Representative Office and Schedule B Mission, USAID/Togo does not have a USDH controller, contracting officer, legal advisor, or project development officer, and is highly dependent on REDSO for these and other functions. In FY 92 the Mission drew heavily on REDSO support for a wide range of activities from design of the large new HAPSS program to the close-out of old projects and deobligation of unliquidated balances. Fortunately, the Mission's relations with REDSO have been excellent. Continued strong support from REDSO will be required for the Mission to implement its proposed strategy. At the same time, through the hiring and training of the additional staff described above, USAID/Togo plans to strengthen its technical, program, and administrative capabilities and to reduce some of its current heavy demands on REDSO.

### **2. Office Space**

USAID/Togo has now outgrown the small two-story house that serves as its office building. The Mission needs either to add a third floor to the existing building or move to a larger office. The Mission's preference is to build a third floor: plans for construction of a third floor have been completed and a small supplementary budget (636c funds) has been requested for FY 93 to pay for the remodeling. However, the Mission has yet to resolve the long-standing issue of title to the building. If this is not resolved in the coming months, the Mission will be forced to move to a new building.

**Plans for  
E-Mail**

**3. Means of Communication with AID/W and REDSO**

The Mission is currently handicapped by physical difficulties in communication with AID/W and REDSO. International telephone and fax communications from Lome are extremely expensive and often troublesome. Therefore the Mission has purchased the equipment for a WAN/LAN system and will install it once the issue of the office building is resolved. Once this system is in place, and the Mission is on E-Mail with AID/W and REDSO, both the efficiency and cost of communications will be greatly improved.

**C. PROGRAM MONITORING AND EVALUATION**

The Mission is committed to the effective monitoring and evaluation of its portfolio and to assessment of its program impact. In designing this strategy, the Mission has already given considerable attention to the identification of program performance indicators for each of the three sectors, as described in Annex B.

**Effective  
project and  
program  
performance  
measurement**

Measuring progress toward the Mission's Strategic Objective and targets in health and population are integral parts of the TCSP project and HAPSS policy reform program. Performance indicators for both of these projects have been carefully developed in consultation with AID/W and outside experts. The Mission has relied on these indicators to establish its overall sector targets. A Togolese consulting firm has been contracted to refine these indicators, to identify data collection requirements, and to establish baseline values and benchmarks. One of the major responsibilities of the TCSP technical contractor team will be to work with the MOHP and this firm to develop information required to measure performance against these indicators for both TCSP and HAPSS. A Demographic and Health Survey (DHS), organized with AID funding and support is scheduled for FY94, and will be a major data source.

In order to measure progress toward the Target of Opportunity related to the EPZ, the Mission plans to work closely with EPZ officials to adapt a planned investor information data base to collect much of the primary data required. Over the coming year, the Mission will continue to refine its indicators, baselines and benchmarks, and to develop appropriate data collection to measure performance on a regular basis. Development of this system will be one of the major responsibilities of the technical contractor team to be hired under the TOPS project.

In terms of democracy and governance, the U.S. Embassy reports annually on the human rights situation in Togo. In addition,

each African A.I.D. Mission reports on a series of five democracy/governance indicators annually as a part of its budget process. These two annual reports form the basis of monitoring progress in this area. Refinement of the indicators for democracy and governance and a system for collecting them are immediate challenges.

**API: a major reporting vehicle**

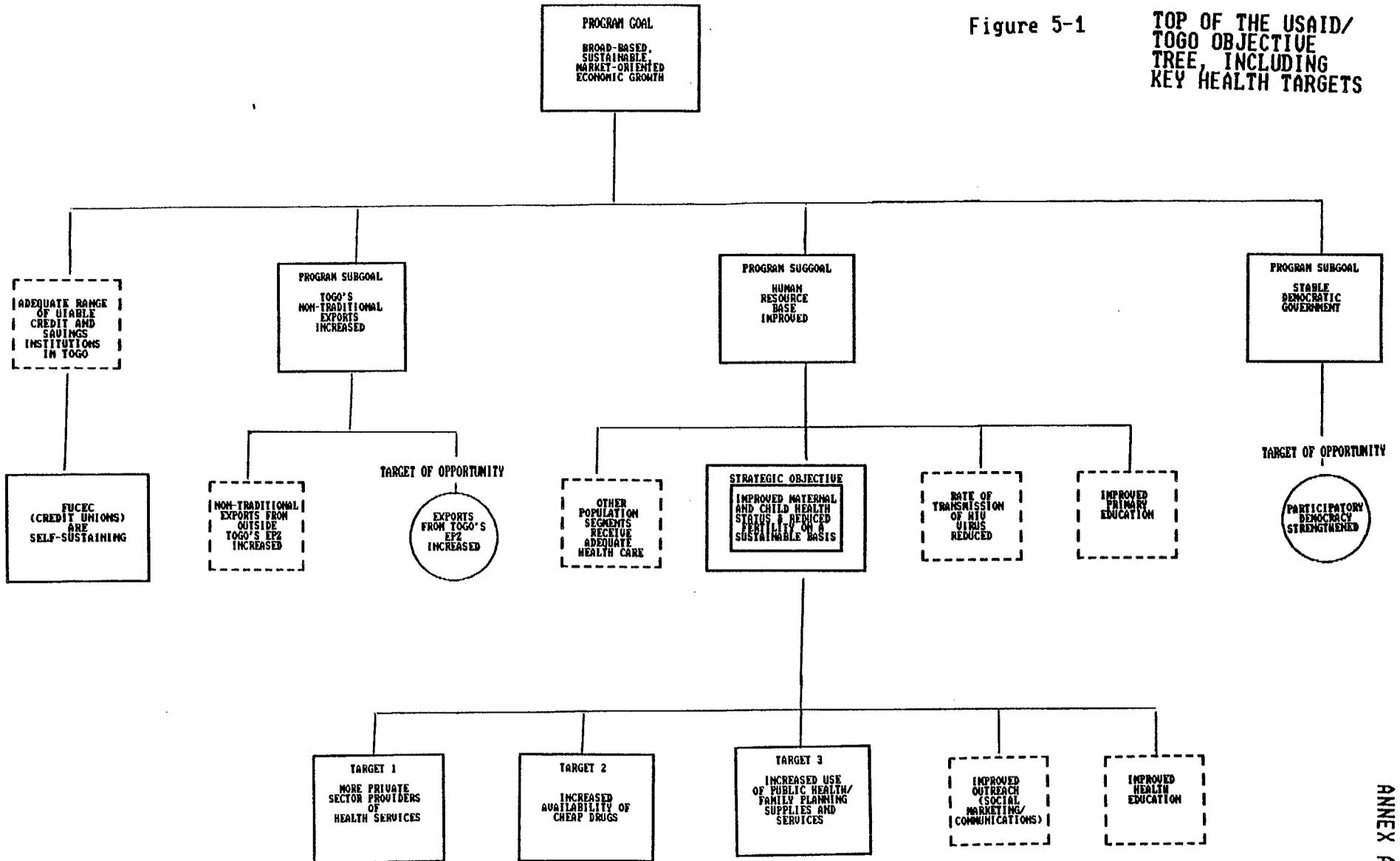
The Mission's annual API is the primary vehicle for reporting progress toward objectives. The indicators described above will be incorporated into a data base to track progress in reaching the benchmarks. The Mission is also considering expanding the current contract with the Togolese firm to assist in the transfer of monitoring and evaluation techniques and technology, and to compile the data required for annual reporting.

**Evaluations will focus on impact**

The Mission's monitoring and evaluation system will also consist of more frequent Project Implementation Reports (PIRs), and periodic special studies (including DHS), project evaluations, and audits. The PIRs will focus on results as well as implementation and issues; evaluations will focus on impact lessons learned for future programs, and will provide an opportunity to learn why some elements of the Mission's program are more successful in achieving desired results than others.

Figure 5-1

TOP OF THE USAID/  
TOGO OBJECTIVE  
TREE, INCLUDING  
KEY HEALTH TARGETS



AT 55

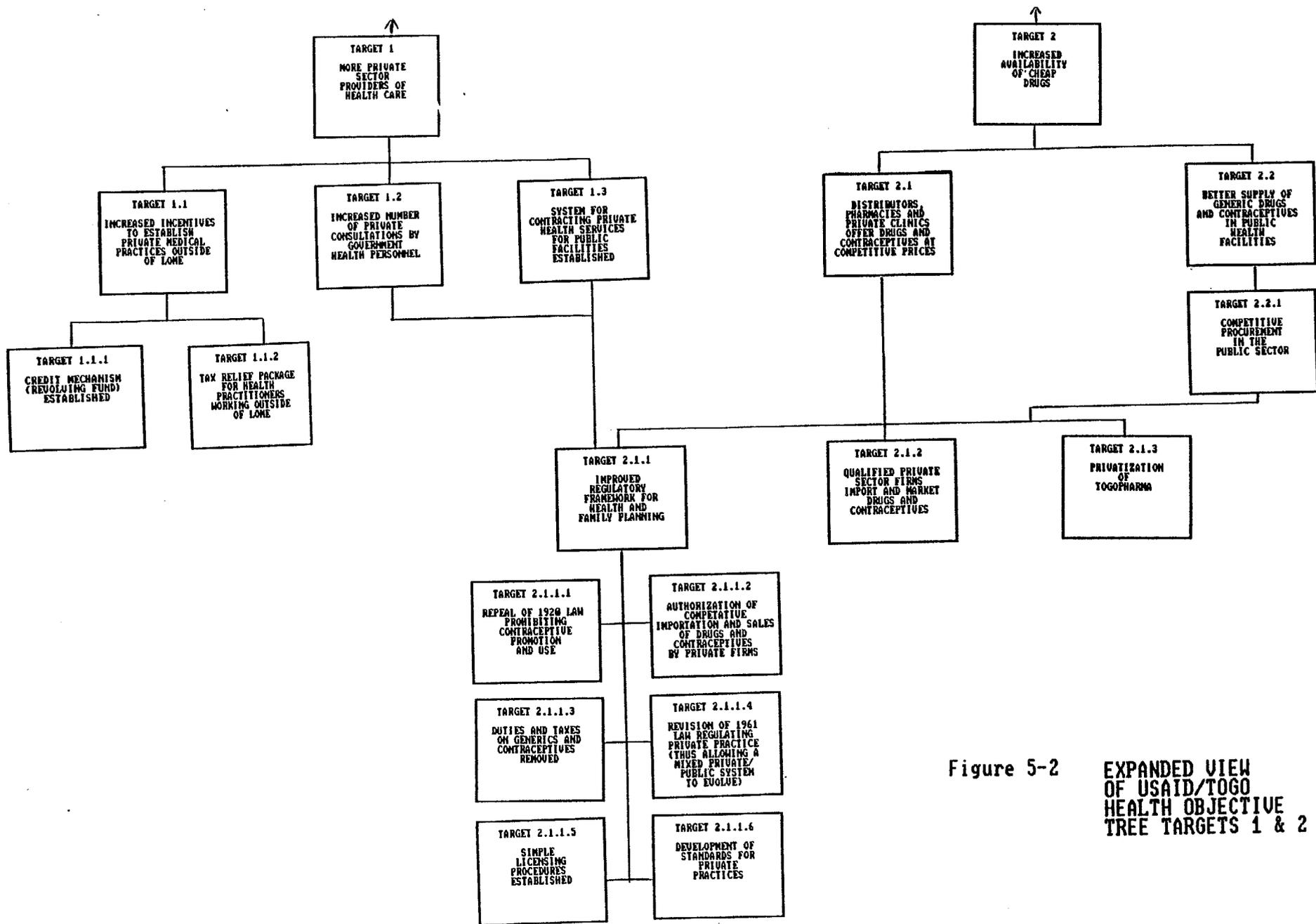


Figure 5-2

EXPANDED VIEW  
OF USAID/TOGO  
HEALTH OBJECTIVE  
TREE TARGETS 1 & 2

510

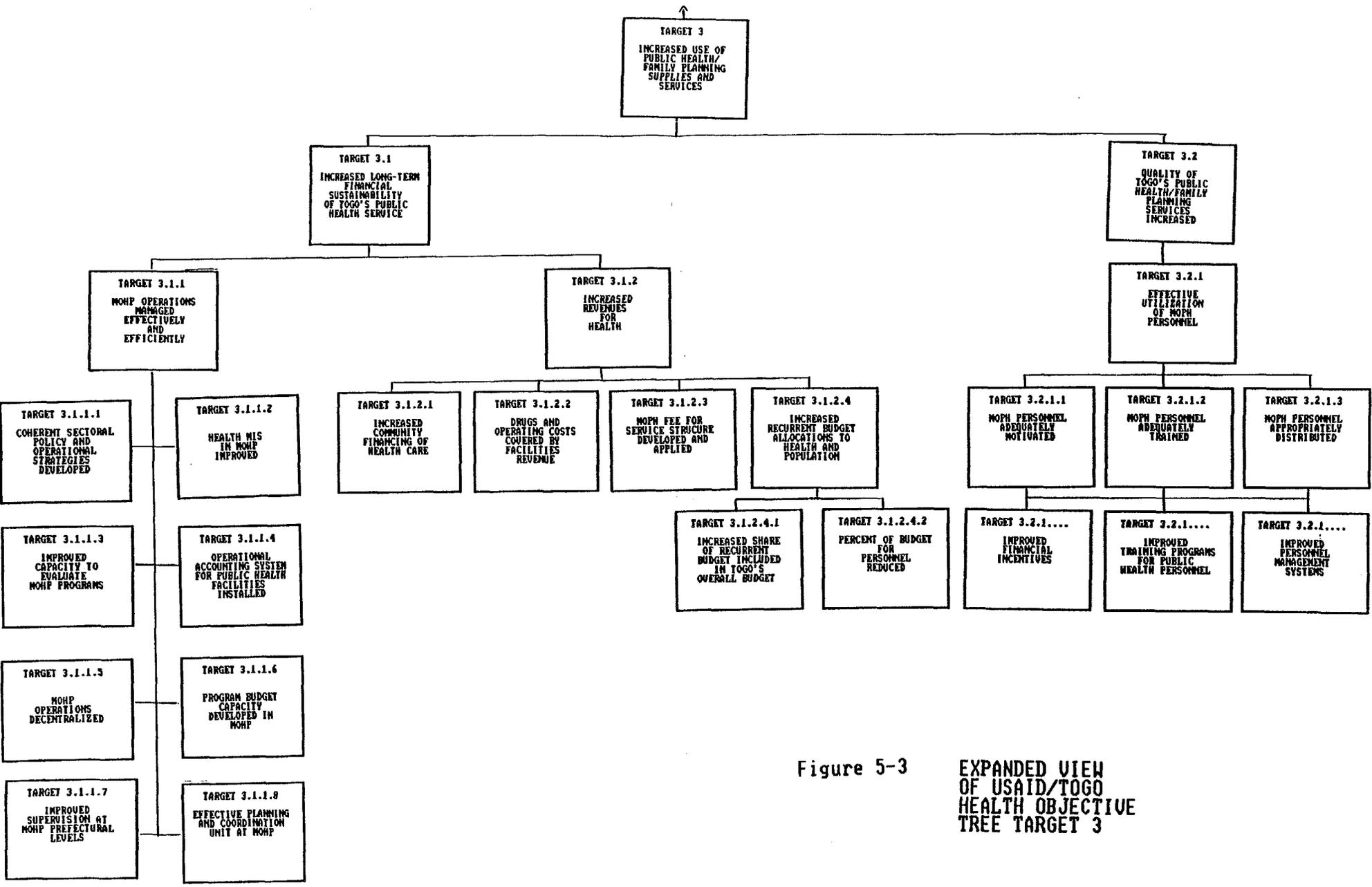


Figure 5-3

EXPANDED VIEW  
OF USAID/TOGO  
HEALTH OBJECTIVE  
TREE TARGET 3

Figure 5-4

USAID/TOGO TARGET OF OPPORTUNITY: EXPORT DEVELOPMENT/ EPZ OBJECTIVE TREE

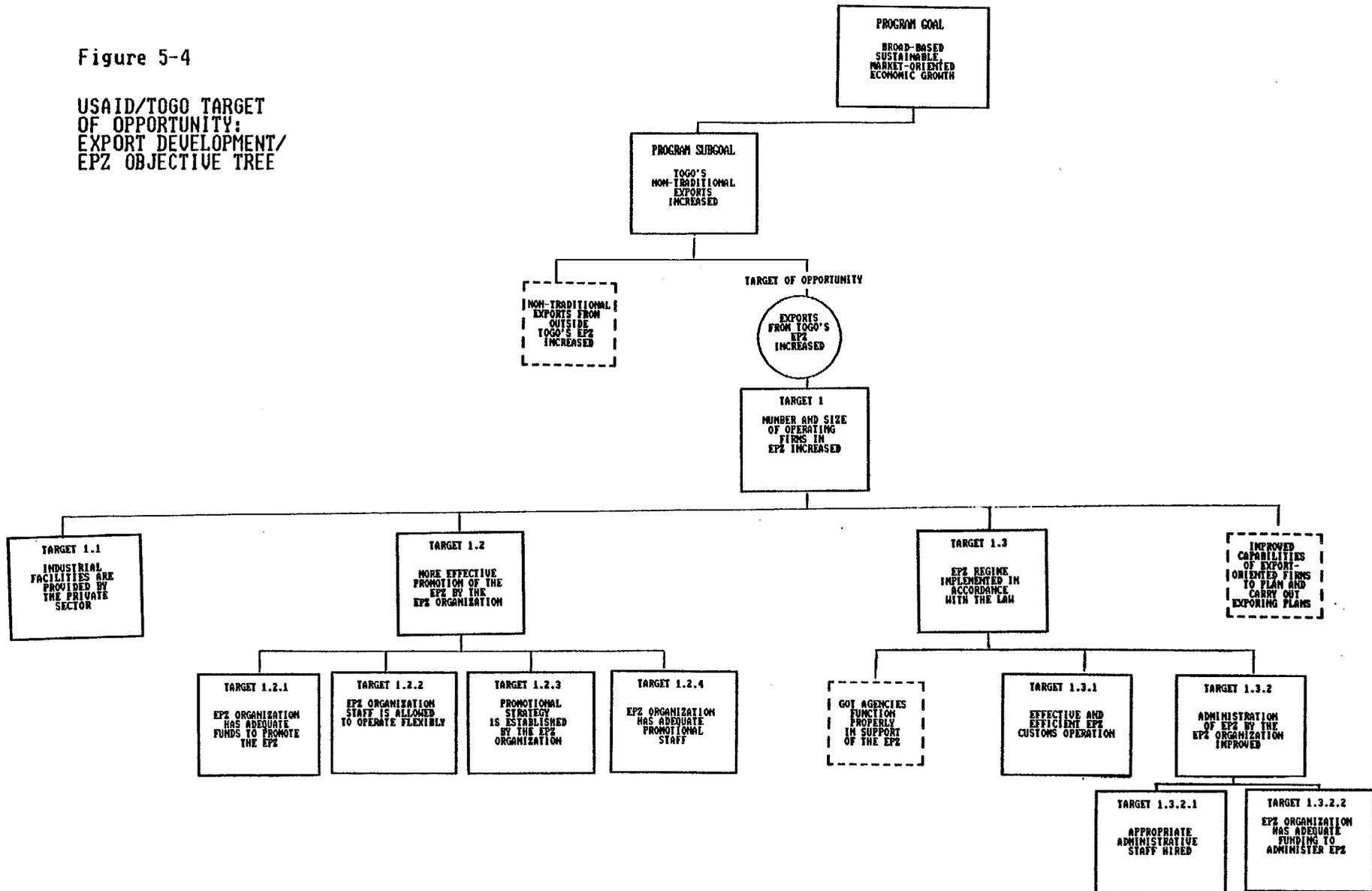
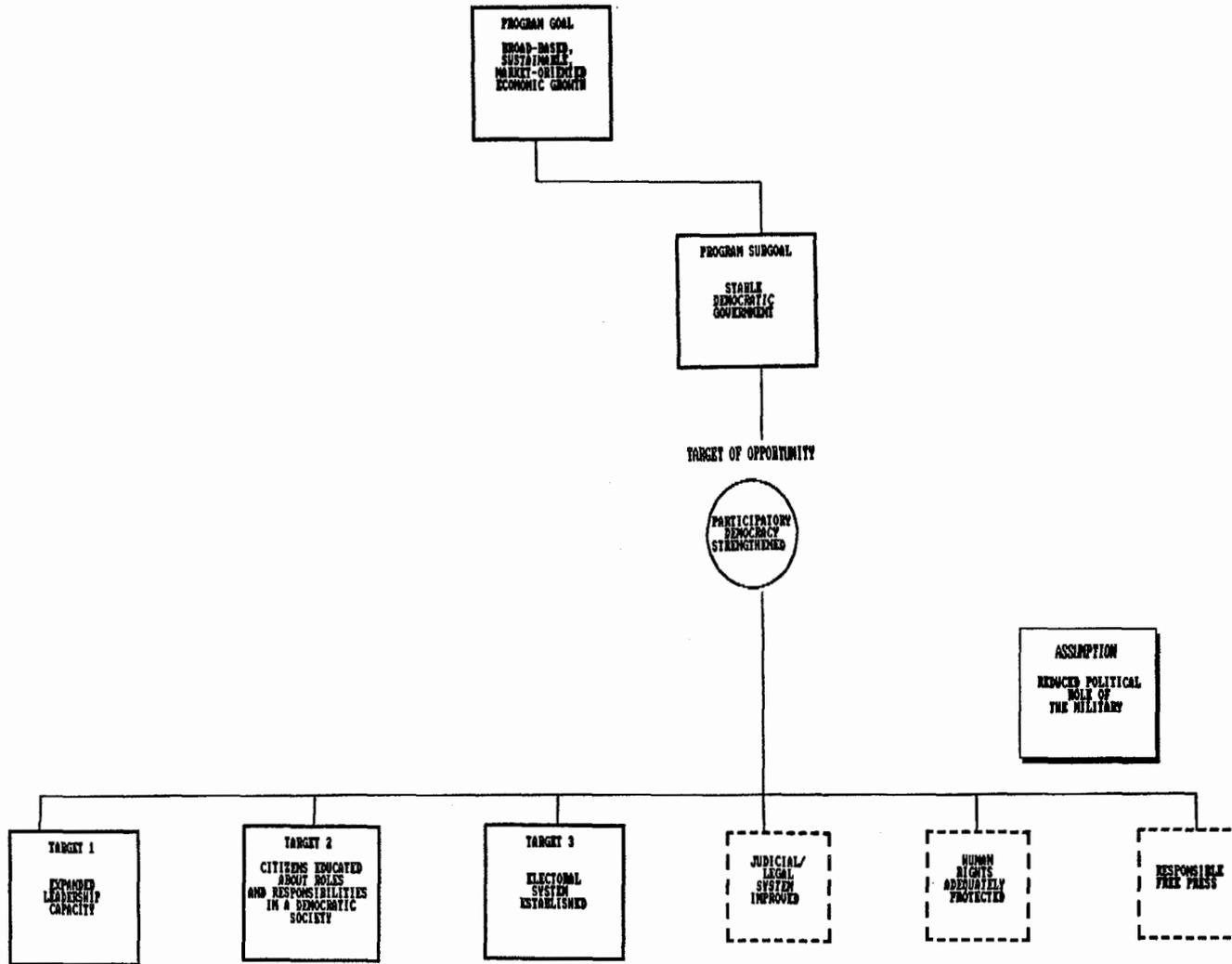


Figure 5-5

TARGET OF OPPORTUNITY:  
DEMOCRATIC  
INITIATIVE  
OBJECTIVE  
TREE



**Annex B**

**Proposed Program Impact Indicators**

<b>PROPOSED PROGRAM IMPACT INDICATORS</b>				
<b>OBJECTIVES</b>	<b>INDICATORS</b>	<b>SOURCE</b>	<b>BASELINE (data/year)</b>	<b>Status at end of Strategy period (1998)</b>
<b>PROGRAM GOAL:</b>				
Broad-based, sustainable market-oriented economic growth	a) Percent change in real GDP b) Population growth rate c) Current account deficit as percent GDP d) GOT budget deficit as percent GDP e) Gross private investment as percent GDP	1/ (notes on next page) 2/ 3/ 3/ 1/	a) 1.4% :82-91 b) 3.3% :82-91 c) 11.2% :89-91 d) 6.1% :89-91 e) 14.1% :82-91	a) 4% b) 3% c) 8% d) 4% e) 16%
<b>PROPOSED HEALTH/POPULATION INDICATORS</b>				
<b>PROGRAM SUB-GOAL</b>				
Human Resource Base Improved	a) Life expectancy at age 5 b) Women's literacy rate c) Primary school enrollment rates, by gender d) Primary school completion rates (per 100,000 women aged 15-49) e) HIV prevalence f) Total fertility rate (per 1,000 women aged 15-49)	a) Census Bureau b) UNDP Report c) UNDP Report d) UNDP Report e) AIDS Program Status f) UNDP Report	TBD  TBD  TBD	TBD  TBD  TBD
<b>STRATEGIC OBJECTIVE</b>				
Improved Maternal and Child Health Status and Reduced Fertility on a Sustainable Basis	a) Infant Mortality Rate b) Under 5 Mortality Rate c) Height for age of children (chronic) 12-23 months of age d) Incidence of measles (cases per 100,000) e) Maternal Mortality Rate (per 100,000 women aged 15-49) f) Total Fertility Rate (per 1,000 women aged 15-49)	a) DHS b) DHS c) DHS  d) SNSS e) Survey/SNSS f) DHS	a) 81 : 1988 b) 158 : 1988 c) 29.6% two std dev below mean 1988 d) 243 : 1990 e) 655 - 1989 f) 6.6	a) 70 b) 130 c) 25 d) 150 e) 500 f) 6

1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.

2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992

3/ Cadre de Politique Economique, 1992-1994, IMF

PROPOSED PROGRAM IMPACT INDICATORS				
OBJECTIVES	INDICATORS	SOURCE	BASELINE (data/year)	Status at end of Strategy period (1998)
<b>Target 1.</b>				
More private Sector providers of health services	a) # of physicians, nurses and midwives working outside of Lomé b) # of physicians, nurses and midwives working in Lomé	Regional Médecin Chef" (system to be established under the TCSP)	a) TBD : 1991 b) TBD : 1991	a) Doubled b) TBD
<b>Target 1.1.</b>				
Increased incentives to establish private medical practice outside of Lomé	a) Incentive Package Established by Government b) Value of loans to private medical practioners	a) Project records b) TCSP project Records	a) None : 1991 b) 0 : 1991	a) Established b) \$ 750,000
<b>Target 1.2.</b>				
Increased number of private consultations by Government Health personnel	No of private consultations by Government Health Personnel in Central & Regional Hospitals	Survey Information System to be Established under TCSP	TBD	TBD
<b>Target 1.3.</b>				
System for contracting private health services for public facilities established	a) System Established b) % of Regional and Prefectural Hospitals engaging services from the private sector	a) MOHP Reports b) MOHP Reports	a) None b) 0	a) Established b) 70%
<b>Target 2.</b>				
Increased availability of cheap drugs	a) Volume of imports of generic drugs b) Removal of custom duties on all essential drugs	a) Customs Records b) Customs Records	a) TBD b) not removed	a) TBD b) removed

B-2

- 1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.
- 2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992
- 3/ Cadre de Politique Economique, 1992-1994, IMF

PROPOSED PROGRAM IMPACT INDICATORS				
OBJECTIVES	INDICATORS	SOURCE	BASELINE (data/year)	Status at end of Strategy period (1998)
<b>Target 2.1.</b>				
Distributors, Pharmacies and private clinics offer drugs and contraceptives at competitive prices	a) Price of a market basket of contraceptives and drugs b) % of private sector health facilities with generic drugs	Market survey and choice of drugs to be designed and implemented by TCSP	a) TBD b) 0	a) TBD b) 50%
<b>Target 2.2.</b>				
Better supply of generic drugs and contraceptives in Public Health facilities	a) % of peripheral facilities restocked quarterly b) % of facilities reporting stock-outs of essential drugs per year c) % of facilities reporting stock-outs of contraceptives (per year) d) % of public health facilities with generic drugs available	Baselines and benchmarks will be determined from MOHP records/surveys	a) TBD b) TBD c) TBD d) 50%	a) 100% b) 10% c) 10% d) 100%
<b>Target 3.</b>				
Increased use of public health/family planning supplies and services	a) Numbers of consultations, in public facilities (per year) b) Numbers of consultations in private facilities (per year) c) Contraceptive Prevalence Rate d) Vaccination coverage (by antigen and by 12-23 months) BCG DPT 3 POLIO 3 Measles e) ORT Use Rate f) % of deliveries attended by qualified medical personnel	a) Health Statistics b) TBD c) DHS d) Vaccination Coverage Survey e) survey DHS f) DHS	a) 2,000,000 :1990 b) TBD c) 3% :1988 d) <u>1988</u> 92 53 53 55 e) TBD f) 54% :1988	a) 4,000,000 b) TBD c) 12% d) 12% 95 80 80 80 e) 50% f) 80%

B-3

- 1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.
- 2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992
- 3/ Cadre de Politique Economique, 1992-1994, IMF

PROPOSED PROGRAM IMPACT INDICATORS				
OBJECTIVES	INDICATORS	SOURCE	BASELINE (data/year)	Status at end of Strategy period (1998)
<b>Target 3.1.</b>				
Increased long term financial sustainability of Togo's Public Health Service	a) Increase recurrent budget allocation for health and population b) % of Togo's overall recurrent budget devoted to health c) % of Public Health facilities having implemented cost-recovery measures d) # of facilities replenish drugs on a cash basis	a) Annual Budget reports b) Budget reports c) Reporting from the MOH established under the TCSP d) same as c	a) FCFA 6.1 billion : 1992 b) 5.6% 1991 :1991 c) 5% d) 5%	a) FCFA 8.9 Billions b) 8% c) 100% d) 100%
Quality of Togo's Public Health/Family Planning Services Increased	a) % of patients satisfied with treatment received (exit interviews) b) # of services offered routinely at peripheral level	Survey procedures to be designed and implemented through the TCSP	a) TBD b) TBD	a) TBD b) TBD
PROPOSED EPZ INDICATORS				
<b>Subgoal:</b>				
Togo's non-traditional exports increased	Non-traditional exports (\$US): 1) Value (millions) 2) Index value (1992 = 100) 3) Year to year percent change	1/ (See B2) 1/ 1/	1) 152 : 1991 2) 100 : 1992 3) -3.8% : 90-92	1) 269 2) 177 3) 10% p.a.
<b>Target of Opportunity</b>				
Exports from Togo's EPZ increased	Change in EPZ exports (\$US): 1) Value (millions) 2) Index value (1992 = 100) 3) Year to year percent change	Togo EPZ Program Assessment October 1992	1) 13M 1991 2) 100 3)	1) 30 2) 230 3) 15% p.a.: 92-98

B-4

- 1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.
- 2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992
- 3/ Cadre de Politique Economique, 1992-1994, IMF

PROPOSED PROGRAM IMPACT INDICATORS				
OBJECTIVES	INDICATORS	SOURCE	BASELINE (data/year)	Status at end of Strategy period (1998)
<b>Target 1.</b>				
Number and size of operating firms in EPZ increased	a) No. of firms in operation: 1) 2 years or less 2) More than 2 years 3) Total b) Investment value of operating firms (\$US millions) c) Employment of Togolese in EPZ: 1) Male 2) Female 3) Total	EPZ organization	a1) 5 :1991 a2) 0 :1991 a3) 5  b) 59m.:1991  c1) TBD c2) TBD c3) 954 :1992	a1) 12 a2) 37 a3) 52  b) 75  c1) TBD c2) TBD c3) 5000
<b>Target 1.1.</b>				
Industrial facilities are provided by the private sector	a) Sq. meters of serviced land leased by private sector b) Sq. meters of underroof space offered by private sector	EPZ Organization	a) TBD b) 0 :1991	a) TBD b) TBD
<b>Target 1.2.</b>				
More effective promotion of the EPZ by the EPZ organization	a) No. of investment inquiries received b) No. of investment applications received	EPZ organization	a) 380 :1991 b) 21 :1991	a) TBD b) TBD
<b>Target 1.3.</b>				
EPZ regime is implemented in accordance with the law	a) EPZ Organization has legal authority b) Board of Directors established	EPZ records	a) not done b) not done	a) by 1994 b) by 1994

B-5

- 1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.
- 2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992
- 3/ Cadre de Politique Economique, 1992-1994, IMF

PROPOSED PROGRAM IMPACT INDICATORS				
OBJECTIVES	INDICATORS	SOURCE	BASELINE (data/year)	Status at end of Strategy period (1998)
<b>PROPOSED DEMOCRACY/GOVERNANCE INDICATORS</b>				
Stable democratic Government	a) Freedom of the Press <ol style="list-style-type: none"> <li>1. Ownership and control: independently owned or managed press has been growing</li> <li>2. Freedom of expression in the media               <ul style="list-style-type: none"> <li>- Press censorship/control by Govt.</li> <li>- degree of harassment of press.</li> <li>- has government banned or suspended publication or confiscated issues?</li> <li>- have past reprisals led to a self-censoring press.</li> </ul> </li> </ol> b) Freedom of Association. <ul style="list-style-type: none"> <li>- a number of voluntary organization, interest or gender based in absence of single legally controlled group.</li> </ul> c) Human Rights           d) Public transparence and effectiveness <ol style="list-style-type: none"> <li>1. Degree of public sector corruption</li> <li>2. Financial transparency and legal accountability:               <ul style="list-style-type: none"> <li>- published budgets</li> <li>- IG/JAO</li> </ul> </li> </ol> e) Public accountability <ol style="list-style-type: none"> <li>1. Degree to which individuals and groups can change the incumbents.               <ul style="list-style-type: none"> <li>- free and fair electoral process</li> <li>- pattern of choice making at national and local level.</li> </ul> </li> <li>2. Independent, functioning and fair judicial system.</li> </ol>	Annual Embassy Human Rights Report	1991	Improved
<b>Target of Opportunity</b>				
Participatory Democracy Strengthened	a) Multiparty participation in elections b) % of voter turnout.	Newspaper    Newspaper.	0 :1991 TBD :1992	TBD 80 + :TBD

B-6

- 1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.
- 2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992
- 3/ Cadre de Politique Economique, 1992-1994, IMF

PROPOSED PROGRAM IMPACT INDICATORS				
OBJECTIVES	INDICATORS	SOURCE	BASELINE (data/year)	Status at end of Strategy period (1998)
<b>Target 1.</b>				
Enhanced leadership capacity	a) Number of people trained in the U.S. on D/G issues. b) Number of people trained in local seminars.	a) HRDMIS b) HRDMIS	a) TBD :1991 b) TBD :1991	a) TBD b) TBD
<b>Target 2.</b>				
Educated citizenry	a) Voter registration b) % correctly marked ballots	National Electoral Commission Report	a) done : 1992 b) TBD : 1992	a) increased b) TBD
<b>Target 3.</b>				
Electoral system established	a) Vote and transfer of power b) Open and Transparent Elections.	Newspaper International Observers	a) Vote :1993 b) none :1992	a) 2 votes: 1998 b) : 1993

B-7

- 1/ As reported in "Macroeconomic Annex" USAID/Togo, May 1992 using data from the following sources; 1982: Republique du Togo Rapport Economique, World Bank, October 1987. 1983-1985: Cadre Macroeconomique, Ministre du Plan. 1986-1991: IMF Report.
- 2/ 1982-1987: Donnees Economiques et Financieres sur l'Afrique, World Bank and United Nations Development Program, 1990. 1988-1991: Togo Demographic Health Survey, 1992
- 3/ Cadre de Politique Economique, 1992-1994, IMF

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