



Program Information Documents (PID)

Appraisal Stage | Date Prepared/Updated: 05-May-2023 | Report No: PIDA278897



BASIC INFORMATION

A. Basic Program Data

Country Togo	Project ID P178835	Program Name Social Assistance Transformation for Resilience	Parent Project ID (if any)
Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date 05-May-2023	Estimated Board Date 15-Jun-2023	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Program-for-Results Financing	Borrower(s) Republic of Togo	Implementing Agency Agence Nationale d'Identification (ANID)	

Proposed Program Development Objective(s)

The Program Development Objective is to “increase coverage of safety nets and strengthen interoperable delivery systems”.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	321.30
Total Operation Cost	242.40
Total Program Cost	242.40
Total Financing	242.40
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	100.00
World Bank Lending	100.00
Total Government Contribution	142.40

Decision



The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

- 1. The economic consequences of COVID-19, compounded by an overlapping crisis of climate and conflict, have stalled Togo's steady progress over the past years and exacerbated fiscal pressures.** Despite benefiting from steady growth since 2008, Togo, a small coastal country with a population of approximately 8.1 million, remains one of the poorest in West Africa. Togo's economic progress slowed in 2020, with growth at just 1.8 percent. Growth is expected to recover to pre-pandemic levels and stabilize in the medium term.^{1,2}
- 2. In the face of fiscal stress, bold reforms are needed to ensure growth is inclusive.** Togo remains under pressure to reduce debt and pursue fiscal consolidation.³ The sharp deterioration of fiscal balances against the backdrop of persistent poverty, low and volatile productivity due to shocks, and lagging investments in human capital poses difficult tradeoffs and calls for purposeful solutions to build greater resilience. Ambitious reforms are needed to exploit multisectoral synergies within the context of prioritizing economic growth to reduce poverty and to promote investments in human capital. Focusing on gender can unlock an important source of income gains while promoting human capital outcomes.
- 3. Despite steady progress over the last decade, poverty remains persistently high, with large regional disparities and poverty reduction remains a challenge.** According to the latest household survey data from 2018/19, the poverty headcount ratio using the national poverty line stood at 45.5 percent, and food poverty has been even more widespread, at 52 percent.⁴ Poverty incidence is significantly higher in rural areas (58.7 percent, versus 34.3 percent in urban areas). Inequality, as measured by the Gini index, decreased slightly between 2011 and 2019, but remains one of the highest rates in the sub- region.⁵ The fallout from the Russian invasion of Ukraine has led to the acceleration of inflation with dire consequences for the living standards of the population, especially the poor.
- 4. Togolese households face overlapping crises rendering large portions of the population vulnerable to falling into poverty.** Overall, 64.9 percent of the Togolese population is either poor or vulnerable to poverty⁶. The corresponding figure in rural areas is substantially higher and an overwhelming proportion of individuals from households with a single adult female are vulnerable to poverty relative to their counterparts with one adult male. Togo's high vulnerability to poverty is due to its population's exposure to shocks. Low educational attainment also hampers resilience to shocks, as it reduces opportunities to access new income generating activities. To deal with the consequences of

¹ WBG (2020) Macro Poverty Outlook and WBG (2022) October 2022 Macro Poverty Outlook.

² Public Expenditure Policy Note. June 2022.

³ IDA/IMF (2019). Joint World Bank-IMF Debt Sustainability Analysis.

⁴ Data are based on the *Enquête harmonisée sur les Conditions de Vie des Ménages* (EHCVM), 2018-19; food poverty is defined based on food expenditures below the national minimum food basket.

⁵ World Bank 2022. Togo Poverty and Gender Assessment.

⁶ Poverty, Equity and Gender Programmatic Approach for Côte d'Ivoire, Benin, Togo and Guinea (P177988).



shocks, households must resort to informal safety nets or negative coping strategies, which lead to asset depletion and deterioration of human capital.

5. Stark differences in gender-based vulnerability to poverty underscore the urgent need for gender-inclusive economic opportunities to accelerate poverty reduction. An overwhelming proportion of individuals from households with only one adult female are vulnerable to poverty relative to their counterparts with one adult male (46 percent Vs. 19 percent, respectively).

6. Climate change and increased security concerns are important drivers of household vulnerability. Climate shocks and longer-term climate change trends are eroding decades of progress in human development, reducing learning outcomes, increasing disease burden and malnutrition, and threatening people's livelihoods. The poor are most severely affected. Rising temperatures in Togo over the past 20 years and persistent low precipitation are expected to contribute to reinforcing climate risks, such as drought events, wildfires, and floods, which could intensify food insecurity and regional instability.⁷ Rural and dry areas with households working in agriculture, who are already likely to be poorer than households in other areas, tend to be the most exposed to climate change impacts, presenting a further obstacle to eradicating poverty.⁸ Investing in Togo's human capital—the health, knowledge, and skills that people accumulate over their lifetime— will help them adapt to the effects of climate change. Togo is facing increased security concerns in the Northern part of the country. Since November 2021, six attacks have occurred in the Savanes Region with human casualties. Increased insecurity in the Savanes Region will likely increase vulnerabilities for a population that already counts among the poorest in the country.

7. A child born in Togo is expected to be only 43 percent as productive as she could be if she had access to complete education and full health.⁹ Access to services is often difficult and burdensome, particularly for the poor and vulnerable, borne out by lagging human development outcomes. While the Human Capital Index (HCI) index shows a positive trend in Togo (up from 37 percent in 2010), progress remains slow and uneven. Adult literacy rates and life expectancy fall short of the Sub-Saharan African average¹⁰ and the International Monetary Fund (IMF) finds that “Togo's social performance is below that of selected peer countries.”¹¹

8. Government spending on social protection, jobs, and human development remains below the levels of regional peers. Less than 10 percent of the country's population and less than 15 percent of the poor were covered prior to the pandemic by any form of targeted social safety net.¹² Social protection

⁷ <https://climateknowledgeportal.worldbank.org/country/togo>.

⁸ Cervigni and Morris 2016; Hallegatte et al. 2016.

⁹ As measured by the Human Capital Index (HCI). The HCI measures the human capital of the next generation, defined, on the basis of three components (survival, expected years of learning-adjusted school; and health), as the amount of human capital that a child born today can expect to achieve in view of the risks of poor health and poor education currently prevailing in the country where that child lives

¹⁰ Country Economic Memorandum 2.0 – Togo Country Scan, 8 October 2020.

¹¹ IMF (2019). Art. IV Review, p. 20.

¹² World Bank 2022. The Republic of Togo: Public Expenditure Review Policy Note; all forms of cash transfers covered 12 percent of the poor. Among other forms of social safety nets, electricity subsidies have had the largest reach overall, covering 24.3 percent of the poor, but the program is highly regressive, as the program also reaches 62.7 percent of the non-poor. The school canteen program reaches only 2.4 percent of the poor. The student allowance (scholarship benefits) programs hardly benefit the poor, reaching only 0.4 percent of them.



coverage and spending in Togo remains limited and heavily biased towards the formal sector, with wide gaps in the coverage and inclusion of the poor and vulnerable. Social protection and labor spending saw an effective decrease over the last decade – as the amount was less than the rate of inflation – going from 1.85 percent of GDP in 2009 to 2.06 percent in 2018. the government’s spending on social safety nets was equivalent to 0.56 of GDP compared to an average of 1.4 percent for low-income countries.

9. To unlock the potential of poverty reduction, boost human capital outcomes, and build resilience to climate, conflict, health, and other shocks, Togo needs to accelerate its ambitious agenda of reforms and vault over the barriers slowing down progress. Three key constraints to sustained poverty reduction and human capital formation need to be addressed: (1) accelerating rural income growth, while closing gender gaps in access to opportunities and services, (2) building coordinated and shock-responsive systems to boost resilience and to stem vulnerability to poverty, and (3) investing in efficient social protection systems that embed financial sustainability into program design by outweighing the cost-to-benefit ratio vis à vis regressive fiscal policies.

Sectoral and Institutional Context

10. The proposed operation aims to support the Government of Togo in accelerating development and economic growth by helping build resilience and prosperity for all Togolese. The “*Feuille de Route Gouvernementale Togo 2025*” (FRGT 2025) was adopted in October 2020, and complemented Togo’s first national development plan, “*Plan National de Développement*” (PND; 2018-2022).¹³ The FRGT’s main vision is “**A Togo at peace and a modern Nation with inclusive and sustainable economic growth**”. The vision includes ten ambitions built around three strategic axes. The first of three strategic objectives embrace “strengthening inclusion and social cohesion and guaranteeing peace”, combatting inequality, vulnerability, and insecurity through coordinated actions, by boosting human capital outcomes, through social protection, health, and education.

11. The FRGT 2025 is concretized in the Ministry of Economy and Finance’s (MEF) “Multi-year Programmatic Budget and Economic Document 2023-2025” (Document de Programmation Budgétaire et Economique Pluriannuelle - DPBEP) and the Prime Minister’s State Budget Draft Program 2022-2024. These documents contain specific targets for reform in all sectors, and program spending and performance indicators for all ministries and agencies undertaking 412 specific actions under the three strategic axes. The focus is on rationalization of spending, mainstreaming of performance-based budgeting and clear prioritization of programs focused on the “economic growth poles” and social sectors.

12. Important progress has been made in Togo’s social protection sector through robust government commitment to building the foundations of a social safety net¹⁴ system. The first round of

¹³ While the PND contained actions on quality education, universal health coverage, strengthening social protection, access to basic services, and gender equality, its results framework was geared to health and pension insurance, with no targets and indicators for social safety nets.

¹⁴ Also sometimes called social assistance programs, safety nets are non-contributory benefits provided either in cash or in-kind and intended to support the poor and vulnerable. They are a component of the larger social



cash transfer programs was launched in 2014 as a limited pilot in Savanes and Kara, to strengthen human capital by improving nutritional outcomes for children under five and to contribute to increasing their productive potential. The Safety Nets and Basic Services Project, *Filets sociaux et services de base* (FSB project, P157038, US\$29 million), launched in 2017, contributed to PND's goals by increasing access to basic services in 200 villages through socioeconomic infrastructure, such as classrooms, water points, health posts, and rural roads, and by expanding a poverty-targeted cash transfer program. Alongside FSB, an Employment Opportunities for Vulnerable Youth Project or *Emplois des Jeunes Vulnérables* (EJV, US\$15 million P157036) was co-financed by the Government of Togo and the World Bank. The FSB project reached 60,568 poor households in 2021 (92 percent of whom women), while the EJV project created over 14,000 temporary employment opportunities for youth in the poorest communities. After the pandemic, FSB was expanded in 2021 through additional financing (US\$20 million) with *Agence Française de Développement* (AFD) (€UR 10 million) to add 125,000 new households. Economic inclusion measures were targeted to 15,000 beneficiaries to increase incomes sustainably, to build back from the negative impacts of COVID-19. The government also launched a program to support families with pregnant women and newborns, covering over 150,000 beneficiaries (WEZOU¹⁵, which means “breath of life” in the Kabye language) with free medical services to poor and vulnerable women, and extended basic universal health insurance for poor and vulnerable populations, with the goal of covering 55 percent of the Togolese population by 2024.

13. In a turn-around moment during the pandemic, the government put in place Novissi, a globally recognized emergency cash transfer program that made innovative use of new technologies and data to provide income support to 25 percent of the adult population (63 percent of whom were women) for urban informal sector workers, who were hardest hit by the crisis. Togo deployed a low-tech and a high-tech method of prioritizing social assistance in a data-poor environment. To provide support efficiently and without physical contact, Novissi relied entirely on digital platforms using a simple Unstructured Supplementary Service Data (USSD) interface and mobile money, thereby innovating significantly on the country's existing safety net delivery systems. Novissi disbursed a total of US\$33.9 million, reaching 920,000 beneficiaries by August 2021. The program offers global lessons on the deployment of “*automatic insurance programs*” or loss and damage funds in response to shocks, where “*the pipeline can be set up to act quickly to reduce the long-term human capital impact of climate-related disasters*”.¹⁶

14. Beyond safety nets, the government initiated the development of foundational elements of a social protection delivery system focusing on poor households. A dynamic social registry information system—the “*Registre Social des Personnes et des Menages*” (RSPM)—is currently under development with support from the World Bank-financed West Africa Unique Identification for Regional Integration and Inclusion (WURI) program (P169594), together with foundational unique identification platform of all

protection systems that includes contributory social insurance such as pensions and health insurance, as well as labor market policies and programs. Safety net programs designed to promote income-generating activities and create productive links within local economies. Safety nets also include measures that facilitate access to basic services such as health care, education, and housing through targeted fee waivers and scholarships as well as lump sum grants to promote livelihoods and productive inclusion.

¹⁵ <https://www.togofirst.com/en/health/2408-10475-wezou-initiative-over-1-3-billion-cfa-spent-and-200-000-beneficiaries-so-far>

¹⁶ Presentation by Esther Duflo on Human Capital and Climate Change, on March 14, 2023. World Bank, Washington DC.



persons in the territory (*projet d'identification nationale biométrie* called eID Togo). The RSPM will be strengthened through an interoperability framework being developed by Togo's Digital Transformation Agency (*Agence Togo Digital*, ATD). These ongoing initiatives will provide a foundational basis for building a coherent and coordinated social protection system that enables productive inclusion and stokes economic growth.

15. Even so, the Togolese social protection architecture faces three profound challenges: coordination, inclusion, and efficiency. Despite the progress realized in recent years, the institutional landscape of Togo's social protection system remains fragmented and uncoordinated with initiatives implemented in isolation from each other in narrow geographic areas or among discrete population groups.

16. A fragmented institutional landscape leads to limited coordination of social protection policies, programs, financing strategies, and delivery systems, which in turn reduces effectiveness and increases costs. Social assistance programs are scattered among several ministries. While each of these initiatives might be mutually reinforcing, the institutional coordination mechanisms for social policies are absent, reducing effectiveness and hindering potential synergies between the benefits and services provided.

17. The efficiency of spending on social protection programs needs to be improved. A defragmentation of social protection spending, and consolidation of resources into a flagship program that has higher coverage would greatly increase the efficiency of Togo's nascent social protection system. From an institutional point of view, it would similarly be important to continue to strengthen operational and technical capacity to implement a flagship program based on the learnings and experiences gained through previous programs.

18. In light of these challenges, set against the backdrop of successful experience gained and lessons learned thus far, the Government has pledged to strengthen and reform its social protection architecture creating a new flagship safety nets program at scale. The October 2020 *Déclaration de Politique Generale* of the Prime Minister highlights social protection systems, including foundational unique identification, a dynamic social registry, social protection programs (including social payments), and universal access to health insurance among the foremost priorities along the first axis of ensuring social inclusion, harmony, and peace. The flagship safety nets program will support the Government's vision of reducing poverty and vulnerability to shocks, strengthening household resilience, and enabling equitable access to services. The program is an important contribution to Togo's vision to boost the resilience of poor families, and to break the intergenerational cycle of poverty by contributing to investments in human capital.

19. The Togo ASTRE PforR is conceived as support to the Government of Togo's efforts launch and roll out the new flagship safety nets program that will build forward, learning from the experience of implementing FSB and Novissi. The program will expand the coverage of cash transfers to the poor, respond to shocks, financially include female beneficiaries through mobile money and savings accounts, and provide accompanying savings and health measures, underpinned by interoperable delivery systems, that embed financial sustainability into program design. It will cover 25 percent of the population or 50 percent of the poor (and cumulatively cover 100 percent of extreme poor). The PforR supports the government's vision to increase pro-poor spending and coverage of social protection programs as it puts



in place bold reforms needed for economic growth, poverty reduction, climate resilience, and human capital formation.

PforR Program Scope

20. The government’s program document, PNPSNC lays the foundations for a strategic vision that rationalizes non-contributory social protection in Togo. The objective is to improve the socio-economic situation of targeted poor and vulnerable households while reducing gender inequalities, within a framework of consolidation and innovation of non-contributory social protection in Togo. As such, the analysis identifies the most important constraints faced by poor and vulnerable households as well as the key challenges that Togo’s social protection systems have yet to address i.e., lack of institutional coordination, insufficient financing and coverage, regressive targeting, and inefficient interventions.

21. The scope of the ASTRE Program is along two lines: (i) To expand coverage of regular and shock-responsive safety nets, to strengthen individuals’ and household’s resilience to climate, conflict, and other shocks, and (ii) to enhance the efficiency and coordination of safety net programs.

- i. **Expand coverage of the extreme poor.** The number of people in poverty in Togo is around 3.6 million, of which half or 1.8 million are extremely poor. With the flagship program including beneficiaries for 18 months and then rotating them out of the program, with the average size of household as 4.2, the total number of chronically poor people reached in five years will be 1.8 million, covering all extreme poor in the country by cash transfers and behavioral change communication via mobile devices. In addition, the PforR will support the financing of shock responsive emergency transfers to help cope with the consequences of climate, conflict, other shocks to cover close to 0.25 million vulnerable households (cumulatively over five years). The PforR operation will also support a mobile money and savings component targeted to women to achieve coverage of 352,000 households.
- ii. **Enhance efficiency and institutional coordination of safety net programs.** The PforR will provide incentives for closer coordination among programs through shared investments in delivery systems platforms to reduce the duplication of efforts and cost inefficiencies, while also allowing for institutional synergies and knowledge sharing.

C. Proposed Program Development Objective(s)

Program Development Objective(s)

22. The PforR’s Development Objective is “increase coverage of safety nets program and strengthen interoperable delivery systems”.



23. The following indicators are proposed to monitor the achievement of the PDO:

Increase coverage of flagship safety nets program

- Beneficiaries of social safety net programs (Core Results Indicator- CRI)
 - Beneficiaries of social safety net programs - female
- Expansion of coverage of households by shock-responsive transfer in districts affected by a climate, conflict, health, or other shock
 - Direct female beneficiaries of shock-responsive transfers
- Female beneficiaries reached by mobile financial services
- Beneficiaries reached by accompanying measures via mobile device
 - Female beneficiaries reached by accompanying measures via mobile device

Strengthen interoperable delivery systems

- Share of population registered in the dynamic social registry
- Interoperable social information system is operational with data exchange and analytics (Data Lab) capabilities

D. Environmental and Social Effects

24. Environmental and social (E&S) impacts of the Program. A desk review of the program and ESSA concluded that the activities described are not expected to pose significant threats or cause significant adverse impacts. The risk at this stage is rated Moderate. Consultations with key actors of the Program made it possible to know their capacity in terms of management of E&S aspects; and if all mitigation measures are implemented, the level of risk should remain moderate.

25. Environmental and Social Systems Assessment (ESSA). The ESSA found that the main positive social impacts of the ASTRE PforR are access to basic social services, facilitation of income generating activities for the household, economic empowerment of women, social inclusion, elimination of a feeling of exclusion of households, exit of households from a state of vulnerability (due to the cash transfer activity and clear targeting of beneficiaries), reduction or elimination of duplicate beneficiary households and benefits provided multiple times to the same households, optimization of use of resources, unique identification of beneficiaries, effectiveness of social protection actions (from capacity building activities). However, for these same activities, the negative environmental impacts are the destruction of flora by charcoal production activities as well as cutting and sale of firewood, which are of low assessed importance (reduction in the capacity of carbon sequestration of importance also considered low).

26. The implementation of activities of this PforR may entail the following social risks: (i) risks related to the health and safety of consultants and beneficiaries during field meetings, trainers and others who are considered "project workers"; and (ii) risks related to AES/HS may arise from power relations (hierarchy, positioning, economic advantages, among others) in the context of the proximity of the project to beneficiaries. Although a mechanism for managing complaints related to PforR exists and will be strengthened and disseminated, communities and individuals who believe that they are



adversely affected because of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance mechanism or the Bank's Grievance Redress Service (GRS).

E. Financing**Program Financing**

Sources	Amount (USD Million)	% of Total
Counterpart Funding	142.40	58.75
Borrower/Recipient	142.40	58.75
International Development Association (IDA)	100.00	41.25
IDA Credit	100.00	41.25
Total Program Financing	242.40	

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Borrower/Client/Recipient

Borrower :	Republic of Togo		
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Implementing Agencies



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Annex: Results Framework and Monitoring

Indicator Name	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of social safety net programs	Annual	Beneficiary Operations Management System	Administrative System	ANID/ANADEB
Beneficiaries of social safety net programs - Female	Annual	Beneficiary Operations Management System	Administrative System	ANID/ANADEB
Expansion of coverage of households by shock-responsive transfer in districts affected by a climate, conflict, health or other shock	Annual	Beneficiary Operations Management System	Administrative System	ANID/ANADEB
Direct female beneficiaries of shock-responsive transfers	Annual	Mobile network operator	Telecom statistics	ANID/ANADEB
Female beneficiaries reached by mobile financial services	Annual	Mobile Network Operator	Telecom Statistics	ANID/ANADEB
Beneficiaries reached by accompanying measures via mobile phone	Annual	Mobile Network Operator	Telecom Statistics	ANID/ANADEB/ATD
Female beneficiaries reached by accompanying measures via mobile phone	Annual	Mobile network operator	Telecom statistics	ANID/ANADEB/ATD
Share of poor population registered in dynamic social registry	Annual	Social Registry (RSPM)	Administrative System	ANID



Interoperable social information system is operational with data exchange and analytics (Data Lab) capabilities	Annual	ANID	A periodic IT audit and assessment will be conducted to review the maturity of the system and to provide results of the assessment including enhancements required.	ANID/ATD
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