

# **TOGO SOCIAL ASSISTANCE TRANSFORMATION FOR RESILIENCE PROGRAM**

**FIDUCIARY SYSTEMS ASSESSMENT**

**INTEGRATED FIDUCIARY SYSTEMS ASSESSMENT (FSA)**

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## SECTION 1: CONCLUSIONS

### 1.1 Introduction

- 1. The government of Togo (GoT) has put in place a social protection program-called *Programme Nationale de la Protection Sociale Non-Contributive (PNPSNC)*.** The government program considers existing social protection policies that factor in potential shocks affecting a significant portion of the population. Therefore, the social protection government program has been designed to be scalable to cover the poor and vulnerable and be responsive to shocks.
- 2. The GoT has pledged to strengthen and reform its social protection architecture, creating a new flagship safety nets program at scale.** The flagship program is spelled out in the PNPSNC. The flagship program is an important contribution to Togo's vision to boost the resilience of poor households and to break the intergenerational cycle of poverty by contributing to investments in human capital. The Togo Social Assistance Transformation for Resilience (*Assistance Sociale Transformatrice pour la Resilience*, or ASTRE) Program for Results operation (PforR) is conceived as support to the GoT's efforts to launch and roll out the new flagship safety nets program that will build forward, learning from the experience of implementing the *Filets sociaux et services de base* (FSB project, P157038, US\$29 million in 2017, with additional financing of US\$20 million in 2020) and the Government's emergency cash transfer program launched during the COVID 19 pandemic, Novissi (total cost of US\$33.9 million 2020-2021). The ASTRE PforR is carved out of the larger PNPSNC government program discussed at the Council of Ministers meeting on May 8<sup>th</sup>, 2023, and adopted through a Presidential decree 2023-045 PR, May 19, 2023.
- 3. As part of the preparation process, an integrated Fiduciary Systems Assessment (FSA) was undertaken for this Program.** The assessment was conducted in accordance with the World Bank's Policy OP9.00 and its associated Directive on PforR Financing of November 10, 2017, and June 20, 2019, respectively. The assessment has closely followed OPCS guidance as articulated in World Bank's PforR Fiduciary Systems Assessment Guidance Note issued on June 30, 2017. The assessment was done by reviewing core program fiduciary systems for the three key implementing agencies: *Agence Nationale d'Identification* (ANID), *Agence Nationale d'Appui au Développement à la Base* (ANADEB), and *Agence Togo Digital* (ATD).
- 4. The assessment concludes that the overall fiduciary risk of the PforR Program is assessed as Substantial.** In addition, the assessment provides reasonable assurance that the examined program fiduciary systems, including financial management (FM), procurement, and anticorruption for the elements of the Program Expenditure Framework (PEF), are adequate to ensure that the Program funds will be used for the intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability and for safeguarding program assets once the proposed mitigation measures have been implemented. Appropriate systems to handle the risks of fraud and corruption (F&C), including effective complaint handling mechanisms, have been agreed.
- 5. As a result of the FSA, a number of mitigative actions have been included in the Program Action Plans (PAP) and will be incorporated into the Program Operations Manual (POM) in order to strengthen the existing fiduciary systems.** Along with other proposed mitigation measures, these actions are meant to directly support improvement in the performance of some key Public Financial Management (PFM) and procurement systems, foster interoperability and allow for ease of data exchange within government decision-making machinery and improve institutional processes and coordination.

**6. Financial management systems were assessed to determine the degree to which they provide reasonable assurance on the appropriate use of Program funds and safeguarding Program assets.**

These elements assessed included relevant planning, budgeting, accounting, internal controls, funds flow, financial reporting, and auditing arrangements. Specifically, the assessment covered the following areas under this set of systems:

- i. **Planning and budget preparation.** Whether the Program budget is realistic, policy-based, and implemented in an orderly and predictable manner.
- ii. **Accounting and financial reporting.** Adequate program records are maintained, and financial reports are produced and disseminated for decision-making, management, and Program reporting.
- iii. **Treasury management and funds flow.** Adequate and timely funds are available to finance Program implementation.
- iv. **Internal controls (including internal audit).** There are satisfactory arrangements to exercise control and stewardship of Program funds.
- v. **Program audit.** Adequate independent audit and verification arrangements are in place following the international standards on auditing.

**7. Procurement and governance systems were assessed.** Procurement systems were evaluated to determine the degree to which planning, bidding, evaluation, contract award, and contract administration arrangements and practices provide reasonable assurance that the program will achieve intended results through its procurement processes and procedures. Governance systems were assessed in how the program's governance systems handle the risks of fraud and corruption, including the use of complaint mechanisms, and how such risks are managed and mitigated in light of the government's commitments under the Guidelines on Preventing and Combating Fraud and Corruption in PforR Financing (Anti-corruption Guidelines or ACGs).

**8. The fiduciary systems of the Program were assessed using various sources.** These included consultations with counterparts across various entities and Ministries, data and information shared by the GoT, procurement performance-related information, government-specific available documents on websites in the public domain, and audit reports issued by the *Cour Des Comptes*. The assessment also reviewed analyses conducted in the social sector, prevailing Acts, rules, procedures, and government-issued circulars. Prevailing anti-corruption arrangements were also examined to ascertain their adequacy. ANID was only set up in 2020 under the Presidency, so there are limited historical financial records of how the institution has performed.

**9. The assurance conclusion is therefore derived from the outcome of the described assessments, identified risks, and proposed mitigation measures.** It is worth noting that the proposed mitigation measures will also include a combination of government's ongoing PFM reforms and World Bank implementation support measures, which will ensure flexibility and consistent handholding to ensure that program fiduciary system's capacity is built over time.

## 1.2 Key Risks and Mitigation Measures

**10. The key fiduciary risks identified during the assessment and mitigating measures are mentioned below:**

- (a) **Potential delay in agreeing to have the program budget submitted to the head of state and approved due to factors beyond what is currently known, resulting in the Program missing the**

**opportunity to be included in the state budget earlier or before FY 2024.** The government program was discussed at the Council of Ministers' meeting on May 8<sup>th</sup>, 2023, and was adopted through a Presidential decree on May 19<sup>th</sup>, 2023. It is expected to be reflected in the State budget through the regular processes leading to adoption through the Budget law tabled for adoption by December 2023. There will be program subcodes under each program implementing entity's (PIE) budget to cover various expenditures under the program. The program budget subcodes will be ready by December 2023 as per appraisal discussions with the Ministry of Finance (MEF) and are deemed a condition of effectiveness. Creating these budget codes will push the government to become accountable for allocating appropriate levels of funding to the ministries to meet the results, and the two-line Ministries and the three entities assessed to become accountable for the achievement of agreed Program results and exercise the effective management of the inputs entrusted to them by the government (through the budget process). The Program codes will be used to allocate the various expenses to be incurred among the different functional classifications for reporting purposes. The goal is to use these program codes that relate to the appropriate functional classification. A condition of effectiveness is to have created a credit line or credit lines, as applicable, in the National Budget to facilitate the design, allocation of resources, reporting against such lines and delivery of the program.

- (b) Coordination among the three PIEs – ANID, ANADEB, and ATD - could potentially be impacted by weak government-wide coordination.** To mitigate these risks, as a condition of effectiveness, the GoT will develop a Subsidiary Agreement between MEF and the three PIEs—ANID, ANADEB, and ATD—to clarify roles and responsibilities and to enable the flow of funds and budget allocations from MEF to the agencies as advance payments to cover the cost of operations to achieve Program results. The proposed PforR operation will document within its POM, the establishment of an inter-ministerial committee and inter-agency steering coordination committee, which will meet every quarter. These committees, amongst other things, will spearhead the Program coordination efforts and monitor its implementation. On the systems side, the government will develop an interoperability framework that will allow data and information exchange for better targeting and coordinated delivery of social programs in the country. A Program coordination unit will be set up within ANID. This unit will be staffed with fiduciary qualified and experienced staff. The POM will elaborate on the role and responsibilities of ANID, ANADEB, and ATD's staff, as well as all the line ministries and other entities involved in the implementation of the Program activities. The POM will also include a Program financial report and ACG reporting template and protocols. These reports will be used for better coordination of Program implementation. Finally, ANID will be strengthened with the recruitment of key staff with adequate qualifications and experience to handle appropriately its role as Program coordination entity. Staff will be regularly trained on all fiduciary aspects—procurement, contract management, fiduciary complaint handling, audits, program accounting, and how best to submit and reconcile DLI claims.
- (c) Lack of Board of Directors established for ANID and ATD.** ANID and ATD do not currently have properly constituted Boards of Directors. The main role of the Board of Directors for ANID and ATD is to provide policy oversight, planning, and strategizing on the agencies' short- and long-term goals. The Board is also expected to put in place mechanisms to monitor Program progress against the set objectives. In essence, the Board of Directors will be fundamental and will play a key role in the corporate governance of the two entities for providing acceptable stewardship on behalf of the government. The respective Decrees establishing ANID and ATD require that the Board of Directors adopt the FM procedures manual and approve the annual budgets and hiring plans, among other duties. To mitigate these risks, the Program Financing Agreement includes a dated covenant

stipulating that the GoT will appoint and establish a Board of Directors within ANID and ATD, no later than three months after Program effectiveness.

- (d) Lack of procurement organs as per procurement code within ANID and ATD.** ANID currently relies on procurement staffing under the ongoing IDA-financed West Africa Unique Identification for Regional Integration and Inclusion (WURI) Phase 2 program, which will close in July 2026, two years before the Program closing date. In order for ANID to sustain its current procurement arrangements, the Agency needs to recruit or appoint a qualified and experienced procurement specialist. ANID and ATD will have to establish their own procurement organs as per the Procurement Code provisions and after setting up their respective Board of Directors. These include (i) a Management Cell of Public Procurement (*Cellule de Gestion des Marchés Publics*); (ii) a Procurement Control Commission (*Commission de Contrôle des Marchés Publics*); and (iii) a Person Responsible of Public Procurement (*Personne Responsable des Marchés Publics*). These actions will mitigate the risk of ANID and ATD not having procurement organs in place. Accordingly, the Financing Agreement for the Program includes a dated covenant stipulating to establish procurement organs for ANID and ATD in accordance with GoT's Procurement Code no later than three months after Program effectiveness.
- (e) Inadequate staffing and capacity of ATD regarding procurement, financial management, and contract management aspects.** ATD does not have a dedicated procurement specialist to handle procurement aspects under the Program. To mitigate this risk, the POM will require ATD to recruit or appoint a qualified and experienced procurement specialist, an internal auditor, a deputy financial manager, and an assistant public sector accountant. The recruited or appointed procurement staff will follow regular training on all fiduciary aspects, including procurement, contract management, fiduciary complaint handling, audits, program accounting, and submission of DLI claims.
- (f) Absence of a Public Sector Accountant and an Integrated Financial Management Information System (IFMIS) at ANADEB.** ANADEB has not appointed a qualified public sector accountant to manage the Program financial reporting. In addition, ANADEB is not currently using the new government IFMIS called SOLAF (*Solution Logicielle pour Administration des Finances*). MEF will appoint a qualified public sector accountant, through a ministerial Act/decreed, who will be tasked with maintaining adequate Program records to reflect, in accordance with national public sector accounting practices, the Program's various revenue resources, operations, and expenditures. In addition, the Treasury will install, parameterize, and roll out the SOLAF's appropriate modules to ANADEB that will be used for program financial accounting. Users and staff working at ANADEB will be trained on the system properties and functionalities. These actions will be required in the POM to mitigate these risks and spur urgent action.
- (g) Planning and budgeting processes for ANID and ATD are not fully in place, mainly due to the absence of a Board of Directors.** This can be a serious impediment to the planned implementation of the Program. The Board will articulate planning and budgeting procedures for the Program. This risk will be mitigated through the dated covenant requiring the establishment of a Board of Directors for both entities no later than three months after effectiveness.
- (h) Delay in funds release to the PIEs and budget inadequacy at the PIEs level.** Budget and funds must be available on a timely basis to the Program. The annual draft Program Budget (DPPD) for the three PIEs will be shared with the World Bank for review to ensure its adequacy for technical advice and

cash projections. The DPPD budget will be reviewed by the inter-ministerial committee before submission to the Bank. To further mitigate this risk, a PAP has been incorporated in this document and the overall Program to push ANID to establish and develop a 3-year medium-term budget for the Program, which will be approved by Board of Directors and the Bank. Within the first six months of the Program, the Bank Task Team will require the PIEs to provide a simple Excel sheet showing Program releases on a quarterly or monthly basis and a report on the number of direct beneficiaries of the program to establish existing trends and identify process areas which need tweaks in budget releases. After December 2023, once the Public Expenditure Framework (PEF) framework is mainstreamed through the public expenditure computerized system (SIGFIP), the Bank will require quarterly or monthly reports on budget release to PIEs and direct beneficiaries of the Program.

- (i) **Absence of a full set of comprehensive financial statements for each of the three PIEs.** Since ANID is a new institution, the assessment noted the institution it does not have comprehensive financial statements. ANID, ANADEB, and ATD will prepare cash based program financial statements as the basis of accounting which will be consolidated by ANID. In addition, the World Bank and the implementing entities will agree on a fit-for-purpose program financial statement which will be periodically used when reporting on the Program financial status. The GoT will appoint dedicated accountants at the treasury level to work on this program. A PAP has included the need to establish that ANID will coordinate with ANADEB and ATD to submit Program financial reports on the share of PEF each PIE is implementing, to be submitted to Bank no later than 45 days after the end of each semester. Template of such report will be attached to DFIL at negotiation.
- (j) **While Togo has its own Supreme Audit Institution (SAI), the current skills within the audit team are inadequate to audit the Program financial statements.** To mitigate this deficiency, a private sector audit firm will be hired to undertake the Program audit for the first two years. The private sector audit team conducting the Program audit must subsume a minimum of two staff from the SAI to understudy and build their own skills on how to undertake the Program audit for SAIs own capacity building. The government will appoint an external auditor to review and audit financial management and procurement aspects as agreed in the annual audit terms of reference. This measure will be reflected in the POM.
- (k) **Consistent publication of program financial statements annually is not an engrained practice within the public sector.** The program audit will need to be published so that it also helps with key aspects of citizen engagement and build trust in government. ANID will disclose entity and PforR Program budgets and financial statements to the public through its website, once operational, in accordance with WBG information policy, allowing citizens to provide feedback on the status of the program based on audited financial statements. ANID should prepare and publish annual performance reports, financial statements, and audit reports within nine months from the end of the fiscal year (FY) on the website in order to improve transparency and provide data to citizens. This action is part of the POM.
- (l) **Limited capacities of internal audit functions of the *Inspection Générale de Finances* (IGF). The internal audit capacity in the public sector in Togo is quite weak.** The capacity of internal auditors should be strengthened to ensure the effectiveness of their work within the Program. The internal auditors should also be introduced to a risk-based internal audit practices of the Program and other areas, including information technology audits. By so doing, the internal audit cadre will be assisted to execute technical and process-driven assessments to identify and evaluate cybersecurity risks and offer strategies and recommendations to help mitigate them. By introducing the internal audit

to information technology audits, the auditors can automate their own manual tasks, identify unauthorized transactions within the program and anticipate future risks by reviewing and validating past transaction data. Currently, such capacity support is being provided by the World Bank-financed Togo Economic Governance Project (P158078), closing on June 30, 2023. The World Bank's support to the internal audit function will continue through the technical assistance component of the new Togo Public Sector Capacity Strengthening for Service Delivery PforR expected in FY24 (P176883). The IGF's audit staff should be trained and equipped to improve their roles and responsibilities through such project.

- (m) SAI financial audit capacity is limited due to resource constraints.** Using the SAI to audit the Program from the start may lead to inordinate and untimely submission of the annual Program audit report. The PforR Program's audit will be conducted by a private audit firm to be recruited competitively according to the approved terms of reference agreed upon between the GoT and the World Bank for the first two years. During those two years, the private audit firm will include at least two SAI staff to work within its team and help build the SAI's capacity and skills to audit such Programs. The annual Program audit reports will be submitted to the Bank. After the first two years, the Bank will assess the capacities of the SAI, focusing on the acquisition of new audit methods by the two staff members and their ability to undertake quality assurance of the work done in order to decide if the external audit can be carried out by the SAI. The technical assistance of the upcoming World Bank's governance PforR (P176883) will include activities aiming to build capacity within SAI, to be actioned through its own PAP.
- (n) Risk of fraud and corruption.** Perceptions of heightened corruption are embedded in the public sector in Togo due to low wages and other aspects. GoT and international partners are making efforts to improve and significantly reform Togo's PFM systems which would also help came the depth and bredth of corruption. The Government established the High Authority for the Prevention and Fight Against Corruption and Related Offenses (HAPLUCIA) in line with section 46 of the constitution with the mandate to formulate, coordinate, and fight corruption. In order to mitigate any potential risks of fraud and corruption, ANID will submit Compliant Handling and Fraud & Corruption bi-annual reports on the Program to HAPLUCIA and HAPLUCIA in turn will verify and submit it to the Bank. These measures will be actioned through the POM.
- (o) Inadequate complaint handling management system.** The GoT and the PIEs do not have a formal robust complaint management system which is essential for transparency in public procurement. The PIEs and the GoT will develop a complaint-handling policy and procedures to be documented in a government circular and included in the POM. Two PAPs concerning this risk have been included. First, all cases of fraud and corruption related to the Program will be reported to the Bank using an agreed template. Second, bidding documents and contracts will contain adequate fraud and corruption clauses and provisions to mitigate environmental and social risks, and impacts, including SEA/SH.

### 1.3 Procurement Exclusions

- 11. No high-value contracts exceeding the Operations Procurement Review Committee (OPRC) threshold have been identified under the Program procurement plan.** The main expenses of the Program will focus on cash transfers, which is not a procurable activity. No potential high-value procurement contract is expected as part of the Program. It is not envisaged that the Program will



finance any high-value contract above OPRC thresholds. However, if there is a need for an amendment, the thresholds are US\$75 million for works, turnkey and supply, and installation contracts; US\$50 million for goods, IT systems, and non-consulting services; and US\$20 million for firm consultant services, all of which would require mandatory review by the OPRC. The program will also exclude activities that are likely to have significant adverse impacts on the environment and/or negatively affect people. Procuring entities will report to the World Bank if any large contracts appear during the program implementation. The World Bank will also monitor fiduciary systems and contract management reports to identify any large-value contracts throughout the Program implementation.

## SECTION 2: SCOPE AND PROGRAM BOUNDARY

### 2.1 Scope of the FSA

12. **The FSA covers the key areas around PFM, Procurement, and Governance and Anticorruption, as mentioned earlier.** The Program, which focuses on Social protection, is implemented by three agencies – ANID, ANADEB, and ATD – which were assessed. The scope of the FSA is limited to cash transfer activities and accompanying measures, resilience to shocks, modernization, and strengthening the non-contributory social protection system with an interoperable social information system and technical coordination.

13. **The ASTRE PforR is anchored at the Office of the President, with ANID being responsible for overall Program delivery and for coordinating with ANADEB and ATD to jointly deliver results as the three PIEs.** See Figure 1 on institutional arrangements. ANID was designated by the Office of the President to coordinate social protection systems as the focal point for the ASTRE PforR. ANID developed the government’s program document, PNPSNC, and the flagship safety net program, with inputs from other implementing agencies. ANID, a nascent agency created in 2020, is being staffed to fulfill its various missions.

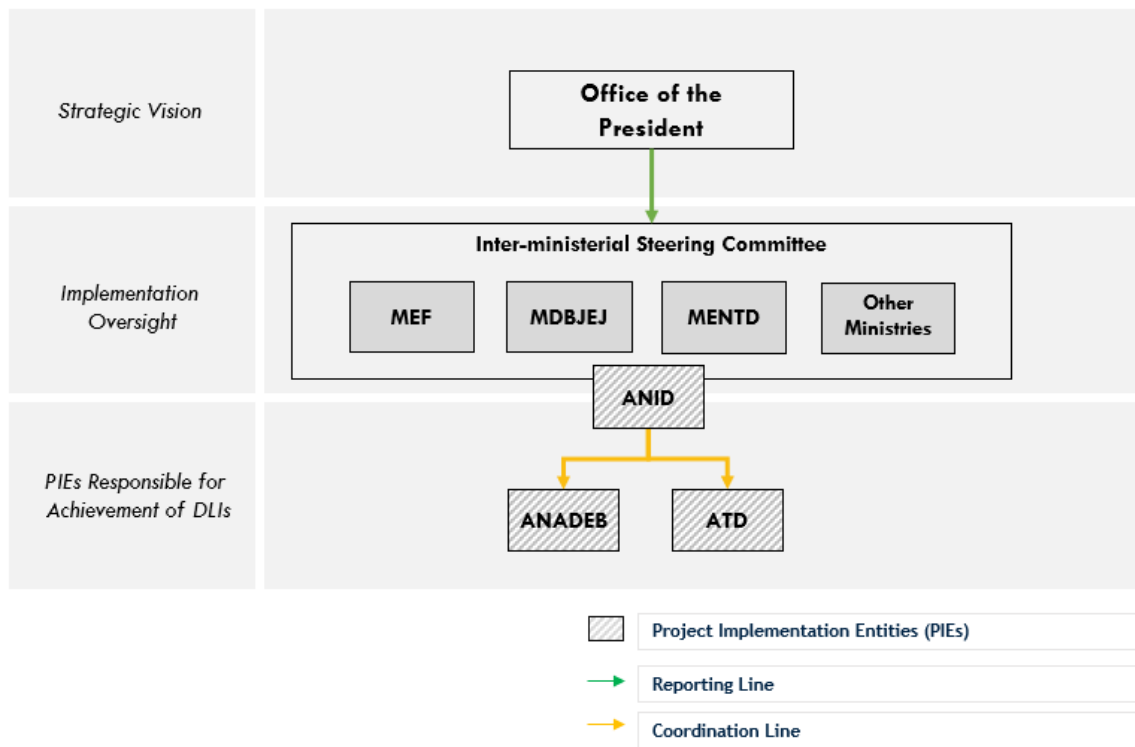
14. **ANID will act as an orchestrator, coordinating and collaborating with ANADEB, ATD, and MEF, among others.** ANADEB, an agency under the *Ministère du Développement à la Base, de la Jeunesse et de l’Emploi des Jeunes* (MDBJEJ), has experience delivering the FSB cash transfer (IDA-financed) project which reached over 61,317 poor households in 2021, 73,226 by May 2023, with a planned expansion to 125,000 by December 2023, following which the FSB project will close. ANADEB’s strengths are in managing a network of social workers in the field who provide a face-to-face interface to FSB project beneficiaries and allowing for community mobilization for economic inclusion measures delivered to 6,309 beneficiaries by May 2023. ANADEB is also implementing the IDA-financed project for community-driven development in the Savanes region (Gulf of Guinea Northern regions social cohesion project – COSO, P175043). ATD, an agency under the *Ministère de l’Economie Numérique et de la Transformation Digitale* (MENTD), has experience delivering the contactless Novissi emergency cash transfer program during the pandemic, delivering to 972,000 individuals as of August 2021. ATD’s strengths are in developing platforms for efficient delivery of social programs. ATD is building interoperability and data exchange platforms for whole-of-government and digitalizing public service delivery. ANID will work closely with ANADEB and ATD to leverage their respective strengths and areas of expertise to deliver results on the flagship program. There is precedent for close coordination. ANADEB is currently working in partnership with ATD and ANID to deliver payments through mobile money accounts to FSB beneficiaries in 2023, using the Novissi platform managed by ATD and issuing temporary identification credentials by ANID for beneficiaries of cash transfers who do not have any. The three PIEs have regular coordination meetings around the delivery of cash transfers under the FSB project. Assessments were conducted to identify capacity gaps and required actions to strengthen the PIEs proposed roles.

### 2.2 Implementation Arrangements

15. **The GoT will develop a Subsidiary Agreement between MEF and the three PIEs—ANID, ANADEB and ATD—to clarify roles and responsibilities, and to enable flow of funds and budget allocations from MEF to the agencies as advance payments, and to cover the cost of operations for the achievement of results.** Institutional arrangements are illustrated in Figure 1. ANID, ANADEB, and ATD will have specific roles and responsibilities to deliver the flagship program. Cash transfers under the

flagship program will flow directly from the Treasury single account to mobile money service providers who will pay into the registered mobile money accounts of beneficiaries linked to their eID. Therefore, MEF will be responsible for making the necessary budget allocations for administration and operations for the PIEs. The budget allocation will finance ANADEB to meet its operating cost of “face-to-face” beneficiary interface through community social workers, to enable outreach and continuous communications about the program, to facilitate grievance redress mechanisms (GRM), and to support the ongoing Beneficiary Operations Management System (BOMS) for the flagship program. For ANID, the budget will support the data collection for the RSPM, operation of the RSPM, operation of the BOMS system for the flagship program, the setting up of the Data Lab, an integrated GRM call center, as well as program coordination, management, and communications. For ATD, the budget will enable the development of various components of interoperable delivery systems and for the development of the flagship program’s BOMS.

**Figure 1: Institutional Arrangements**



16. **ANID was established by Decree No. 2020-093 dated November 12, 2020.** Endowed with legal personality and financial independence, ANID is under the direct authority of the Presidency, and under the dual technical supervision of the MENTD and the Ministry in charge of Security (*Ministère de la Sécurité et de la Protection Civile*, or MSPC). ANID is currently the implementing agency for the IDA financed WURI project (IDA credit 66130 in the amount of US\$48.00 million and IDA grant D6120 in the amount of US\$24.00 million). ANID has demonstrated strong implementation capacity, having recently concluded a complex international competitive bidding process and contracting of an information systems provider for EUR 38 million to roll out the government’s eID program financed by the WURI IPF.

17. **ANADEB was created by Decree No. 2011-017 dated January 19, 2011.** ANADEB is a public body created by a legal instrument and has financial autonomy. ANADEB is under the technical supervision

of the MDBJEJ. ANADEB has successfully hosted the IDA-financed Togo Employment Opportunities for Vulnerable Youth Project (P157036, EJV, IDA grant D1730 in the amount of US\$15.00 million closed in December 2021), and has been implementing the IDA-financed FSB project (P157038, IDA credit 69470 in the amount of US\$10.00 million, IDA grants D1740 and D8650 in the amounts of US\$29.00 million and US\$10.00 million, respectively). ANADEB has developed strong capabilities in delivering cash transfers and economic inclusion measures.

18. **ATD was created by Decree No.2021-102 dated September 29, 2021.** ATD is under the direct authority of the Presidency. ATD is a public administrative body with legal personality and financial autonomy. It is building an interoperability and data exchange framework for whole-of-government and digitalizing public service delivery. It is also the custodian of the Novissi platform. ANADEB is working in partnership with ATD and ANID for the delivery of payments through mobile money accounts to beneficiaries of cash transfer under FSB. A Data Protection Authority (DPA) was set up under WURI and will be instrumental to the use of controlled data sharing for the data exchange and interoperable social information system to be built under the PforR.

19. **MEF will play a key role in ensuring resources are allocated to the three PIEs, in addition to the direct transfer of payments to mobile money accounts of beneficiaries.** The overall government budget and expected results indicators by type of program within the PforR boundary is one part of a larger expenditure framework as represented in the *Document to Programmation Budgétaire et Economique Pluriannuelle* (DPBEP) and the Prime Minister's State Budget Draft Program 2022-2024. The Technical Assessment of the Program Appraisal Document (PAD) provides key parameters of the budget for social protection in Togo and main executing agencies with their universe of programs. The PforR program has been mapped to the existing expenditure lines in the current budget to chart the way forward for the flagship social safety nets.

20. **The GoT will create adequate incentives for the inter-ministerial and agency committee of the Program to collaborate.** Staff roles and responsibilities will be made clear and ensure their adequacy. Staff will have appropriate incentives to carry out their defined roles, including a commitment to the Program's results, access to adequate resources, management support, and compensation and accountability will be enforced. The World Bank task team will ensure a clear tone at the top for results and the Program benefits.

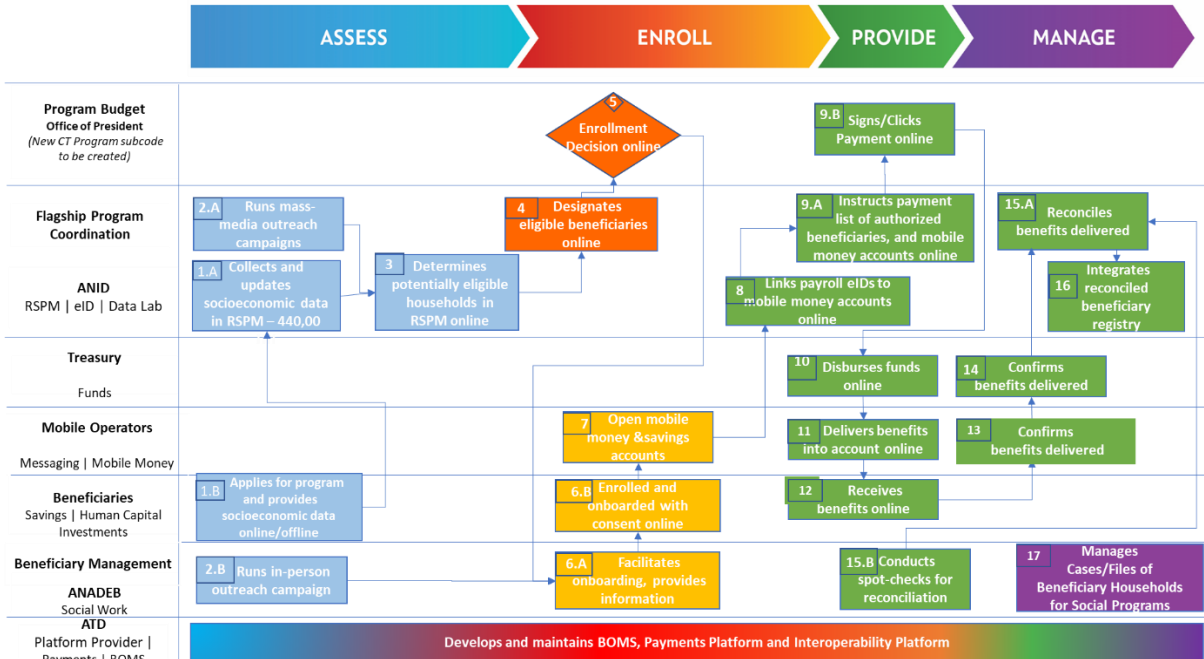
21. **Based on the DLIs scheme presented in the PAD, ANID is the program coordinator and will take the lead for budgeting, financial accounting reporting, and auditing purposes.** Each implementing agency will be responsible for Financial Management (FM) and procurement activities within its roles and responsibilities, in line with existing government regulations. The main processes involved would be (a) maintaining the existing FM and procurement procedures and regulations for the Program agreed upon with the World Bank as being suitable for PforR financing modality, (b) facilitating the Program flow of funds from the budget through the existing channels to the final beneficiaries (c) meeting the reporting requirements regarding the results on which the Program is based (d) arranging internal and external audits, and (e) acting as the contact representative with the World Bank on Program implementation.

22. **Program implementation by ANID will rely on the WURI Togo IPF.** WURI finances the foundational investments in social protection delivery systems, notably the eID and Togo's Social Registry information system (RSPM). In particular, the Program will minimize administrative costs and

build on existing experiences from the WURI Project at ANID and the FSB project at ANADEB.

23. **ANID, ANADEB, and ATD will have specific roles and responsibilities to deliver the flagship program, as suggested in Figure 2.** The process begins with ANID running mass-media outreach campaigns to inform the population, defining the program’s eligibility criteria, and collecting household socioeconomic data to populate the RSPM. ANADEB runs in-person outreach campaigns to inform communities in the field. The RSPM uses the eligibility criteria and the socioeconomic data to determine which households are potentially eligible for cash transfers. Applicants to the program provide socioeconomic data to the RSPM with consent. ANID designates eligible beneficiary households, and the Program budget holder makes the decision on enrollment. Based on the decision, ANADEB facilitates onboarding and enrollment of designated beneficiary households. Beneficiaries who are able, self-enroll for the program with consent. Mobile money accounts are opened by mobile operators for those designated beneficiaries that need them. ANID uses its payments mapper to link mobile money accounts to the payroll of designated beneficiaries through their eID. ANID puts together a payment instruction list of authorized beneficiaries. The Program budget holder signs off and instructs the payment to the Treasury which disburses the cash transfers on a monthly basis to mobile money accounts through mobile operators using the Novissi platform. The mobile operators deliver the benefits into the beneficiary accounts and report back to the Treasury on the benefits delivered. ANID reconciles the delivered benefits and ANADEB does additional spot-checks in the field for verification purposes. Finally, a reconciled beneficiary registry is integrated by ANID. ANADEB manages the casework and day-to-day interactions and communications with beneficiary households, including grievance redress, on an ongoing basis until they graduate and exit from the program.

**Figure 2: ASTRE Cash Transfers Program process map**



24. **The major program procurements will be managed under ANID and ATD.** However, the new procurement code requiring to change the procurement commission into the procurement unit with an acceptable composition is yet to be implemented. At ANID, there is no Person Responsible of Procurement (*personne responsable des marchés publics* or PRMP), no procurement control

commission, and no procurement unit as per the requirements of the procurement regulations. In the meantime, ANID has been relying on and using the procurement institutional arrangement of MENTD until their procurement arrangements are deemed acceptable and compliant with the regulations. These arrangements will be mitigated through the dated covenants as detailed above.

**25. The government will recruit an independent verification agency (IVA) to carry out the verification of Program results according to protocols that are specified for each of the DLRs.** ANID and other relevant entities or ministries will produce supporting evidence for DLRs for which they have established systems and procedures. The POM will document in detail all procedures for verification of results and outputs and how disbursements will ensue. The World Bank will confirm, based on the evidence provided by the government, that the DLRs are achieved.

**26. Ensuring data protection and privacy is an essential part of the program, and one that all implicated institutional actors will have been attentive to; to that end, the GoT will operationalize its DPA.** Togo has made significant strides in developing its data protection regime in recent years. In 2019, Togo promulgated its data protection law—a prerequisite to participating in the WURI program—which created its Data Protection Body (*Instance de protection des données à caractère personnel*, or IPDCP).<sup>1</sup> However, while the IPDCP has been set-up<sup>2</sup>, it still remains to be fully operationalized, its members having yet to be appointed.

**27. Cybersecurity—the flip side of the data protection “coin”—also presents an important element to the program, both because all cash transfers and information will be delivered electronically.** In terms of institutional arrangements and capacity, the GoT has progressed quickly in this area. In 2018, Togo both created and operationalized its National Agency for Cybersecurity (*Agence Nationale de la Cybersécurité*, or ANCy)<sup>3</sup>, and is responsible for ensuring cybersecurity of Togo’s information and communication technologies. In 2019, Togo operationalized its national cyber-incident response team and security operations center (SOC), Cyber Defense Africa SAS, through a joint venture between the State and a private company.<sup>4</sup> ANID has been closely collaborating with ANCy, and both agencies have taken efforts to ensure the implementation of appropriate data protection measures. It is the Government’s intention that the IPDCP will oversee and regulate the institutional actors and allow for a more controlled deployment in projects dependent upon cyberspace. Such measures will be particularly important to the program in the context of ensuring secure and controlled data sharing and will be even more important given that all transfers to beneficiaries will be made electronically via smartphones, as well as to communicate with beneficiaries in their local languages.

### 2.3 Procurement Arrangements

**28. The three PIEs will have procurement responsibilities.** The PforR operation will use the existing implementation and coordination systems at the central and sub-national levels for ANADEB. Regarding ANID and ATD, they don’t have yet in place their board. The absence of a Board prevents ANID and ATD from setting up the organs required by the procurement code, namely the PRMP, the procurement control commission, and the Management Cell of Public Procurement. In the meantime, ATD and ANID

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<sup>1</sup> Law No. 2019-014 of 29 October 2019 relative to the protection of personal data.

<sup>2</sup> Decree No. 2020-11/PR of 9 December 2020 on the organization and functioning of the Instance of Protection of Personal Data (IPDCP), establishing the IPDCP but requiring subsequent member appointment in order to become operational.

<sup>3</sup> Decree No. 2019-22/PR of 13 February 2019 on the attributions, organization and functioning of the National Cybersecurity Agency (ANCy).

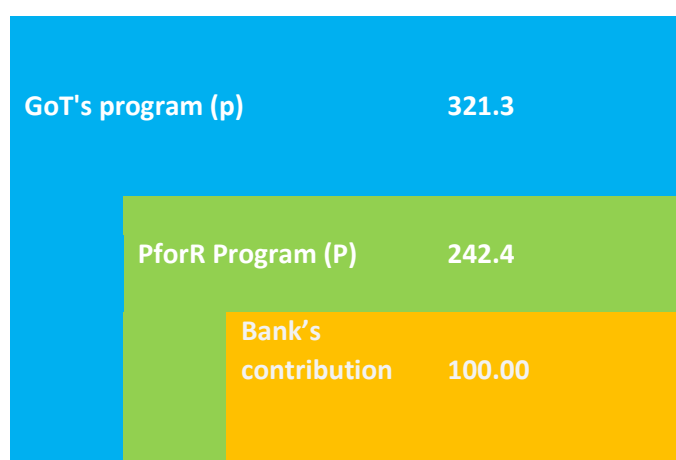
<sup>4</sup> World Bank; United Nations. 2023. *Combatting Cybercrime: Tools and Capacity Building for Emerging Economies*. Washington, DC: World Bank Group.

rely on the procurement institutional arrangement of the MENTD until their procurement arrangements are deemed acceptable and compliant with procurement regulations. All the implementation arrangements, processes, and procedures will be reflected in the POM to be finalized three months after effectiveness.

## 2.4 Program Boundary and Expenditure Framework

29. **The overall government program is US\$321.3 million (“p”) to be implemented over a period of five years.** ANID will develop a POM outlining the operational details, institutional mechanism for effective coordination and delivery, annual program outlay for the next five years, starting from 2024, monitoring and evaluation framework, and oversight arrangements.

**Figure 3: Government program – “p” vs. “P” (expressed in US\$ million)**



30. The tabular representation of the Program boundary is depicted in Table 1:

**Table 1: Differentiation of Program for Results and Government Program**

Particulars	Government program(p)	PforR Program	Bank Funding
Cash transfer activities and other measures	224.9	150.2	72.0
Resilience to shocks	21.4	21.4	4.1
Modernization and strengthening of noncontributory social information system	54.3	50.1	23.9
Coordination and Monitoring	20.7	20.7	0.0
<b>Total</b>	<b>321.3</b>	<b>242.4</b>	<b>100.0</b>

31. **The PforR Program has been carved out of the overall government’s program.** The boundary of the PforR Program covers more than 75 percent of the overall government program (US\$242.4 million out of US\$321.3 million). US\$79 million worth of activities in the PNPSNC are outside of the boundary of the PforR, mostly the accompanying measures of economic inclusion and youth employment, extension of universal health coverage to the poor and vulnerable and high labor intensity public works (THIMO). However, as shown in Table 3, the total sum of the government budget allocated in the Medium Term Expenditure framework for the social protection function is about US\$150 million per

year, almost twice the PNPSNC total cost. Table 3 lists all activities under PNPSNC by axes, marking with “\*” those within the PforR boundary (see Annex 1 for a detailed description of program activities and mapping of PNPSNC to the PforR boundary). The scope of the FSA is limited to the boundary of the PforR Program. The expenditure framework of the PforR (“P”), hereafter called ‘The Program’ is, estimated at US\$242.4 million, of which the WB (IDA) will finance US\$100.00 million. The overall funding by the government of the PforR program is 59% (US\$ 142.4 million out of US\$242.4 million) while the funding from the Bank is 41% (US\$100.00 million out of US\$242.4 million).

Figure 4: PforR Program – “P” (US\$ million)

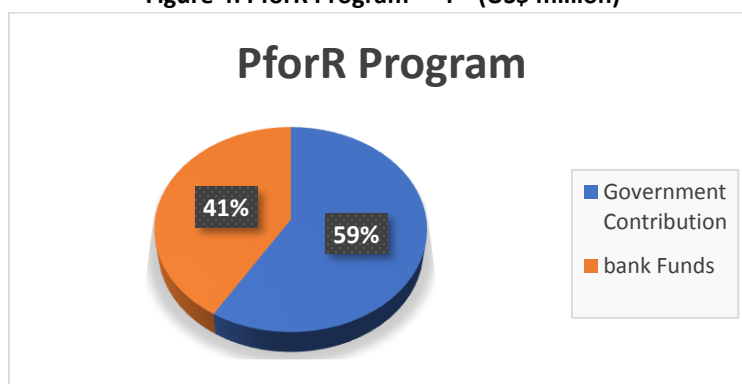


Table 2: Program Financing

Source	Amount (US\$ Million)	% of total
<b>Counterpart Funding</b>		
Borrower/Recipient for the 2024-2028 period	142.4	59.0%
<b>International Development Association (IDA)</b>		
IDA Credit PforR	100.0	41.0%
<b>Total Program Financing</b>	<b>242.4</b>	<b>100.0%</b>

32. **The government is expected to spend US\$142.4 million under the Program over the next five years.** The World Bank will provide US\$100.0 million through the Disbursement Linked Indicators (DLIs). Funding will be channeled through the normal budget cycle of the government, and the inclusion of the Flagship Safety Net in the national budget will be included as a condition of effectiveness. Cash transfers account for about 40 percent of program expenditures.



Table 3: PforR Program expenditures (US\$)

	2024	2025	2026	2027	2028	Total 2024-2028
<b>Axis 1 — Cash Transfers and Accompanying Measures</b>	<b>37,854,821</b>	<b>47,034,177</b>	<b>47,609,924</b>	<b>46,600,277</b>	<b>45,839,699</b>	<b>224,938,897</b>
1.1 Cash Transfers *	18,077,305	18,193,220	18,739,017	19,301,187	19,880,223	94,190,952
1.2 Health insurance for poor and vulnerable households	1,056,501	8,650,016	7,785,014	7,006,513	6,305,862	30,803,905
1.3 Accompanying measures	15,060,078	16,613,842	17,508,793	16,715,477	16,076,515	81,974,705
THIMO	3,218,750	2,516,031	2,012,824	1,610,260	1,288,208	10,646,072
Economic inclusion (training, entrepreneurship grants etc)	8,091,328	7,313,078	6,581,770	5,923,593	5,331,234	33,241,004
Financial inclusion/savings package/human capital*	3,750,000	6,784,733	8,914,198	9,181,624	9,457,073	38,087,629
1.4 Energy access and digital inclusion	3,660,938	3,577,099	3,577,099	3,577,099	3,577,099	17,969,334
<b>Axis 2 — Resilience to shocks</b>	<b>2,343,750</b>	<b>3,129,771</b>	<b>5,322,137</b>	<b>5,322,137</b>	<b>5,322,137</b>	<b>21,439,933</b>
2.1. Implementation of shock response mechanisms*	781,250	152,672	0	0	0	933,922
2.2. Financial and in-kind support for households affected by shocks*	1,562,500	2,977,099	5,322,137	5,322,137	5,322,137	20,506,011
<b>Axis 3 — Modernization and strengthening of the non-contributory social protection system</b>	<b>5,634,778</b>	<b>11,640,811</b>	<b>11,367,943</b>	<b>12,333,460</b>	<b>13,310,796</b>	<b>54,287,788</b>
3.1 Modernization of the non-contributory social protection	1,171,875	992,366	839,695	687,023	534,351	4,225,310
3.2 Strengthening of the Social Registry of Persons and Households*	583,997	5,095,009	4,974,813	6,093,002	7,223,010	23,969,831
3.3 Establishment of an information system for entities responsible for social assistance (Sectoral Information System)*	2,343,750	3,053,435	3,053,435	3,053,435	3,053,435	14,557,490
3.4 Development of a social protection innovation laboratory*	1,535,156	2,500,000	2,500,000	2,500,000	2,500,000	11,535,156
<b>Axis 4 — Technical Coordination, Monitoring and Evaluation</b>	<b>4,473,041</b>	<b>4,033,074</b>	<b>4,031,157</b>	<b>4,054,753</b>	<b>4,101,813</b>	<b>20,693,839</b>
4.1 Program management and coordination*	1,306,607	1,340,519	1,407,545	1,477,922	1,551,818	7,084,412
4.2 Monitoring, Audits, and Impact Evaluations*	331,326	476,410	629,082	781,754	934,425	3,152,996
4.3 Communication, and training and capacity building*	2,835,108	2,216,145	1,994,531	1,795,078	1,615,570	10,456,431
<b>Total sum of the Government PNPSNC</b>	<b>50,306,390</b>	<b>68,331,161</b>	<b>68,574,446</b>	<b>68,574,446</b>	<b>68,574,446</b>	<b>321,360,456</b>
Budget planning for all social protection (MDTEF)	145,836,873	149,881,728	149,881,728	149,881,728	149,881,728	745,363,786
<b>Total expenditure within the PforR boundary*</b>	<b>36,767,936</b>	<b>46,366,342</b>	<b>52,111,857</b>	<b>53,083,239</b>	<b>54,114,791</b>	<b>242,444,165</b>

\*Activities within PforR boundary.

33. **The PforR Program expenditures are linked to the PNPSNC which defines the contours of the flagship social safety net program.** The methodology for public expenditure projections in Public Expenditure Framework included in the proposed World Bank Program for Results Togo Social Assistance Transformation for Resilience is presented in Annex 1 of the FSA.

34. **Government has prepared the social protection program as its government wide plan that has been widely discussed and formally approved.** Policy makers, like the ministers and head of state articulate their commitment to the program. The GoT has recently taken steps to address key issues under the program. The task team is hopeful that the program budget and payments under the Program will allow for meaningful implementation progress.

35. **It is the fiduciary assessment team’s view that the government’s existing expenditure framework will contribute to the efficiency of this government program.** As demonstrated in the table below, the framework reflects the maintenance of financial sustainability and predictability of resource availability for continuous funding of the overall government budget of which this program will be part. The percentage of the expenditures that cannot be reduced has been calculated as 43 percent. The government budget execution system has created a mechanism and latent incentives to support efficient service delivery by introducing Program-Based Budgeting (PBB).

**Table 4: Expenditure rigidity**

Budget Heads	Total budget (2022) XOF	Expenditures that cannot be reduced XOF	% of expenditures that cannot be reduced due to mandate
Purchases and change in stocks	23 700 000	23 700 000	100
Transport costs	12 000 000	12 000 000	100
External services A	54 030 000	54 030 000	100
External services B	90 500 000	90 500 000	100
Other charges	17 000 000	17 000 000	100
Personnel charges and emoluments	158 715 000	158 715 000	100
Materials	2 050 954	2 050 954	100
<b>Total</b>	<b>357 995 954</b>	<b>357 995 954</b>	<b>100</b>

## SECTION 3: REVIEW OF PFM CYCLE, PROGRAM FIDUCIARY PERFORMANCE, AND SIGNIFICANT FIDUCIARY RISKS

36. This section reviews critical aspects of PFM and assesses the capacity of the three implementing entities to plan, record, control, and manage all Program resources and produce timely, understandable, relevant, and reliable financial information to stakeholders for monitoring and audit.

### 3.1 Financial Management

37. **The enabling legislative and institutional framework for PFM is contained in several instruments.** These include (i) Togo's Constitution of 1992; (ii) Organic PFM Law No. 2014-013 dated June 27, 2014, which was aligned with the West African Economic and Monetary Union (WAEMU) directives; (iii) WAEMU directives; and (iv) decrees and ordonnances, subsidiary legislations, regulations, and operational and financial directives, which dictate the day-to-day basis for the management and oversight of public finances.

38. **Togo's PFM system is considered adequate with moderate risk.** The draft 2022 Public Expenditure and Financial Accountability (PEFA) program report, which was the third evaluation of PFM systems in the country, highlights that the PFM reforms implemented by the Permanent Secretariat for the Monitoring of Policy Reforms and Financing Programs over the past years are yielding positive results based on the observed trajectory. Out of the seven PEFA pillars of PFM performance, Togo performs best at "Policy-Based Fiscal Strategy and Budgeting" and "Budget reliability" and weakest on "External Scrutiny and Audit" and "Management of Assets and Liabilities." According to this draft report, the country has significant opportunities to improve public investment and asset management. Furthermore, weaknesses in external scrutiny and audit need urgent attention because existing practices in Togo could undermine accountability in a post-COVID world, especially in the Program. A summary of the scores in the draft PEFA and the comparison with previous assessments is presented in Annex 2.

### 3.2 Procurement

39. **The regulation and texts governing procurement in Togo are well codified, presented, and prioritized in Laws, Decrees, Orders, and Decisions.** The laws, regulations, and policies are freely accessible on the websites of the Public Procurement Regulatory Authority ("ARCOP" as abbreviated in French). Improvements have been made to the procurement system owing to technical support assistance provided by a World Bank Development Policy Financing (DPF) operation support series and based on the recommendations of the assessment of Togo's procurement system carried out in 2020 using the Methodology for Assessment Procurement System (MAPS). The law No. 2021-033 of December 31<sup>st</sup>, 2021, on public procurement and the law No. 2021-034 of December 31, 2021, on Public-Private Partnership (PPP) contracts replaced the previous ones. Following these two laws, a revision process of the decrees, orders and other implementing texts of these new laws took place and resulted in the adoption of following new texts: (i) the decree No2022-080/PR of July 6, 2022 on the public procurement code; (ii) the decree No2022-063 /PR of May 11, 2022 on the allocation, organization and operation of the public procurement regulatory authority; (iii) the decree No 2022-070/PR of May 30, 2022 on the allocation, organization and operation of the National Directorate in charge of the Public Procurement Control ("DNCCP" as abbreviated in French); (iv) the decree No2022-065/PR of May 11, 2022 on the procedures for implementing procedures for the award and execution of public-private partnership contracts, (v) the decree No2022-066/PR of May 11, 2022 on the missions,

responsibilities, organization and operation of the public-private partnership unit, and (vi) the decree N02022-092/PR of August 25, 2022 on the setting of the rate, the methods of collection and allocation of the regulatory fee for the public procurement system.

40. The decree No. 02019-097/PR of July 8, 2019, on the code of ethics and deontology in public procurement is available and published on the ARCOP website. The legislative and regulatory procurement framework in Togo is virtually silent on the procurement mechanisms applicable to emergency situations. The framework is considered relatively satisfactory despite this shortcoming.

41. The governance assessment of ANID and ATD is not yet completed as their respective Boards of Directors have not been created yet.

### 3.3 Planning and Budget

#### 3.3.1 Adequacy of Budget

42. The budget planning framework is robust, and PBB has been implemented as part of the PFM reform. In compliance with the 2009 WAEMU Directive on PFM and the PFM organic Law No. 2014-013 dated June 27, 2014, and as part of elaborating the budget into programs, all lines ministries prepared their Multi-Year Budget Planning Document for the next three years (*document de programmation pluriannuelle de dépense* or DPPD). The last DPPD covers 2023-2025. This major PFM reform aims at increasing the links between public policy objectives and resource allocation and institutionalizing the results-based approach in public resources management. The Medium-Term Expenditure Frameworks (MTEFs) are globally aligned with sectoral strategies such as the the country's social protection system (*Politique Nationale de Protection Sociale* or PNPS) and PNPSNC. However, the government's program for this PforR is yet to be finalized through the regular budget cycle. All result indicators supported by the Program and the corresponding resource allocation are yet to be included in the State 2023 budget approved by the Parliament on Thursday, December 22<sup>nd</sup>, 2022. As a result, the Financing Agreement for the PforR requires as a condition of effectiveness that the Program budget is included in the FY 2024 budget by GoT. Based on the FY 2024 budget and 2024-2027 Programme-based budget preparation calendar, the draft FY 2024 budget will be transmitted to the Parliament in the first week of September 2023 and adopted during the last week of December 2023. Since the planning process is evolving, the GoT will ensure that the Program budget is effectively included in the FY 2024 budget and detailed budget release arrangements are clearly defined and described in the POM.

43. To further enhance the policy alignment of the budget, technical assistance will be provided to the Office of the President in the future through the forthcoming Governance project. In addition, for the subsequent fiscal years, the draft program budget for all implementing entities shall be shared with the World Bank for discussion and technical advice to ensure that government includes results indicators of the Program in the planning and budgeting document and adequate budget allocation for the World Bank-financed portion of the Program.

#### 3.3.2 Procurement Planning and Management

44. The Procuring entities, ANADEB, ANID, and ATD have the responsibility to prepare procurement plans annually. This document is submitted to the National Central Directorate of Procurement (DNCCP) for approval, as per Article 18 of the national Procurement Code (Decree No 2022/080/PR of 6 July 2022 provides): "When establishing their budget, the Contracting Authorities assess the total amount of

supply contracts, by product category, service contracts by service category and works contracts which they plan to spend during the contract year concerned, and draw up a procurement plan comprising all these markets, following a standard model fixed by Public Procurement Regulatory Authority (ARCOP). Procurement plans are revisable”.

45. Within 3 working days of its approval, the Procurement Plan will be published on the website DNCCP ( <https://www.dncmp-Togo.com>) and can be consulted anytime.

**Table 5: ANADEB procurement plan for the period 2020 to 2022**

Published procurement plan	2020	2021	2022
RFQ (Request for Quotations)	17	13	28
RFB (Request for Bids)	1	4	12
DS (Direct Selection)		3	
QCBS (Quality Cost Based Selection)			
LCS (Least Cost selection)			1
CQS (Consultant’s Qualification Based Selection)	5		8
IC (Selection of Individual Consultant)	5	5	2
<b>Total</b>	<b>28</b>	<b>24</b>	<b>51</b>

46. The volume of activities of this program matches with the staffing in place of ANADEB, and no additional staff will be needed.

**Table 6: ANID procurement plan for the period 2020 to 2022**

Published procurement plan	2020	2021	2022
RFQ (Request for Quotations)		4	9
RFB (Request for Bids)			2
DS (Direct Selection)	4		1
QCBS (Quality Cost Based Selection)		1	
LCS (Least Cost selection)		1	
CQS (Consultant’s Qualification Based Selection)		1	1
IC (Selection of Individual Consultant)		10	8
<b>Total</b>	<b>4</b>	<b>17</b>	<b>21</b>

47. Despite the current acceptable absorptive capacities of ANID, as the volume of activities will increase with this program, it’s recommended to reinforce the procurement team with additional staff as the only current procurement specialist of ANID is paid through the WURI project and this arrangement will not be sustainably viable after the closing of WURI.

48. No procurement plan was available for the 2020-2022 period for ATD. It is recommended that ATD recruits at least one procurement specialist, which will be included in the POM.

49. The law on public procurement requires that the procuring entity request the issuance of a certificate of availability of credit before notifying and signing a contract.

50. Among the three PIEs, only ANADEB has all the procurement organs in place in accordance with the provisions of the Procurement Code. ANID and ATD will set up their Procurement Organs once their Board is established, as stipulated in the Financial Agreement's dated covenants.

### 3.3.3 Procurement profile of the Program.

51. PEF consists of various procurement activities such as:
- Various technical, advisory, and consulting services, socio-economic data collection for updating the RSPM (Social Registry of Persons and Households), expansion of the RSPM, and implementation of a dynamic and inclusive data update system, and audits.
  - Procurement of hardware and IT platform, office equipment, interoperable information systems, among others.
  - Non-procurement activities like cash transfers (the main expense of the program), training, workshops, and operational cost.

52. The detailed review of the PEF did not reveal potential contracts with a cost estimate above the OPRC review thresholds, as the main expense is the cash transfer, which is not a procurable activity. However, the Bank will monitor any potential high-value contracts during the implementation. The terms of reference of the external auditor will include a special requirement related to high-value contracts.

## 3.4 Budget Execution

### 3.4.1 Budget Execution Performance

53. A comparison of the approved State budget versus the actual revenue and expenditure was carried out for 2017 and 2021. See Table 7. The analysis revealed that the State's revenue and expenditure outturn has been consistently over 90 percent over the past three years (2019-2021), which outlines better alignment between the budget and execution. However, the actual expenditure on capital expenditure outturn was below 80 percent in 2019 and 2020, but above 80 percent in 2021.

54. For ANID, a comparison of the requested budget versus the accepted budget and the mandated budget was undertaken, as shown in Table 8. The table reveals that the Budget execution rates at ANID are concerning. As per Decree No. 2020-093 of November 12<sup>th</sup>, 2020, establishing ANID, the annual budget approval is required from the Executive Board. The Board of ANID is yet to be in place.

55. For ATD, in the absence of data on budget, the team was not able to present the budget performance in this version of the FSA. In addition, as per Decree No. 2021-102 of September 29<sup>th</sup>, 2021, ATD's budget approval is required from its Board which is yet to be established.

56. For ANADEB, over the past three years (2020-2022), the expenditure outturn has been consistently below 90 percent and deteriorated in 2021 and 2022. See Table 9.

57. The analysis of the three PIEs highlights the need of further improvements in the credibility of the budget. The analysis suggests that multiple factors require attention: (i) the absence of a Board of Directors for both ANID and ATD which should approve the annual budget; (ii) the inadequate costing, and (iii) lack of procurement capacity to plan for the Program implementation at both ANID and ATD levels. The Program has embedded actions to enhance the realism of the multi-year expenditure plans,

such as (i) updating the DPPD to reflect the government program expenditure framework, (ii) a government commitment to allocate resources at a level consistent with the delivery of Program results over the five years of the Program as reflected in the Program expenditure framework, and (iii) stipulating in the POM that the initially approved annual Program budget should not deviate by more or less than +/-3 percent.

**Table 7: Budget execution performance - State (million FCFA)**

	2017	2018	2019	2020	2021	Cumulative
<b>Revenue</b>						
Budget	1,412.23	1,307.56	1,426.94	1,562.55	1,701.20	7,410.48
Execution	1,223.95	1,152.79	1,343.77	1,611.47	1,638.93	6,970.91
<b>Budget performance rate</b>	<b>86.7%</b>	<b>88.2%</b>	<b>94.2%</b>	<b>103.1%</b>	<b>96.3%</b>	<b>94.1%</b>
<b>Expenditure</b>						
Budget	1,412.23	1,307.56	1,426.94	1,562.55	1,701.20	7,410.48
Execution	1,195.57	1,155.02	1,320.98	1,486.96	1,611.68	6,770.21
<b>Budget performance rate</b>	<b>84.7%</b>	<b>88.3%</b>	<b>92.6%</b>	<b>95.1%</b>	<b>94.7%</b>	<b>91.4%</b>
<b>Investments</b>						
Budget	313.53	310.92	274.59	313.53	455.46	1,668.03
Execution	170.98	194.90	191.45	170.98	379.88	1,108.19
<b>Budget performance rate</b>	<b>54.5%</b>	<b>62.7%</b>	<b>69.7%</b>	<b>54.5%</b>	<b>83.4%</b>	<b>66.4%</b>

Source: MoF website

**Table 8: budget execution rates – ANID (million FCFA)**

	2021	2022	2023
Requested Budget in FCFA	45.44	449.88	1,125.55
Released Budget in FCFA	21.64	150.00	350.00
<b>Budget Release performance rate</b>	<b>47.6%</b>	<b>33.3%</b>	<b>31.1%</b>
Mandated Budget in FCFA	3.05	150.00	
<b>Budget Entrustment performance rate</b>	<b>14.1%</b>	<b>100.0%</b>	

Source: ANID

**Table 9: Budget execution performance - ANADEB (million FCFA)**

	2019	2020	2021	2022
Approved Budget in FCFA	7,632.38	6,316.54	5,992.63	9,632.32
Approved Budget in \$	7,651.25	5,517.68	2,823.63	7,339.69
<b>Budget performance rate</b>	<b>100%</b>	<b>87%</b>	<b>47%</b>	<b>76%</b>

Source: ANADEB

58. **Procedures for budgeting.** In the planning and budgeting process, procedures for including funds received after achieving DLIs or funds advanced prior to achieving DLIs will comply with the budgetary regulations being updated by MEF, after the move to PBB since FY 2021. In Togo, MEF, through the Budget Directorate has used the SIGFIP for the planning and budgeting process. However, the SIGFIP

will be replaced by a new IFMIS called SOLAF, which is more appropriate for PBB. SOLAF will be used for FY 2024 budget preparation and execution. SOLAF was installed at ANID and ATD, but has not yet been deployed within ANADEB. World Bank forecasts for funds flow will be based on the annual work plan for the PforR, the DLI disbursement timeline, and the eventual need to request an advance. Upon adequate justification and agreement with the World Bank, the government can request an advance of up to 25 percent of each DLI not yet met. Disbursements may be made against a scalable DLI—with the disbursement of financing proceeds proportional to the progress towards achieving the DLI. The decision to define scalable disbursements for a DLI will take careful consideration of the effect of a partial achievement of the indicator on the continued progress in the Program’s results framework and on the eventual achievement of the PDO. In other words, scalability of disbursements may not apply to all DLIs. For each DLI with scalable disbursement, the task teams have agreed with the government on a formula to determine the amount of PforR financing proceeds to be disbursed relative to the level of achievement of the DLI. Based on the rationale provided by the government, the World Bank could decide to advance part of the amount requested up to a maximum of 25% of the overall financing envelope. In case the budget allocation to the program is not adequate, MEF, in consultation with the Office of the President and the PIEs, will use the appropriate regulatory effective means to open corresponding budget appropriations to allow the implementing entities to commit funds and make payments order to the treasury.

59. Line ministries have limited authority over externally financed portions of the budget which could impede the newly introduced PBB. While the transition to PBB has devolved commitment authority (Ordonnateur délégué de crédit) to the line ministries and institutions with respect to internally financed budget expenditures, the budget for externally financed investment projects and civil servant wages is still centralized at MEF. The official reason is the need to control the sustainability of external borrowing. This decision entails an additional layer of authority that could prevent the implementing entities from achieving the overall objectives of the Program. As the PforR is providing financial incentives aligned to selected government budget lines to implement the government’s own program, during the budget preparation process, MEF and the three PIEs should budget the overall allocation needed to achieve the program objectives in line with the program expenditures framework. The budgeting procedures to be used for implementing PforR activities and for disbursements following the achievement of DLIs are described above.

### 3.4.2 Treasury management and funds flow

#### *Overview*

60. Despite large fiscal financing needs in the short term and increasingly tight financing conditions, the macroeconomic policy framework remains adequate and external debt sustainable. A significant increase in public spending is driven by the response to the COVID-19 crisis, the fallout from the Russian invasion of Ukraine, and growing insecurity in the North, leading the fiscal deficit to a three-decade high of 8.3 percent of GDP in 2022 and increasing public debt to 65.8 percent of GDP. The deficit is expected to gradually decline from 6.4 percent in 2023 to 3.3 percent in 2025, driven on the expenditure side by a drop in capital spending equivalent to 3.9 percentage points of GDP, and on the revenue side by an increase in the tax-to-GDP ratio from 13.9 percent in 2022 to 15 percent in 2025, in part driven by the rationalization of tax expenditures supported by this operation. External debt distress risks remain moderate, reflecting the low level and high degree of concessional external debt. Yet, the overall risk of debt distress is high, reflecting liquidity pressures and rollover risks from domestic debt.



61. The Treasury Single Account (TSA) framework is operational, nevertheless the payment timeline should be improved. Payments are made by the Treasury for all implementing entities which have a deposit account at the Treasury. ANID and ANADEB have reported some delayed payments. According to these entities, some invoices for services or goods delivered have not been paid for almost a year. These shortcomings at the National Treasury could affect overall Program implementation performance.

62. To enhance cash management, the GoT will develop a Subsidiary Agreement between MEF and the three PIEs—ANID, ANADEB, and ATD - to clarify roles and responsibilities, and to enable flow of funds and budget allocations from MEF to the implementing agencies as advance payments, and to cover the cost of operations for the achievement of results. In addition, the State Treasurer General will designate a focal point for payments requested by the three implementing agencies. A project ID code number will be created in order to track all expenditures payments made under the program. The focal points will ensure that payment requests are handled swiftly and an adequate tracking of expenditures made under the Program. ANID, ANADEB, and ATD will prepare quarterly commitment plans to be shared with the National Treasury to allow for better forecasting of disbursement requests.

63. A review of payments made during the past fiscal year revealed that Treasury has only exercised delay of payment of government bills by an average of seven days. The risk of delayed payments to beneficiaries of the program is remote based on this review.

64. Funds will flow from the World Bank to the Program dedicated account to be opened at the Central Bank of West African States (*Banque Centrale des Etats de l'Afrique de l'Ouest* or BCEAO) by the MEF. From the dedicated account at BCEAO, funds will be transferred in a timely manner to the operating account opened at National Treasury to honor implementing entities' payment obligations under the Program. All the implementing entities will comply with national procedures to issue payment orders to the National Treasury in charge of making payments. The Treasury will use treasury deposit accounts to make payments to ANID, ANADEB, and ATD. Quarterly, the National Treasury will inform the three PIEs of the designated account balance and transactions. The rollout of the new IFMIS should ease the gathering and reporting on the status of payment orders as it embeds features that allow the entities' public accountants to have real-time information on payment status.

#### *Funds flow for cash transfer*

65. The Program will use the Novissi payments platform for funds flow between Treasury and Mobile Money Accounts through Mobile Network Operators. The payment platform will be enhanced as part of the Program. The process is described as follows:

- The program budget allocation for the cash transfer will sit under Office of the President as a new sub-code;
- The Office of the President will authorize the payment of the cash transfers to the authorized list of eligible beneficiaries;
- ANID will instruct the payment list of authorized beneficiaries and mobile money accounts using a payments mapper that links these to eIDs of designated beneficiaries;
- Treasury will make payments to mobile network operators to transfer directly into designated mobile money accounts using the Novissi platform;
- ANID will support payments reconciliation;

- ANADEB will work with beneficiaries to conduct spot-checks as needed to support reconciliation.

### 3.4.3 Accounting Systems and Financial Reporting

66. The Centralizing Accountant within the General Directorate of Treasury and Public Account has been using the public expenditure computerized system (SIGFIP). The public expenditure chain, which covers the budget execution and control cycles, is fully computerized, but not interfaced with the procurement system (SIGMAP). SIGFIP, which has been used since 2008, is more suitable for the output-oriented budget (OOB). Thus, since 2022, the GoT has set up new IFMIS system called SOLAF (*solution logicielle pour administration des finances* in French). This new system has been set up to align the system with the PBB. The financial transactions will be recorded in the public expenditures accounting system. The new IFMIS has three applications covering the State operations, public entities, as well as the territorial governing bodies such the regions, communes, etc. SOLAF was installed at ANID and ATD, but not yet at ANADEB. The FY 2021 audit revealed that ANADEB was applying the prevailing accounting policies and procedures in line with the African Francophone countries accounting standards—SYSCOHADA. Following the external auditor’s recommendation, ANADEB was in the process of adapting its financial statements to the public accounting systems. However, without a Public Sector Accountant in place, the process could not be completed.

67. Quarterly budget reports will be produced and published on the MEF’s website (<https://togoreforme.gouv.tg>). The information is extracted from SIGFIP. Unfortunately, we noted that MEF’s website is not up to date. So, for reporting purposes on the PforR expenditures, ANID, with the support of the General Directorate of Budget and the centralizing Public Sector Accountant, will collect the financial information, analyze, and prepare a semi-annual financial report on the PforR expenditures Framework. This Program financial report will be submitted to the Bank no later than 45 days after the end of the semester. The table below summarizes the in-year and end year reporting requirements, responsibility, timeline, and auditor for each entity.

**Table 10: FM Reporting Requirements**

FM Activity	Frequency	Responsible	Due date	Remarks
Financial reports	Semiannual	<ul style="list-style-type: none"> <li>• ANID will consolidate the Financial Reports</li> <li>• ANADEB</li> <li>• ATD</li> </ul>	No later than 45 days of end of the semester	Unaudited
PforR Program Financial Statements	Annually	<ul style="list-style-type: none"> <li>• ANID will prepare separate financial statements and prepare consolidated PFS</li> <li>• ANADEB and ATD will prepare separated PFS</li> </ul>	No later than 9 months of the end of the fiscal year	Audit report to be published
Audit report of the PforR PEF	Annually	ANID will coordinate the audit of PFS	No later than 9 months of the end of the fiscal year	Auditor to be recruited by ANID based on ToRs agreed with the WB

68. Financial statement for PforR audit. ANID, ANADEB, and ATD will prepare annual Program financial statements for the PforR expenditures related to the share of the PEF they are implementing.

These financial statements will be prepared and consolidated by ANID, as the implementing coordination agency and audited, no later than nine months after the end of the fiscal year.

69. ANID produces financial statements in accordance with the national Public Sector Accounting standards. ANADEB produces yearly financial statements in accordance with the SYSCOHADA standards which are also used for the private sector and World Bank-financed projects' accounting and acceptable to the Bank. However, following the recommendations made by the external auditors on FY 2021 financial statements, ANADEB has restated its FY 2022 financial statements that were initially prepared using the prevailing accounting policies and procedures in line with the West African Francophone countries accounting standards—SYSCOHADA. In Public Sector Accounting ANADEB has shifted to Public Accounting standards in 2023. ATD will use the Public Sector Accounting standards. However, it has not produce any financial statements. The three implementing entities will prepare segregated program financial statements for the components they are responsible for using a simplified cash basis and submit them for consolidation to ANID no later than three months after the end of the fiscal year. As a public body receiving public resources, ANADEB should use SOLAF. The three implementing agencies will be able to track and generate financial reports related to the part of they will be implementing. The reporting format will be agreed upon with the three implementing agencies during the negotiations and included in the POM.

#### 3.4.4 Procurement procedures

70. The program's resource-based procurement will follow the national procedures of Togo. The procurement system in Togo has been the subject of various assessments, one of which was related to the PEMFAR in 2016; and other related diagnostic tools based on the use of the MAPS, which started at the end of the year 2019, under the joint partnership of the WB and the AfDB, and whose recommendations were used to revise the procurement regulations into a new law and associated applicable decrees in December 2021 and 2022.

71. Togo's legal and institutional procurement frameworks are broadly consistent with international requirements. The provisions of the existing legislative and regulatory texts generally meet the international standard. The procurement organs of the procurement system are established with a clear separation of the powers of the Regulation and the Dispute Resolution, and the Control and the Procurement process.

72. The legislative and regulatory procurement framework in Togo is practically silent on the procurement mechanisms applicable to emergency situations. The framework is considered relatively satisfactory despite this shortcoming.

73. Program contracts will include the following four categories: (i) Various technical and advisory and consulting services, socio-economic data collection for the RSPM (Social Registry of Persons and Households) database with the implementation of a dynamic and interoperable social information system (SIIS) system, Payments Bridge and Multi-program/Multi-provider payments platform, and Data Lab; (ii) Procurement of hardware and IT platform, office equipment, goods and Non-Consulting Service; and (iii) non-procurement activities like cash transfer (the main expense of the program), training, workshops, and Operational cost.

74. The three procuring entities will simply carry out the procurement activities as they do regularly. What is expected to change is the volume of activities that will increase with the additional resources

that will be provided by the program.

75. *Delay in the procurement operations.* The MAPS, conducted under the previous regulations, showed there were long delays in evaluating bids and approving reports; delays which seem to be linked to problems of availability of the members of the evaluation commissions. Measures have been taken under the new procurement code to reduce the timeframes for evaluating bids and approving reports by the change of the former Public Procurement Commission (“CPMP” as abbreviated in French) into the Management Cell of Public Procurement (“*Cellule de Gestion des Marchés Publics*”). The latter has the advantage of being staffed with three to five dedicated persons to these tasks only, including at least one qualified staff member.

76. Despite the revision of procurement regulations, the associated standard bidding documents have not yet been revised and adapted to the new procurement code. The existing standard bidding documents must be updated with an adequate insertion of: (i) fraud and corruption clauses, and (ii) provisions to mitigate environmental and social risks, including sexual harassment, and their impacts, among others.

77. The conditions for publishing the results of the evaluation and the awarding of contracts are considered unsatisfactory. The results and the awards are not systematically published, and no action seems to be taken to make the publication mandatory. Budget problems are mentioned to justify the situation.

78. Finally, record management (filing and archiving of procurement documents) remains a major challenge for most of the procuring entities, including the structures involved in this current PforR. No significant progress has been observed in this area recently. The filing and archiving system for procurement documents is inefficient and needs improvement. The difficulties of rapid access to documents and information have been observed. It would be difficult to conduct procurement audits if the documents are not available or are not easily accessible. The focus will be on the elaboration and dissemination of a manual for filing and archiving of procurement documents for the use of procuring entities. However, as the GoT is about to engage in the implementation of e-procurement, it is expected that at the end of this process, filing and archiving issues will be fixed.

#### 3.4.5 Control and integrity

79. Ex-post control is the responsibility of the Public Procurement Regulatory Authority (ARMP). ARCOP is mandated to conduct annual audits of contracts awarded by all contracting authorities. In practice, ARCOP recruits private firms to audit contracts on a yearly basis. Annual procurement audits are conducted very late and are not the subject of publication or follow-up of recommendations. The procurement audit reports conducted by ARCOP are sent to the “*Court des Comptes*”, the General Inspectorate of Finance (*Inspection Générale des Finances*), the General State Inspectorate (*Inspection Générale de l’Etat*), and the State Institutions in charge of the proper Governance and the fight against corruption, such as HAPLUCIA.

80. It is important to systematize the performance of annual external procurement audits to assess the application of procurement regulations, the practices, and performance of the system in place and thus monitor and allow gradual improvement of procurement practices and markets. The system performance review should be built around the performance indicators that ARCOP is called upon to develop and implement. These audits will only have value if they are carried out and published within a

reasonable timeframe, i.e., publication no more than nine months after the end of the audited financial year, and if their recommendations, reviewed and accepted by the competent authorities, are followed and applied. The status of the follow-up of audit recommendations should constitute a chapter of these audits.

### 3.4.6 Citizen control

81. Citizen control is not effective at the procuring entity level. During the discussions, it was agreed that this third level of control could improve the transparency and efficiency of the Program activities. However, the mechanism should be set up and the staff trained. The details of the procedures will be included in the POM.

### 3.4.7 Authority to approve contracts

82. The Public Procurement Code states that the MEF approves contracts when the amount is equal to or greater than 350,000,000 FCFA. The spending Ministry/Minister is empowered to approve contracts when their amount does not reach said threshold.

### 3.4.8 External control and Complaints management

83. The external procurement control mechanism and complaints handling is deemed to be weak. The development of a control manual describing the mechanisms, procedures, and standards for quality control, compliance, and performance is currently being considered.

84. The legislative and regulatory framework does not contain any provision that obliges the Contracting Authorities to insert in the bidding documents and contractual documents, the definitions and provisions relating to corruption, fraud, conflicts of interest, and other prohibited practices. The standard bidding documents published by ARCOP do not take these aspects into account. However, there is a legal and institutional framework for ethics and the fight against corruption defined by articles 515 to 1102 of Law No. 2015-10 of November 24, 2015 in the new penal code, supplemented by Law No. 2016-027 of October 10, 2016 and Decree No. 2019-097/PR of July 8, 2019, on the code of ethics and professional conduct in public procurement.

85. Decisions and sanctions are taken against the actors guilty of violation of this rule. In 2021, all the sanctions concerned the private sector. Table 11 shows statistical data on complaints.

**Table 11: Number of complaints and average processing time**

Year	Number of complaints	Number of cases treated	Number of decisions published	Mean processing time (days)
2019	37	37	65	33
2020	53	53	61	27
2021	64	64	108	33
2022	47	69	69	29

Source: ARCOP

86. The complaints mechanism system handled by the Dispute Settlement Committee system is operational and considered in line with international practices, even if the processing times need

improvement.

### 3.5 Internal Control and Internal Audit

#### 3.5.1 Internal control

87. The overall internal control framework around the PFM is acceptable, even though some shortcomings exist. The PFM regulations establish the clear segregation of duties between the chief budget manager, accountant, and internal auditor, and they clearly describe the procedures applied to the budgeting, accounting, and financial reporting chain. Decree No. 2011-058 dated on May 4<sup>th</sup>, 2011, clearly defines the scope of the national control bodies: (i) administrative controls by the General Financial Inspectorate, State General Inspectorate, and Treasury General Inspectorate; (ii) jurisdictional control exercised by the Court of Accounts, the Togo's SAI; and (iii) parliamentary control exercised by the Parliament. The regulations also stipulate the processes and procedures to be followed by the implementing entities to ensure adequate monitoring and safeguarding of assets. In line with the PBB, new key positions to improve the performance of PFM were established, including a Program Manager and a Delegated Financial Controller. The PFM internal controls environment is reinforced by the existence of dedicated procedures manual at each of the five Accountant Principal positions (Comptable Principal): (i) revenue: State Receiver General; (ii) expenditure: Accountant General; (iii) debt operations: Accounting officer of public debt; (iv) treasury: State General Treasurer; and (v) centralizing accountant: chief accountant. Decree No. 2012-006 dated March 7<sup>th</sup>, 2012, enforcing the establishment of an inspection unit with each ministry.

88. The fiduciary assessment revealed that the line ministries main internal controls weaknesses are: (i) apart from the five Principal Accountants as mentioned above, the line ministries do not have a detailed fiduciary management procedures manual; (ii) due to staffing constraints, one delegated financial controller (*Contrôleur financier délégué*) covers several ministries and other government bodies; and (iii) lack of adequate staffing and resources at the General Financial Inspectorate (inspection Générale des finances or IGF). The main internal controls weakness for the implementing agencies are as follows. (i) For ATD, (a) absence of a detailed fiduciary manual of procedures, and (b) absence of an internal audit unit. (ii) For ANID, (a) absence of an approved fiduciary manual of procedures, and (b) absence of an internal audit unit. (iii) For ANADEB, (a) the internal audit unit comprises only one expert, and (b) ANADEB has a Financial Director but does not have a Public Sector Accountant. Filling these critical vacant positions and developing a detailed fiduciary manual of procedures for ANID and ATD will enhance the internal control of the implementing line ministries. ANADEB has a detailed fiduciary manual of procedures. With the support of the IDA-financed WURI project, ANID is developing a fiduciary manual of procedures that should be adopted by the Board of Directors once it is established.

#### 3.5.2 Internal Audit

89. The General Inspectorate of Finance, created in 2008 by Decree n°2008-093/PR of July 29, 2008, has a general mission of control, audit, study, advice, and evaluation in administrative, economic, and financial matters. The Inspectorate General of Finance controls the operations carried out by the authorizing officers of public revenues and expenditures as well as the public sector accountants; it ensures the regularity and conformity of operations and verifies the materiality of public expenditures, in particular, the reality of the service rendered. It assesses the quality and performance of the management of authorizing officers and public sector accountants. It may make proposals to improve their performance. The IGF carries out financial and accounting controls, audits, and evaluates the

administrative and management procedures of national public establishments, state-owned companies, and any other body under the supervision of or receiving financial assistance from the State or local authorities.

90. At the Program implementing entities level, the internal audit functions exist only at ANADEB, but capacity gaps persist, while they do not exist at ANID and ATD levels. The internal audit functions are critical to ascertain the efficacy of internal controls and are crucial in ensuring the effective and efficient use of public funds. The internal audit functions are performed for ANADEB by only one contractual internal auditor. In principle, as public bodies, the three implementing entities may be audited by the IGF, but due to staffing and resources constraints, IGF has not been auditing ANID, ANADEB, and ATD. With support of the World Bank-financed Togo Economic Governance Project (P158078), the IGF has developed the risk map for four ministries: MEF, Ministry in charge of Water, Ministry of maritime economy, and Ministry of Agriculture. IGF comprises: the acting head, eleven technical staff, and two senior staff. IGF expressed the need of 31 new staff, but the line ministry accepted to offer only 20 positions. Thus, in 2019 a recruitment was launched by the ministry of civil service in collaboration with the Ministry of Finance to fill those positions. As of today, the positions are still vacant. There is high turnover that has occurred in the internal audit function at IGF due namely to the absence of a career path and pay incentives. As mentioned above, there are no audit functions at ANID, and ATD levels. These issues are exacerbated by the absence of an Executive Board which has to approve the recruitments. During the 2022 fiscal year, due to resources constraints, IGF did not perform any audit. In addition, IGF focuses more on compliance audit, which limits its effectiveness in the context of PBB. Reforms are needed to further professionalize the internal audit functions and offer a clear career path, establish recruitment criteria based on adequate qualifications and experience. Reforms are also required to create a continuous professional development plan, and provide substantive technical and financial support to IGF, produce a multiyear risk-based audit plan, and undertake performance audits of implementing entities. The IPF component of the new Togo Public Sector Capacity Strengthening for Service Delivery (P176883) will support the capacity-building activities to enhance the capacity of IGF. This can be done through (i) carrying out a comprehensive assessment of the IGF and elaborating medium-term action plan; (ii) providing technical assistance to IGF to develop internal audit methodology and tools; (iii) provide technical assistance to support the Inspectorate to develop competitive recruitment procedures. ANID and ATD will need to recruit their respective internal auditor who will include the Program in its scope of intervention.

### 3.5.3 Program Governance and Anticorruption Arrangements

91. Togo has a strong framework with respect to combating fraud and corruption. Togo ranked 130<sup>th</sup> out of 180 countries included in the Transparency International *Corruption Perceptions Index 2022*. The government of Togo confirmed its commitment to fight against fraud and corruption by ratifying: the United Nations Convention against Corruption by Law No.2005-007 of May 18th, 2005, and the African Union Convention on Preventing and Combating Corruption by Law No. 2009-006 of May 4th, 2009. Also, the country adopted the Protocol on the Fight against Corruption of the Economic Community of West African States (ECOWAS) which came effective in December 2001. Under article 140 of the Togolese Constitution, duly ratified international treaties constitute an integral part of the domestic legal system and override any other contrary provision of domestic law. The institutional and regulatory frameworks to investigate, prosecute, and prevent fraud and corruption are comprehensive, but are suffering from ineffective enforcement, and resources constraints. The main anti-corruption bodies in Togo include the High Authority for the Prevention and Fight against Corruption and Related

Offenses (HAPLUCIA<sup>5</sup>), the National Financial Information Processing Unit (CENTIF), the Superior Council of the Judiciary (CSM) and the Court of Auditors. These bodies engage in a wide array of activities from evaluating and monitoring compliance to more educational functions, such as awareness-raising through promotion of the existing legal framework, and capacity-building activities. In accordance with the requirements of the United Nations Convention against Corruption (CNUCC), HAPLUCIA is an independent structure entrusted with two main missions, namely preventing, and fighting against fraud, corruption, similar practices, and related offences. Grievances and denunciations are the main sources of information for HAPLUCIA. To that end, a toll-free number was set up (8277). The table 12 below shows that there is growing use of the toll-free number compared to other methods of complaints and denunciations. Despite the mechanisms put in place and the efforts made by GoT, HAPLUCIA still lacks human and technical resources to carry out its mission and implement its strategic plan. Achieving results in the fight against corruption requires the judicial processing of cases referred to the Prosecutor General by HAPLUCIA. To this end, GoT needs to strengthen collaboration between HAPLUCIA and the judiciary to ensure that the cases referred to the Prosecutor General can be followed up.

92. Articles 54, 55, 56, and 57 of the Public Procurement Law<sup>6</sup> list the sanctions applicable in the event of fraud and corruption related to public contracts. The standard procurement documents prepared based on those of the World Bank also contain clauses on fraud and corruption. The Program embeds a mechanism to report suspected cases of corruption and fraud, report on the status of investigations, and report on actions taken by the relevant stakeholders. The reporting is to be done by ANID, ANADEB, and ATD on an ad hoc basis and at least once yearly.

**Table 12: Complaints and denunciations received by HAPLUCIA (2017-2022)**

	2017	2018	2019	2020	2021	2022
Number of complaints and denunciations received	0	12	24	17	13	51
Number of complaints and denunciations treated	0	9	20	17	13	48
Number of complaints transmitted to the Prosecutor General	0	2	0	Non-available	4	6

Source: HAPLUCIA

93. A special online grievance redressal system that is open to the public will be set up and any individual who feels adversely affected by the Program can register a complaint/grievance online and can track the action taken on it. The complaint-handling mechanisms will rely on procedures in place under WURI and FSB, and to be enhanced as an integrated grievance redress mechanism under the Program. There are multiple channels of making and recording complaints on fraud and corruption, including procurement: There is a reasonable complaint handling mechanism for fraud and corruption, but good citizen engagement should be improved for the activities execution phase. Data is needed on pending cases report versus what has been concluded and the balance of pending cases-preferably in the last two years.

<sup>5</sup> Created by the Law No. 2015-006 dated July 28, 2015

<sup>6</sup> Loi no2021-033 relative aux marches publics



94. The WB “Guidelines on Preventing and Combating Fraud and Corruption in Program for Results Financing” dated February 1, 2012, and revised on July 10, 2015, shall apply to all activities within the Program Boundary. As there is no distinction between WB financed activities and Government financed activities within the Program boundary, these guidelines shall be applied in an unrestricted manner on all activities within the Program boundary. Requirements under these guidelines include but are not limited to (a) borrower’s obligation to inform the WB about all fraud- and corruption-related allegations and investigations, (b) the WB right to conduct administrative enquiries, and (c) ineligibility of debarred firms for contract awards. In the context of the Program, the Government will inform the Bank of any indication of fraud and corruption and will cooperate with the Bank in any investigation into indications of fraud and corruption. The Government will also ensure that any person or entity debarred or suspended by the Bank is not awarded a contract or allowed to participate in the Program during the period of debarment. This information can be found in this link: (<https://www.worldbank.org/en/projectsoperations/procurement/debarred-firms>).

95. The GoT commits to sharing complaints information with the Bank, which may be derived from a variety of sources, including the complaints handling system.

96. The HAPLUCIA will share, with the World Bank, information on the allegations in the Program and how they are being addressed through the semi-annual reports during Program implementation. The reporting on complaints and corruption format will include the following: (i) location and date of the complaint; (ii) description of allegation; (iii) description of progress in investigation; and (iv) investigation outcome. To this end, a protocol will be prepared laying out the role and responsibilities of the different actor. This protocol will be included in the operation manual. A clear protocol will be designed between the ANID and HAPLUCIA. The ANID and HAPLUCIA agree on the format and the content of the reporting tool, format, and content.

97. ANID shall implement the activities under the Program, in compliance with the Anti-Corruption Guidelines for the Program. A workshop to sensitize all the key stakeholders on applicability of anti-corruption guidelines and protocol to be followed, will be organized as part of the Program launch.

### 3.6 Program External Audit

98. The Togo Court of Account (*Cour des Comptes*) is constitutionally mandated to audit all public revenues and expenditures (Constitution dated on October 14<sup>th</sup>, 1992 – article 107). In line with the constitution revised in 2019, the Court of Accounts was set up, and the Organic Law of the Court of Accounts (Law 2021-025 dated December 1<sup>st</sup>, 2021) was adopted by the Parliament. In compliance with the Constitution and the subsequent Organic Law, the Court of Accounts as the Supreme Audit Institution (SAI) of Togo, has a threefold mission: (i) a jurisdictional mission to verify the public accounts; (ii) responsibility for the external technical audit of all structures benefiting from public funding; and (iii) a mission to support and advise the Parliament and Government in the control of the execution of the finance laws. The INTOSAI Development Initiative (IDI), AFROSAI-F and CREFIAP have been providing intensive support to the Togo’s SAI. This shall enable the SAIs to operate more strategically and have effective long-term capacity development programs, through a program called the Accelerated Peer-Support Partnership or Partenariat d’Appui Accéléré par des Pairs in French (PAP-APP) for the period of January 1<sup>st</sup>, 2018, through June 30<sup>th</sup>, 2021. The SAI has developed an acceptable audit methodology compliant with the International Standards of Supreme Audit Institutions (ISSAI), but staffing constraints and limited financial resources could prevent the SAI from auditing the Program adequately

and providing timely audit reports. For this reason, an independent private audit firm will be recruited by ANID, the Program implementation coordination entity, under the supervision of the SAI to perform the financial audit of the proposed Program. The independent audit will be recruited for the initial two years. The annual audit fees will be financed through ANID's budget. The SAI will conduct a quality assurance review of that audit and validate the final report. The role of Parliament in providing oversight on public finances is limited. Togo's Assemblée Nationale provides limited oversight during the planning stage of the budget cycle and weak oversight during the implementation stage.

99. External audit arrangements vary from each implementing agency to another. ANADEB is audited on a yearly basis by an independent external auditor. The external auditors have expressed unqualified opinions on the 2019, 2020 and 2021 financial statements of ANADEB. The recommendations made by the external auditors in the last 3 years are mostly implemented or under implementation. The independent auditor noted that the supervisory Board of ANADEB has not yet approved the audited 2020 and 2021 financial statements and ANADEB does not apply the national public sector accounting standards. ANID has prepared its first administrative accounts (compte administratif) and management account (compte de gestion) for 2021 fiscal year (year ending December 31<sup>st</sup>, 2021). The administrative account was transmitted to the Court of Accounts, but no formal response from the SAI was received. In addition to the audit to be carried out by the SAI, the Decree establishing ANID, states that ANID could appoint a statutory auditor (independent). The external auditor was not recruited since ANID was newly created. For ATD, the Bank team was informed that since ATD was newly created, ATD is not yet audited. The audit of the Program's consolidated financial statements will be conducted in accordance with specifications in the terms of reference (ToRs) agreed with the World Bank. The audit reports shall be submitted to the World Bank not later than nine (9) months after the end of the fiscal year. In compliance with the World Bank policy on access to information dated July 2010, the audited program financial statement will be publicly disclosed.

### **3.7 Procurement and Financial Management Capacity Staffing**

100. This operation will be the first PforR in Togo, which calls for intensive capacity building of all implementing agencies involved. To ensure proper implementation of the PforR Program by ANID, investing in creating such capacities will be critical.

#### **3.7.1 Procurement Staffing**

101. Based on the interactions, it is understood that the Management Cell of public procurement comprising dedicated staff with the assistance of dedicated procurement staff will carry out procurement and contract management functions. To accelerate and improve the smooth implementation of the Program expenditures, there is the need for dedicated qualified and experienced procurement specialists to be appointed within each procuring entities, and who are well versed with the procurement and contract management.

102. ATD and ANID will have to establish their procurement organs as per the procurement code provisions, including the Management cell of Public Procurement, after the setting up of their respective Board.

103. ANID and ANADEB have already recruited a procurement specialist each; but these are consultants financed through WB IPF projects (FSB and WURI). A mechanism has to be set up to avoid a minimum of disruptions once the FSB and WURI project are closed.

104. ATD will have to recruit a procurement specialist.

### 3.7.2 Financial Management Staffing

105. In case of FM, staff available within the DPAF have limited capacities as FM civil servant recruitments are not based on FM skills and experiences. ANID and ATD should finalize their organogram with filling the vacant positions. (i) For ANID, establishing the administrative and financial directorate, including adequate staffing for the administration and logistics division, finance and budget monitoring division, and human capital management division (ii) For ATD, recruiting additional FM staff to second the newly recruited administrative and financial director. (iii) For ANADEB, appointing a public sector accountant and a financial controller. The FM staff in each of the three implementing entities will be responsible for program accounting. ANID will coordinate with all the agencies involved in the Program. The FM team at ANID would preferably have project FM experience to facilitate FM reporting and audit, as the Program coordination entity. All the FM staff will need to be trained in accounting for Program expenditure, DLIs disbursements, and other FM requirements. The Program would be able to hire qualified and experienced experts from the market on a contractual basis if required and the cost can be charged to the program.

106. The key fiduciary risks identified during the assessment and mitigating measures are summarized in Table 13.

**Table 13: Program Systems and Capacity Improvement**

Risk	Mitigation actions	Responsible	Timeline	Type of action
Potential delay in adopting the program budget	GoT to create a credit line or credit lines, as applicable, in its National Budget to facilitate the design and delivery of the program	GoT	Before effectiveness	Condition of effectiveness
Potential lack of coordination within the three PIEs	Subsidiary Agreement between MEF and the three PIEs—ANID, ANADEB, and ATD—to clarify roles and responsibilities and to enable the flow of funds and budget allocations from MEF to the agencies as advance payments to cover the cost of operations to achieve Program results	MEF, ANID, ANADEB, ATD	Before effectiveness	Condition of effectiveness
	Elaborate a POM with clear roles and responsibilities	ANID with MEF, ANADEB, ATD	Within three months of effectiveness	Dated covenant
	Establish an interministerial steering committee	GoT	As determined in POM	POM
	Set up a program coordination unit within ANID and recruit and train staff	ANID	As determined in POM	POM
	Interoperability framework	ATD	As determined in POM	POM

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Risk	Mitigation actions	Responsible	Timeline	Type of action
Lack of Board Directors established within ANID and ATD	Establish Board Directors in line with No.2020-093 of November 12, 2020, for ANID and Decree No.2021-102 of September 29, 2021 for ATD	Office of the President	Within three months of effectiveness	Dated covenant
Lack of procurement organs as per procurement code within ANID and ATD	Establish procurement organs for ANID and ATD	ANID and ATD	Within three months of effectiveness	Dated covenant
Inadequate staffing and capacity of ATD regarding procurement, financial management, and contract management aspects	Recruit or appoint a qualified and experienced procurement specialist, an internal auditor, a deputy financial manager, and a public accountant assistant under ATD	ATD	As determined in POM	POM
Absence of a Public Accountant and an IFMIS at ANADEB	Appoint a qualified public sector accountant to support ANADEB	MEF	As determined in POM	POM
	Install, parameterize, and roll out the SOLAF	Treasury	As determined in POM	POM
Planning and budgeting processes for ANID and ATD are not fully in place	Establish a Board of Directors for ANID and ATD	Office of the President	Within three months of effectiveness	Dated covenant
	Establish procurement organs for ANID and ATD	ANID and ATD	Within three months of effectiveness	Dated covenant
Delay in funds release to the PIEs and budget inadequacy at the PIEs level	ANID to develop a 3-year medium-term budget for the Program, which will be approved by the Board of Directors and the Bank	ANID	Continuous	PAP
	Share with the Bank the steering committee-approved DPPD	GoT	Continuous	POM
	Reports on Program releases and number of direct beneficiaries of the program	ANID, ANADEB and ATD	Continuous	POM
Absence of a full set of comprehensive financial statements for each of the three PIEs	ANID to coordinate with ANADEB and ATD to submit financial reports on the share of PEF each PIE is implementing	ANID, ANADEB and ATD	Semi-annually	PAP
	Appoint dedicated accountants at the treasury level	GoT	As determined in POM	POM
Skills within the audit team are inadequate to audit the Program financial statements and resource constraints within the SAI	Recruit a private sector audit firm for Program auditing during the first two years and train two staff from the SAI	ANID	Auditor should be recruited no later than six months after effectiveness	POM
			Continuous	POM

Risk	Mitigation actions	Responsible	Timeline	Type of action
	World Bank technical assistance through governance investments	GoT and World Bank		
Consistent publication of program financial statements annually is not an engrained practice within the public sector	Disclose Program audit, entity and PforR Program budgets and financial statements	ANID	As determined in POM	POM
Limited capacities of internal audit functions of the IGF	Capacity building through World Bank-financed governance projects	GoT and World Bank	Continuous	POM
Risks of fraud and corruption	Submit Compliant Handling and Fraud & Corruption reviewed by HAPLUCIA	ANID and HAPLUCIA	Semi-annually	POM
	Report all cases of fraud and corruption related to the Program	ANID	Continuous	PAP
Inadequate complaint handling management system	Develop a complaint-handling policy and procedures in the POM	ANID, ANADEB and ATD	Within three months of effectiveness	POM
	Bidding documents and contracts will contain adequate fraud and corruption clauses and provisions to mitigate environmental and social risks, and impacts, including SEA/SH	ANID, ANADEB and ATD	Continuous	PAP
Risks related to Program financial reporting	Program financial report tracking PforR Program expenditures and the disbursements through DLIs. The template of the report will be agreed and incorporate in the POM	ANID	Semi-annually	PAP

### 3.8 Implementation Support

107. The GoT is responsible for the program overall implementation and coordination. The WBG task team implementation support will normally focus on the following: (a) Reviewing implementation progress and achievement of the program results and Disbursement Linked Results, (b) Providing support for implementation issues as well as institutional capacity building, (c) monitoring system performance to ensure their continuing adequacy through Program Monitoring Reports, audit reports and field visits, (d) monitoring changes in risks to the Program Compliance with legal agreements as needed and PAP (e) reviewing the evolution of risks to the program and the borrowers reporting of fraud and corruption allegations, and (f) reviewing fraud and corruption red flags within Program implementation.

108. The fiduciary team will work with the Borrower to monitor implementation progress and address underperforming areas identified in the FSA. Fiduciary support will include reviewing progress and working with the task teams to examine the achievement of DLIs and elements of the PAP that are of a fiduciary nature: (i) helping the Borrower resolve implementation issues and carry out institutional capacity building; (ii) monitoring the performance of fiduciary systems and audit reports, including the implementation of the PAP and mitigating measures; (iii) monitoring changes in fiduciary risks to the

Program and, as relevant, compliance with the fiduciary provisions of legal covenants; and (iv) participating in field missions twice every year.

109. To improve the quality of fiduciary inputs, the fiduciary team will use some of the indicators below for critical follow-up on some of the vital tenets on the subject as follows:

**Table 14: Fiduciary indicators to be tracked during implementation support**

Indicator	Measure	Timeline
Adequate monitoring of the procurement activities	Percentage of contracts awarded and completed within the original contract period.	Annually
	Average number of quotations/bids received.	
	Percentage of contracts by value requiring amendment towards Extension of Time (EOT) of more than 30 days.	
	Percentage of contracts by value requiring amendment to account for cost escalation (in percentage terms).	
	Number of procurement-related complaints received and upheld.	
	No contract exceeds the threshold for high-value contracts.	
Adequate monitoring of FM activities pertaining to the program	Adequate AWPB to meet program activities.	Every year at the time of budget declaration
	Compliance with internal control guidelines increased with budget, accounting, and internal and external audit reports.	Every year
	Audits completed on a timely basis, and reports submitted to the Bank on a timely basis.	Annually
	Audit observations settled in a timely manner.	Annually

## ANNEX 1: METHODOLOGY NOTE FOR PEF

### **Methodology for public expenditure projections in Public Expenditure Framework included in the proposed World Bank Program for Results Togo Social Assistance Transformation for Resilience (P178835)**

110. This note describes how the public expenditure framework presented in the project appraisal document for the above-mentioned project was created. All figures presented in this note are preliminary and subject to further validation in the discussion with the Ministry of Economy and Finance and other counterparts, working on the new “Programme Nationale de la Protection Sociale Non-Contributive” (PNPSNC), led by the Presidency of the Republic of Togo and coordinated by ANID (Agence Nationale de l’Identification). The estimations are based on the most recent detailed public expenditure data available in the BOOST database prepared by the World Bank team based on Budget reporting, the proposed parameters of the new flagship social protection program, and the Medium-Term Expenditure Framework used by the Government of Togo.

111. The objective of the analysis was to estimate the possible structure of expenditures on social protection programs in Togo now (2023) and in the medium term (2024-28). Under the new proposed operation, the World Bank is directly supporting the Government of Togo budgetary spending on selected social programs conditional on achieving mutually agreed results. The construction of the new Public Expenditure Framework is necessary because the new flagship program to be supported by the World Bank is not yet incorporated into the existing national budget classification. The new flagship program under the PNPSNC is aiming to improve the socio-economic situation of poor and vulnerable households while addressing gender gaps in incidence of poverty and financial inclusion within a framework of consolidation and innovation of non-contributory social protection in Togo.

112. The objective of the analysis is to (i) establish the overall spending envelope in a sector (social protection) that will be supported by the new World Bank Operation (Program for Results, 2024-2028), (ii) determine the program boundary of the operation, i.e., identify the subset of the program that are instrumental for achieving the results sought.

#### 1. Data sources

113. The detailed expenditure data represented by the World Bank database constructed based on the budget execution data is BOOST and its latest available year is 2021. The structure of BOOST database allows to break down existing spending data by spending units (Ministries, agencies, or specific locations), programs and sub-programs, economic classification, and functional classifications.

114. Sources for BOOST 2021 precede the development of PNPSNC and therefore have spending lines that do not reflect PNPSNC approach to classification of spending. For the purposes of building Public Expenditure Framework BOOST classifications are used to represent: 1) the boundaries of social protection in Togo; 2) to list key spending ministries and agencies, responsible to carry out social protection functions; 3) to distinguish within the social protection function the spending on transfers versus spending on investment, supporting services or personnel to carry out social protection actions.

115. Since BOOST latest year is 2021, to project it further into 2024 and up to 2028, the following documents are used:

- Loi No 2022-022 de Finance Exercice 2023, Présidence de la République.
- Document to Programmation Budgétaire et Economique Pluriannuelle (DPBEP), 2023-2025 (Ministère de l'Economie et des Finances, 2022)
- Budget Programme de l'Etat, 2022-2025, Premier Ministre, 2023 (MDTEF).

116. The new strategy for non-contributive social protection, Programme National de la Protection Sociale Non-Contributive establishes a new Flagship program as a cross-cutting program that combines several existing social protection programs run by different line ministries into a coordinated National Flagship program with a new classification of different action areas and a new set of results. It is in the process of being adopted by the Council of Ministers (expected by end May 2023). The program is designed to be comprehensive and to include most of the on-going public spending programs in the area of non-contributory social protection.

117. The Government of Togo program is composed of 4 axes: (1) cash transfers and accompanying measures for the chronic poor, (2) shock-responsive transfers for the transient poor, (3) delivery systems and (4) institutional coordination. The expected results of the overall Government program (PNPSNC) include: (a) strengthening inclusion, prioritization and coverage of beneficiaries to improve living standards, reduce food insecurity and vulnerability to climate shocks; (b) achieve a reduction and consolidation of actors and more effective institutional and technical coordination, including through interoperable information systems; (c) mobilizing additional resources and achieving greater efficiency in social protection spending through results-based financing.

118. More specifically, the program will be rolled out in phases with a target of covering all extreme poor in Togo (23% of the population). The package of social assistance support to delivered to the designated recipient for the household, and includes: (i) a cash transfer delivered via mobile money accounts, with the amount differentiated by gender, (ii) a low-cost smartphone device for female designated recipients, (iii) an eID for all individuals in the household, (iv) a registered mobile money account for female designated recipients, (v) optional voluntary savings scheme in partnership with a financial service provider for female designated recipients who volunteer to save through via mobile money, with a matching grant, (vi) a solar kit for access to energy, particularly in rural areas, not only to charge their mobile devices but also for other basic needs, (vii) subsidized health insurance for beneficiary households (viii) accompanying health and financial literacy information delivered remotely via mobile devices to designated recipients, (ix) a shock-responsive one-time cash transfer or in-kind support to households affected by a shock as defined by GoT regulation.

119. The following Table 15 represents 4 axes of the new program and sub-axes that lists all of the actions above and supporting management and information systems activities. It maps these axes to the existing Ministries that are present in the social protection area in Togo.



**Table 15: Programme National de la Protection Sociale Non-Contributive: Mapping to the Current Institutional Set Up of Social Protection in Togo**

<b>Axes</b>	<b>Current Affiliation to Ministries</b>
<b>Axis 1 Cash Transfer <i>Plus</i> program</b>	
1.1 Cash transfers	Ministère du Développement à la Base, de la Jeunesse et de l'Emploi des Jeunes, MDBJEJ
	Ministère de l'Enseignement Supérieur et de la Recherche, MESR
	MoEF (1)
1.2 Health insurance for poor and vulnerable households	Ministère de la Sante, de l'Hygiène Publique, et de l'Accès Universelle aux Soins
1.3 Accompanying measures	Ministère Chargé de l'Inclusion Financière
	Ministère du Développement à la Base, de la Jeunesse et de l'Emploi des Jeunes, MDBJEJ
	Ministère de l'Action Sociale, de la Promotion de la Femme et de l'Alphabétisation, or MASPFA
1.4. Energy access and digital inclusion	Ministère de l'Economie Numérique et de la Transformation Digitale; Ministère Délégué Chargé de l'Electricité et des Mines
<b>Axis 2 Resilience of populations to shocks</b>	
1.1 Implementation of shock response mechanisms and protocols	Cabinet of Ministers
1.2 Financial and in-kind support for households affected by shocks.	Ministère de la Sécurité et de la Protection Civile; Ministère de l'Action Sociale, de la Promotion de la Femme et de l'Alphabétisation ; and Ministère de l'Economie Numérique et de la Transformation Digitale (2)
<b>Axis 3: Modernization and strengthening of the non-contributory social protection system with an integrated social information system</b>	
3.1 Modernization of the non-contributory social protection sector	Cabinet of Ministers
3.2 Strengthening of the Social Registry of Persons and Households (Identification, registration, targeting, updating of data)	Ministère de l'Economie Numérique et de la Transformation Digitale
3.3 Establishment of an information system for entities responsible for implementing social assistance projects (sectoral information system)	Ministère de l'Economie Numérique et de la Transformation Digitale; Ministère de l'Action Sociale, de la Promotion de la Femme et de l'Alphabétisation ;
3.4 Development of a social protection innovation laboratory	Presidency
<b>Axis 4 — Technical coordination and monitoring and evaluation</b>	
4.1 Program Management and Coordination	All entities listed above
4.2 Reporting, Audits and Evaluation	All entities listed above
4.3 Communication, training, capacity building	All entities listed above

<sup>1</sup>. MoEF has annually 20 bln. FCFA allocated to the economic function of “transfers” under the function “social protection”. These are interpreted as emergency response / COVID-19 related measure; <sup>2</sup> Ministère de l'Economie Numérique et de la Transformation Digitale via its agency Agence Togo Digitale ATD, was in charge of delivering emergency cash transfers designated to mitigate the effects of COVID-19.

## 2. Mapping of the Flagship Program to the existing expenditures in 2021.

120. At the first step the overall “social protection spending” constructed using functional classification was identified. For 2021 these amounted to 76,262,277,000 FCFA. Further analysis identified lines which represent non-contributive programs, or social assistance (as opposed to contributive, which are related to social insurance).

121. The second step of this exercise was to identify and map within the most disaggregated presentation of non-contributive programs the spending that would fall under different axes and sub axes of the new PNPSNC. Table 16 lists all expenditure lines under “Social Protection” function for 2021 and maps them to (i) contributory or non-contributory pillars of social protection system (ii) new axes and sub axes of the PNPSNC.

**Table 16: Detailed Breakdown of Social Protection Spending for 2021 with Mapping to PNPSNC Axes (FCFA)**

10 Protection sociale	Spending, FCFA	Mapping to PNPSNC
1121080363001 Coordination et supervision des activités des ONG	17,500,000	Axe 4
1131000370000 Centre d'Observation et de Réinsertion Sociale des Jeunes en Difficulté de CACCAVELI	53,013,000	Axe 4
1131010663000 Direction de la prévoyance sociale	3,479,000	Axe 4
1131010664000 Direction générale de la protection sociale	76,888,000	Axe 4
1131010664001 Comité national pour la promotion et protection sociale	30,000,000	Axe 4
1131010664002 Mise en place de la couverture santé universelle	102,450,000	Axe 1.2
1131080117000 Direction Nationale de la Jeunesse	126,804,000	Axe 4
1131080366000 Direction Générale de l'Action Sociale	26,251,000	Axe 4
1131080366001 Direction des Personnes Handicapées	34,501,000	Axe 4
1131080366002 Direction des Personnes du 3ème Age	20,871,000	Axe 4
1131080366003 Direction de la Prévention des Situations de Vulnérabilité	28,363,000	Axe 4
1131080366010 Direction de la Gestion des Catastrophes	67,991,000	Axe 4
1131080366011 Coordination Nationale d'Assistance aux réfugiés	33,546,000	Axe 4
1131080367000 Direction Générale de la Protection de l'Enfance	30,019,000	Axe 4
1131080367001 Direction de l'Assistance à l'Enfant en Difficulté	111,322,000	Axe 4
1131080368000 Direction Générale du Genre et de la Promotion de la Femme	26,263,000	Axe 4
1131080368001 Direction du Genre et des Droits de la Femme	29,617,000	Axe 4
1131080368002 Direction de la Coopération et de la Promotion des Activités Economique de la Femme	24,268,000	Axe 4
1131080368003 Direction de la Famille & de l'Education de la Jeune Fille	31,130,000	Axe 4
1131080555001 Anciens Combattants et Anciens Militaires	17,973,000	Contributif
1139000242025 Division santé communautaire et personnes âgées	57,522,000	Axe 4
1141080365000 Direction de la planification et du suivi-évaluation	37,179,000	Axe 4
1161080364000 Direction des Affaires Administratives et Financières	71,606,000	Axe 4
1173040815000 Construction et équipement de l'unité de secours d'urgence à Blitta	229,322,000	Axe 3
1179000119005 Projet de développement des filets sociaux et des services de base (RI/CP-BM)	3,193,193,000	Axe 1.1, 1.3
1179000308000 Programme d'appui aux populations vulnérables (PAPV)	20,000,000,000	Axe 1.2

10 Protection sociale	Spending, FCFA	Mapping to PNPSC
1179000679000 Projet d'autonomisation des femmes rurales (PAFeRT)	37,973,000	Axe 1.3
1179000697000 Projet WURI TOGO : identification nationale biométrique	8,006,667,000	Axe 3
1189000704000 Abondement rétroactif pour validation des services auxiliaires	500,000,000	Axe 3
1189000705000 Provision pour réajustement indiciaire	155,000,000	Axe 2
1189000706000 Abondement pour personnel en détachement	6,440,000	Axe 2
1189000707000 Allocation viagère	50,000,000	Contributif
1189000721000 Frais transports étudiants boursiers et remboursement à l'occasion des voyages à l'étranger	100,000,000	Axe 1.3
1189000731000 Gratuité des frais d'examen	1,874,000,000	Axe 1.3
1189000759000 Dommages & intérêts versés aux tiers suite accidents par véhicules administratifs	50,000,000	Axe 4
1189000760000 Prime d'assurance individuelle accidents des agents de l'Etat	432,139,000	Contributif
1189000795000 Prime d'assurance maladie pour les agents de l'Etat	3,000,000,000	Contributif
1191080117001 Conseil National de la Jeunesse	10,000,000	Axe 4
1191080155001 Commission Nationale pour les Réfugiés	20,000,000	Axe 4
1191080242017 Prise en charge des agents de santé communautaire	112,000,000	Axe 1.3
1191080366057 Orphelinat et Centres de Rééducation	35,000,000	Axe 1.3
1191080366058 Centre Permanent pour les sinistrés de Logopé	20,000,000	Axe 2
1199000047010 Dépenses d'urgences	1,000,000,000	Axe 2
1199000119002 Transferts monétaires	750,000,000	Axe 1.1
1199000366055 Secours et réparations civiles	200,000,000	Axe 2
1199000366056 Centres communautaires (appui)	15,000,000	Axe 4
1199000367002 Prise en charge des enfants victimes de la traite	18,000,000	Axe 1.3
1199000368004 Appui à la promotion de la femme	400,000,000	Axe 1.3
1199000369003 Appui à l'alphabétisation	100,000,000	Axe 1.3
1231000366005 Direction des Affaires Sociales Maritime	178,321,000	Axe 4
1231080366004 Direction des Affaires Sociales Lomé	75,341,000	Axe 4
1232000366006 Direction des Affaires Sociales Plateaux	153,931,000	Axe 4
1232000366051 Foyer Avenir de Kamina (Direction régionale des Plateaux)	8,468,000	Axe 1.3
1232000366053 Centre de Formation et de Réinsertion Socio-professionnelle des personnes Handicapées d'Akata (Direction régionale des Plateaux)	7,694,000	Axe 1.3
1233000366007 Direction des Affaires Sociales Centrale	118,194,000	Axe 4
1234000366008 Direction des Affaires Sociales Kara	168,078,000	Axe 4
1234000366052 Centre de Formation Artisanale des Femmes de Landa (Direction Régionale de la Kara)	3,612,000	Axe 1.3
1234000366054 Centre de Formation et de Réinsertion Socio-professionnelle des personnes Handicapées d'Attéda (Direction Régionale de la Kara)	8,384,000	Axe 1.3
1235000366009 Direction des Affaires Sociales Savanes	116,964,000	Axe 4
1391080373000 Pouponnière de Tokoin	20,000,000	Axe 1.3
1391080374000 Fédération Togolaise des Associations des Personnes Handicapés	20,000,000	Axe 4
1391080375000 Agence de Solidarité Nationale	60,000,000	Axe 4
1391080376000 Comité d'adoption des enfants du Togo	20,000,000	Axe 4
1391080377000 Oasis Terre des Hommes : Centre d'accueil enfants égarés	50,000,000	Axe 1.3
1391080378000 Centre psycho-médicosocial (CPMS-ENVOL)	70,000,000	Axe 1.3

10 Protection sociale	Spending, FCFA	Mapping to PNPSNC
1399000061000 Caisse de Retraite du Togo (CRT)	3,800,000,000	Contributif
1399000372000 SOS Village d'enfants	10,000,000	Axe 1.3
1919000739000 Provision Covid	30,000,000,000	Contributif (Public sector pensions)

122. The Table 16 does not include some forms of non-contributive social protection, mapped to ministries providing other public services under their main functions. This for example comprises subsidies for fertilizers (Ministry of agriculture), fuel, etc. The largest excluded items are the program of stipends (11,803,000,000 FCFA) carried out by the Ministry of higher education or the program of school lunches (by the Ministry of primary and secondary education). Since these are not included in the scope of the new PNPSNC or the social protection function in the current classification, they are omitted from the present estimates. Table 17 below represents a remapping of the existing spending reported in Table 16 into the new structure of spending along the 4 axes in PNPSNC.

123. Table 17 makes it clear that the total budget for the programs within the boundary of PNPSNC (around 40.7 bln. FCFA) is smaller than the overall spending on the social protection in Togo's budget (around 76.2 bln. FCFA). This difference is due to the fact that many programs financed under the function of social protection are in fact mapped to other pillars of the social protection system, specifically to social insurance or labor market programs. In particular, the largest item that is not part of the PNPSNC spending envelope is 30 bln. FCFA provision for increasing pensions under the COVID-19 mitigation policies, and 3.8 bln. FCFA regular contribution to pension fund for civil servants.

124. The total of 40.7 bln. FCFA is a baseline estimate that is going to be used for the forward-looking projections for the 2024-2028. When the actual data for 2022 will become available, this year will be used as a baseline for further refining the projections.

**Table 17: The Non-Contributory Social Protection Budget for 2021 in the PNPCNC presentation (FCFA).**

<b>Axis 1 — Cash Transfers and Accompanying Measures</b>	<b>9,137,622,687</b>
1.1 Cash Transfers	3,783,533,350
1.2 Health insurance for poor and vulnerable households	456,160,337
1.3 Accompanying measures	4,897,929,000
1.4 Energy access and digital inclusion	
<b>Axis 2 — Resilience to shocks</b>	<b>22,426,681,000</b>
2.1. Implementation of shock response mechanisms and protocols	500,000,000*
2.2 Financial and in-kind support for households affected by shocks	21,926,681,000
<b>Axis 3 — Modernization and strengthening of the non-contributory social protection system</b>	<b>8,006,667,000</b>
3.1 Modernization of the non-contributory social protection sector	
3.2 Strengthening of the Social Registry of Persons and Households	8,006,667,000
3.3 Establishment of an information system for entities responsible for social assistance	
3.4 Development of a social protection innovation laboratory	
<b>Axis 4 — Technical Coordination, Monitoring and Evaluation</b>	<b>1,196,717,650</b>

4.1 Program Management and Coordination	320,217,650
4.2 Reporting, Audits and Evaluation	108,785,000
4.3 Communication, training, capacity building	767,715,000
<b>Total sum of the Government Budget for 2021 mapped to PNPSNC</b>	<b>40,767,688,337</b>

\*Estimated part of administrative expenses from Axe 4 for disaster response. Axes marked with gray were not active in 2021

### 3. Estimated Public Expenditure Framework for 2024-2028.

125. For assessing the 5-years time horizon for spending levels by axes of the new PNPSNC, the 2021 allocations are taken as a baseline. They are projected to remain fixed over time. In addition to these spending, the full costing of the new Flagship Cash transfer program under PNPSNC with the accompanying measures and the delivery systems investment were estimated (the details of the estimates are presented in the Annex Table below and are subject to further corrections and refinement after the adoption of the final PNPSNC document).

126. The costs of the cash transfers under PNPSNC is for example a sum of the cost projected for the flagship program in the Table 18, 10.2 bln. FCFA per year. It is assumed that current allocations into various cash transfers will be consolidated under the new Flagship. On the other hand, the cost of accompanying measures projected in the PNPSNC is composed of three parts: the new “financial inclusion package” under the Flagship program (2.6 bln FCFA per year), the “digital” human development accompanying measures under the Flagship (0.9 bln. FCFA per year), the “traditional” productive inclusion package implemented by ANADEB with the assumption of a scale up from 10,000 to 25,000 (8.2 bln FCFA).

127. The sum of the “legacy” programs, and the new Flagship interventions (presented in Table 18) will be supported by the new operation by the World Bank (IDA 100 mln \$ over 5 years, estimated in FCFA with the exchange rate assumption of 655 FCFA for 1 US\$, with the exception of 2024 when it is expected to be 640). The total cost of the new PNPSNC in FCFA is 209.5 bln over 5 years, of which 65.2 bln. or 31% will be financed by IDA. The average per year budget is 41 bln FCFA and IDA contribution is 13 bln FCFA per year.

128. To validate the projected expenditures, medium term projections (MDTEF) prepared by the Ministry of Economy and Finance were reviewed. Both documents that outline projections present spending by the Ministries and the functions (including social protection function). The total spending for social protection projected for 2024 and 2025 are around 93 bl. FCFA<sup>77</sup>. The projected spending under the PNPSNC are 40.2 and 41.4 FCFA for 2024 and 2025 respectively, within the projected overall Social Protection budget spending envelope.

129. In terms of agencies break down, spending projections in MDTEF show a relative stability of allocation of funds by agencies involved in the implementation of social protection in Togo. There is some increase planned for the Ministry of Digital Economy, from 17.5 bln. FCFA in 2021 to 18 bln. in 2025. The 20 bln. spending line for Social protection transfers in the budget of MoEF is assumed to remain the same. Other agencies are showing same pattern of stability with the exception of the Ministère du Développement à la Base, de la Jeunesse et de l'Emploi des Jeunes, MDBJEJ, whose budget is planned to shrink from 11.7 bln, FCFA I 2021 to 10.8 bln. FCFA

<sup>77</sup> Data are from Document de Programmation Budgétaire et Economique Pluriannuelle (DPBEP), 2023-2025 (Ministère de l'Economie et des Finances, 2022), Table Annex 1.

in 2028. These overall stability of allocations by agencies needs to be re-examined in light of the new Flagship program developed by the Government, which is going to lead to structural shifts in the system of social protection with ambitious goals and targets to achieve.

130. Table 18 represents these projected spending over 2024-2028. It also represents the total financing provided by the proposed PforR IDA credit as a share of the overall budget for the PNPSNC. The breakdown of the spending shows an increase of cash transfer component (from 3.7 bln. FCFA in 2021 to 10.2 bln. per year in the new program. It also assumes an increase of financing of the productive inclusion accompanying measures, both supported by the new PforR operation and with own Government of Togo resources to continue the on-going FSB (Filet Sociaux de Base, a combination of public works and economic inclusion measures to increase incomes and productivity of the recipients) program.

**Table 18: Public Expenditure Framework in FCFA and US\$ (2024-2028) and PNPSNC/ASTRE Boundary**

Expenditures in FCFA	2024	2025	2026	2027	2028	Total 2024-2028
<b>Axis 1 — Cash Transfers and Accompanying Measures (Novissi+)</b>	<b>24,227,085,337</b>	<b>30,807,385,837</b>	<b>31,184,499,956</b>	<b>30,523,181,244</b>	<b>30,025,002,541</b>	<b>146,767,154,915</b>
1.1 Cash Transfers *	11,569,475,000	11,916,559,250	12,274,056,028	12,642,277,708	13,021,546,040	61,423,914,025
1.2 Health insurance for poor and vulnerable households **	676,160,337	5,665,760,337	5,099,184,303	4,589,265,873	4,130,339,286	20,160,710,136
1.3 Accompanying measures	9,638,450,000	10,882,066,250	11,468,259,625	10,948,637,663	10,530,117,216	53,467,530,754
THIMO **	2,060,000,000	1,648,000,000	1,318,400,000	1,054,720,000	843,776,000	6,924,896,000
Economic inclusion (training, entrepreneurship grants etc) **	5,178,450,000	4,790,066,250	4,311,059,625	3,879,953,663	3,491,958,296	21,651,487,834
Financial inclusion/savings package/human capital*	2,400,000,000	4,444,000,000	5,838,800,000	6,013,964,000	6,194,382,920	24,891,146,920
1.4 Energy access and digital inclusion **	2,343,000,000	2,343,000,000	2,343,000,000	2,343,000,000	2,343,000,000	11,715,000,000
<b>Axis 2 — Resilience to shocks</b>	<b>1,500,000,000</b>	<b>2,050,000,000</b>	<b>3,486,000,000</b>	<b>3,486,000,000</b>	<b>3,486,000,000</b>	<b>14,008,000,000</b>
2.1. Implementation of shock response mechanisms and protocols*	500,000,000	100,000,000	0	0	0	600,000,000
2.2 Financial and in-kind support for households affected by shocks*	1,000,000,000	1,950,000,000	3,486,000,000	3,486,000,000	3,486,000,000	13,408,000,000
<b>Axis 3 — Modernization and strengthening of the non-contributory social protection system</b>	<b>3,606,258,080</b>	<b>7,624,730,895</b>	<b>7,446,002,515</b>	<b>8,078,416,310</b>	<b>8,718,571,550</b>	<b>35,473,979,350</b>
3.1 Modernization of the non-contributory social protection sector**	750,000,000	650,000,000	550,000,000	450,000,000	350,000,000	2,750,000,000
3.2 Strengthening of the Social Registry of Persons and Households *	373,758,080	3,337,230,895	3,258,502,515	3,990,916,310	4,731,071,550	15,691,479,350
3.3 Establishment of an information system for entities responsible for implementing social assistance projects (Sectoral Information System)*	1,500,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	9,500,000,000
3.4 Development of a social protection innovation laboratory *	982,500,000	1,637,500,000	1,637,500,000	1,637,500,000	1,637,500,000	7,532,500,000
<b>Axis 4 — Technical Coordination, Monitoring and Evaluation</b>	<b>2,862,745,926</b>	<b>2,641,663,584</b>	<b>2,640,408,074</b>	<b>2,655,863,416</b>	<b>2,686,687,787</b>	<b>13,487,368,787</b>
4.1 Program Management and Coordination*	836,228,533	878,039,959	921,941,957	968,039,055	1,016,441,008	4,620,690,511
4.2 Reporting and Audits *	212,048,550	312,048,550	412,048,550	512,048,550	612,048,550	2,060,242,750
4.3 Communication, training, capacity building*	1,814,468,844	1,451,575,075	1,306,417,567	1,175,775,811	1,058,198,230	6,806,435,526
<b>Total sum of the Government PNPSNC</b>	<b>32,196,089,343</b>	<b>43,123,780,316</b>	<b>44,756,910,545</b>	<b>44,743,460,969</b>	<b>44,916,261,879</b>	<b>209,736,503,052</b>
<b>MDTEF planning for total of social protection (2024-2025)</b>	<b>93,335,599,000</b>	<b>98,172,532,000</b>	<b>98,172,532,000</b>	<b>98,172,532,000</b>	<b>98,172,532,000</b>	<b>486,025,727,000</b>
<b>Total expenditure within the PforR boundary</b>	<b>23,531,479,006</b>	<b>30,369,953,729</b>	<b>33,478,266,617</b>	<b>34,769,521,434</b>	<b>36,100,188,297</b>	<b>158,249,409,082</b>
X rate FCFA/US\$	640	655	655	655	655	
GDP (bln FCFA)	6132.150899	6615.5	7276.78538	8004.172847	8804.269964	36,833
Overall Government of Togo public spending (bln FCFA)	1,461	1,536	1690	1859	2045	8,590
Overall budget for PNPSNC as % of GDP	0.53%	0.65%	0.62%	0.56%	0.51%	0.57%
PNPSNC program cost as % of government spending	2.20%	2.81%	2.65%	2.41%	2.20%	2.44%

\* Included in the PNPSNC boundary supported by PforR; \*\* Included in the PNPSNC, but excluded from the boundary supported by PforR.

Expenditures in USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Axis 1 — Cash Transfers and Accompanying Measures</b>	<b>37,854,821</b>	<b>47,034,177</b>	<b>47,609,924</b>	<b>46,600,277</b>	<b>45,839,699</b>	<b>224,938,897</b>
1.1 Cash Transfers	18,077,305	18,193,220	18,739,017	19,301,187	19,880,223	94,190,952
1.2 Health insurance for poor and vulnerable households	1,056,501	8,650,016	7,785,014	7,006,513	6,305,862	30,803,905
1.3 Accompanying Measures	15,060,078	16,613,842	17,508,793	16,715,477	16,076,515	81,974,705
1.4 Energy access and digital inclusion	3,660,938	3,577,099	3,577,099	3,577,099	3,577,099	17,969,334
<b>Axis 2 — Resilience to shocks</b>	<b>2,343,750</b>	<b>3,129,771</b>	<b>5,322,137</b>	<b>5,322,137</b>	<b>5,322,137</b>	<b>21,439,933</b>
2.1. Shock response mechanisms	781,250	152,672	0	0	0	933,922
2.2. Support to households affected by shocks	1,562,500	2,977,099	5,322,137	5,322,137	5,322,137	20,506,011
<b>Axis 3 — Modernization and strengthening of the non-contributory social protection</b>	<b>5,634,778</b>	<b>11,640,811</b>	<b>11,367,943</b>	<b>12,333,460</b>	<b>13,310,796</b>	<b>54,287,788</b>
3.1 Modernization of the non-contributory social protection sector	1,171,875	992,366	839,695	687,023	534,351	4,225,310
3.2 Strengthening of the Social Registry	583,997	5,095,009	4,974,813	6,093,002	7,223,010	23,969,831
3.3 Establishment of Sectoral Information Systems	2,343,750	3,053,435	3,053,435	3,053,435	3,053,435	14,557,490
3.4 Development of a social protection innovation laboratory	1,535,156	2,500,000	2,500,000	2,500,000	2,500,000	11,535,156
<b>Axis 4 — Technical Coordination, Monitoring and Evaluation</b>	<b>4,473,041</b>	<b>4,033,074</b>	<b>4,031,157</b>	<b>4,054,753</b>	<b>4,101,813</b>	<b>20,693,839</b>
4.1 Program management and coordination	1,306,607	1,340,519	1,407,545	1,477,922	1,551,818	7,084,412
4.2 Monitoring and Audits	331,326	476,410	629,082	781,754	934,425	3,152,996
4.3 Communication, and training and capacity building	2,835,108	2,216,145	1,994,531	1,795,078	1,615,570	10,456,431
<b>Total cost of the Government of Togo PNPSNC</b>	<b>50,306,390</b>	<b>65,837,833</b>	<b>68,331,161</b>	<b>68,310,627</b>	<b>68,574,446</b>	<b>321,360,456</b>
<b>Total expenditure within the PforR boundary</b>	<b>36,767,936</b>	<b>46,366,342</b>	<b>52,111,857</b>	<b>53,083,239</b>	<b>54,114,791</b>	<b>242,444,165</b>
<b>Total DLI contribution to program financing</b>	<b>8,511,807</b>	<b>24,173,511</b>	<b>22,899,506</b>	<b>21,801,208</b>	<b>22,668,863</b>	<b>100,000,000</b>
<b>Share of IDA: ASTRE PforR contribution to PNPSNC's financing needs</b>	24%	53%	44%	40%	41%	41%



**Table 19: Government of Togo Non-Contributive Social Protection Program Costing in the Current Design and in the new PNPSNC Flagship program**

	Current Design (2023)	Flagship Program 2024-2028
<b>(i) Flagship cash transfers for chronic poor</b>		
Cost per beneficiary per year (USD)*	\$120	\$142
Number of Beneficiaries (HH)	60,000	110,000
Total: Million USD	\$7.2	\$15.73
Total: FCFA bln	4.392	10.255
<b>(ii) Shock-responsive transfers for transient poor</b>		
Cost per beneficiary per year (USD)*	\$48.0	\$42.0
Number of Beneficiaries (HH average per year)***	~250,000	~50,000
Total: (Million USD)	\$12	\$2.1
Total: FCFA bln	7.32	1.369
<b>(iii) Financial inclusion package (savings for women)</b>		
Cost per beneficiary per year (USD)*		\$14.2
Number of Beneficiaries (HH, average per year)		80,000
Total: Million (USD)		\$1.1
Grant: Mobile phones for women in (Million USD)		\$4
Total: FCFA bln		2.608
<b>(iv) Accompanying Measures**</b>		
(A) Digital: Health and Financial Inclusion Package		
Cost per beneficiary per year (USD)*		\$5
Number of Beneficiaries (average per year)		275,000
Total: (Million USD)		\$1.4
Total: FCFA bln		0.913
(B) Traditional: training, markets and assets (FSB)**		
Cost per beneficiary per year (USD)*	\$252	\$252
Number of Beneficiaries (average per year)	10,000	25,000
Total: (Million USD)	\$2.5	\$12.6
Total: FCFA bln	1.525	8.2
<b>Total \$ mln, Cash transfers components within the PforR boundary</b>	<b>\$21.70</b>	<b>35.83</b>
<b>Total FCFA, Cash transfers components within the PforR boundary</b>	<b>13.237</b>	<b>23.345</b>

\*Based on the XR of 650 FCFA per USD; for the current parameters the XR used in 610 FCFA per USD; chronic poverty targeted cash transfer and financial inclusion package is assumed to be paid for 1.5 years every month; shock responsive – once or twice a year

\*\* Only the FSB and the Novissi + accompanying measures are included in the table; in addition, the current system includes many small employment promotion and entrepreneurship programs (mostly for youth); these are not costed in this table but included in the overall PNPSNC as the “accompanying measures” in Table 17.

\*\*\* Number of beneficiaries each year will fluctuate depending on the need and the nature of emergency.

## ANNEX 2: TOGO PEFA SCORES

**Table 20: PEFA Scores for 2016 and 2022**

Category	Indicator	Dimension	Scores	
			2016	2022
<b>I. Budget reliability</b>			<b>NU</b>	
	1. Aggregate expenditure outturn		C	B
		1.1 Aggregate expenditure outturn	C	
	2. Expenditure composition outturn		D+	C+
		2.1 Expenditure composition outturn by function	D	
		2.2 Expenditure composition outturn by economic type	D	
		2.3 Expenditure from contingency reserves	A	
	3. Revenue outturn		D	C
		3.1 Aggregate revenue outturn	D	
		3.2 Revenue composition outturn	D	
<b>II. Transparency of public finances</b>			<b>NU</b>	
	4. Budget classification		C	A
		4.1 Budget classification	C	
	5. Budget documentation		C	B
		5.1 Budget documentation	C	
	6. Central government operations outside financial reports		D	D
		6.1 Expenditure outside financial reports	D	
		6.2 Revenue outside financial reports	D	
		6.3 Financial reports of extrabudgetary units	D	
	7. Transfers to subnational governments		D	C
		7.1 System for allocating transfers	D	
		7.2 Timeliness of information on transfers	D	
	8. Performance information for service delivery		D	B+
		8.1 Performance plans for service delivery	D	
		8.2 Performance achieved for service delivery	D	
		8.3 Resources received by service delivery units	D	
		8.4 Performance evaluation for service delivery	D	
	9. Public access to fiscal information		D	D
		9.1 Public access to fiscal information	D	
<b>III. Management of assets and liabilities</b>			<b>NU</b>	
	10. Fiscal risk reporting		D	D
		10.1 Monitoring of public corporations	D	
		10.2 Monitoring of subnational governments	D	

Category	Indicator	Dimension	Scores	
			2016	2022
		10.3 Contingent liabilities and other fiscal risks	D	
	11. Public investment management		D+	C
		11.1 Economic analysis of investment proposals	C	
		11.2 Investment project selection	C	
		11.3 Investment project costing	C	
		11.4 Investment project monitoring	D	
	12. Public asset management		D+	D+
		12.1 Financial asset monitoring	C	
		12.2 Nonfinancial asset monitoring	D	
		12.3 Transparency of asset disposal	D	
	13. Debt management		D+	D
		13.1 Recording and reporting of debt and guarantees	D	
		13.2 Approval of debt and guarantees	D	
		13.3 Debt management strategy	D	
<b>IV. Policy-based fiscal strategy and budgeting</b>			<b>NU</b>	
	14. Macroeconomic and fiscal forecasting		D+	B
		14.1 Macroeconomic forecasts	C	
		14.2 Fiscal forecasts	C	
		14.3 Macroeconomic sensitivity analysis	D	
	15. Fiscal strategy		D	D+
		15.1 Fiscal impact of policy proposals	D	
		15.2 Fiscal strategy adoption	D	
		15.3 Reporting on fiscal outcomes	D	
	16. Medium-term perspective in expenditure budgeting		D	B
		16.1 Medium-term expenditure estimates	D	
		16.2 Medium-term expenditure ceilings	D	
		16.3 Alignment of strategic plans and medium-term budgets	C	
		16.4 Consistency of budgets with previous year's estimates	D	
	17. Budget preparation process		D+	C+
		17.1 Budget calendar	C	
		17.2 Guidance on budget preparation	D	
		17.3 Budget submission to the legislature	D	
	18. Legislative scrutiny of budgets		C+	B+
		18.1 Scope of budget scrutiny	B	
		18.2 Legislative procedures for budget scrutiny	B	
		18.3 Timing of budget approval	A	
		18.4 Rules for budget adjustment by the executive	C	

Category	Indicator	Dimension	Scores	
			2016	2022
<b>V. Predictability and control in budget execution</b>			<b>NU</b>	
	19. Revenue administration		D+	C+
		19.1 Rights and obligations for revenue measures	D	
		19.2 Revenue risk management	C	
		19.3 Revenue audit and investigation	C	
		19.4 Revenue arrears monitoring	D	
	20. Accounting for revenue		C+	D+
		20.1 Information on revenue collections	A	
		20.2 Transfer of revenue collections	B	
		20.3 Revenue accounts reconciliation	C	
	21. Predictability of in-year resource allocation		D+	B+
		21.1 Consolidation of cash balances	D	
		21.2 Cash forecasting and monitoring	C	
		21.3 Information on commitment ceilings	D	
		21.4 Significance of in-year budget adjustments	B	
	22. Expenditure arrears		D+	D
		22.1 Stock of expenditure arrears	D	
		22.2 Expenditure arrears monitoring	B	
	23. Payroll controls		D+	D+
		23.1 Integration of payroll and personnel records	D	
		23.2 Management of payroll changes	D	
		23.3 Internal control of payroll	C	
		23.4 Payroll audit	C	
	24. Procurement		B	B+
		24.1 Procurement monitoring	A	
		24.2 Procurement methods	C	
		24.3 Public access to procurement information	C	
		24.4 Procurement complaints management	A	
	25. Internal controls on nonsalary expenditure		C+	C+
		25.1 Segregation of duties	A	
		25.2 Effectiveness of expenditure commitment controls	C	
		25.3 Compliance with payment rules and procedures	D	
	26. Internal audit		D+	D+
		26.1 Coverage of internal audit	D	
		26.2 Nature of audits and standards applied	D	
		26.3 Implementation of internal audits and reporting	B	
		26.4 Response to internal audits	D	

Category	Indicator	Dimension	Scores	
			2016	2022
<b>VI. Accounting and reporting</b>			<b>NU</b>	
	27. Financial data integrity		D	B
		27.1 Bank account reconciliation	D	
		27.2 Suspense accounts	D	
		27.3 Advance accounts	D	
		27.4 Financial data integrity processes	D	
	28. In-year budget reports		D	D+
		28.1 Coverage and comparability of reports	D	
		28.2 Timing of in-year budget reports	D	
		28.3 Accuracy of in-year budget reports	D	
	29. Annual financial reports		C+	C+
		29.1 Completeness of annual financial reports	C	
		29.2 Submission of reports for external audit	B	
		29.3 Accounting standards	A	
<b>VII. External scrutiny and audit</b>			<b>NU</b>	
	30. External audit		C	D+
		30.1 Audit coverage and standards	NA	
		30.2 Submission of audit reports to the legislature	NA	
		30.3 External audit follow-up	NA	
		30.4 Supreme Audit Institution independence	C	
	31. Legislative scrutiny of audit reports		NA	D
		31.1 Timing of audit report scrutiny	NA	
		31.2 Hearings on audit findings	NA	
		31.3 Recommendations on audit by the legislature	NA	
		31.4 Transparency of legislative scrutiny of audit reports	NA	