
CREDIT NUMBER 7655-TG

Financing Agreement

(Togo's Second Sustainable and Inclusive Development Policy Financing)

between

REPUBLIC OF TOGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF TOGO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Recipient has already taken under the Program, and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Recipient’s maintenance of an adequate macroeconomic policy framework. The Recipient and the Association therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of one hundred seventy-eight million eight hundred thousand Euros (EUR 178,800,000), as such amount may be converted from time to time through a Currency Conversion (variously, “Credit” and “Financing”).
- 2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.03. The Payment Dates are March 15 and September 15 in each year.
- 2.04. The principal amount of the credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.
- 2.05. The Payment Currency is Euro.
- 2.06. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consists of the following, namely, that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date forty-five (45) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister in charge of finance.
- 6.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Ministry of Economy and Finance
Immeuble CASEF
B.P.387
Lomé – Togo; and

- (b) the Recipient's Electronic Address is:

Facsimile: E-mail:
(+228) 22 21 0905 secretariat.ministre@economie.gouv.tg

6.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Association's Electronic Address is:

Telex: Facsimile:
248423 (MCI) (+1) 202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF TOGO

By

Essowè Georges Barcola

Authorized Representative

Name: _____
Essowè Georges Barcola

Title: _____
Ministre de l'Economie et des Finances

Date: _____
11-Dec-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Marie-Chantal Uwanyiligira

Authorized Representative

Name: _____
Marie-Chantal Uwanyiligira

Title: _____
Country Director

Date: _____
11-Dec-2024

SCHEDULE 1

Program Actions; Availability of Financing Proceeds

Section I. Actions under the Program

The actions taken by the Recipient under the Program include the following:

Pillar 1: Promoting sustainable agriculture, rural electrification, and climate mitigation

1. To support efficient, equitable and sustainable land use for agriculture production, the Recipient has adopted decree no. 2024-052/PR, dated September 30, 2024, establishing the *Livret Foncier* as a key instrument for providing a secure and reliable record of land ownership, with a view to improving land security for smallholder farmers, women's access to land, and the enabling environment for forest protection.
2. To improve the viability of the energy sector, increase the production of renewable energy, and facilitate access to electricity, the Recipient has adopted, (i) interministerial *arrêté* no. 054/MMRE/MEF/CAB/2024, dated September 10, 2024 establishing the roadmap of priority reforms to be implemented in the energy sector; (ii) interministerial *arrêté* no. N°72/MMRE/MEF/MPDC/MCACL dated October 30, 2024, establishing no later than April 1, 2025 a new tariff structure for electricity services that strengthens CEET's revenues while protecting vulnerable populations and industrial competitiveness; and (iii) decree no. 2024-053/PR, dated September 30, 2024, clarifying the conditions for self-producers of electricity from renewable energy sources to access the grid.
3. To operationalize and strengthen the new carbon credit mechanism established by decree no. 2023-034/PR dated March 15, 2023, the Recipient has adopted (i) ministerial *arrêté* no. 038/MERF, dated May 30, 2024, identifying priority sectors and activities eligible for the carbon mechanism and (ii) ministerial *arrêté* no. 039/MERF, dated May 30, 2024, operationalizing the national register of greenhouse gas mitigation activities, projects, and programs.

Pillar 2: Boosting human capital and the resilience of vulnerable populations

4. To operationalize the RSPM for more efficient and effective beneficiary targeting of social protection and shock responsive programs, the Recipient has adopted: (i) ministerial *arrêté* no. 007-24/MENTD/CAB, dated September 10, 2024, defining data access and sharing mechanisms between the RSPM and other governmental and non-governmental entities, to identify beneficiaries in compliance with the applicable data protection law and regulations, and (ii) decree no. 2024-047/PR, dated September 30, 2024 appointing the president of the IPDCP.

5. To improve learning opportunities for all students, the Recipient has adopted: (i) decree no. 2024-051/PR, dated September 30, 2024, clarifying roles and responsibilities for every stage of the production and distribution chain for school textbooks to ensure their availability for all, including for students with special needs and from vulnerable areas; and (ii) ministerial *arrêté* no.165/MEPST, dated May 15, 2024, instituting a periodic assessment of teachers to identify their skills-based capacity-building needs.
6. To strengthen girls and women’s empowerment, the Recipient adopted interministerial *arrêté* no. 020/MASSPF/MEF/MSHP/MJL/MSPC, dated September 13, 2024, establishing a harmonized multi-sectoral protocol to support survivors of gender-based violence.

Pillar 3: Rebuilding fiscal space for priority interventions

7. To boost revenue mobilization and ensure transparent and cost-effective tax expenditure decisions, the Recipient has adopted: (i) the Finance Law including the rationalization of twenty-two (22) tax expenditure measures and (ii) ministerial *arrêté* no. 148/MEF/UPF dated May 29, 2024, mandating that proposals for new tax and customs exemptions and other preferential tax regimes be accompanied by a cost-benefit analysis and results indicators to be published in an annex to the Finance Law.
8. To improve the accountability and performance of state-owned enterprises and better manage contingent liabilities, the Recipient has adopted: (i) ministerial *arrêté* no. 134/MEF/SG/DGTCP/DELFIC/2024, dated April 22, 2024, establishing a legal and operational framework for assessing risk, pricing, and monitoring public guarantees and on-lending, and (ii) ministerial *arrêté* no. 320/MEF/SG/DGTCP/DELFIC/2024, dated September 30, 2024, mandating the production of an annual report detailing the consolidated financial results, debts and guarantees of companies with majority state ownership, to be annexed and summarized in the DPBEP.

Section II. Availability of Financing Proceeds

- A. General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. Allocation of Financing Amounts.** The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing proceeds. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (expressed in EUR
(1) Single Withdrawal Tranche	178,800,000
TOTAL AMOUNT	178,800,000

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient's macroeconomic policy framework.

D. Deposit of Financing Amounts.

The Recipient, within thirty (30) days after the withdrawal of the Financing from the Financing Account, shall report to the Association: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the XOF equivalent of the Financing proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Recipient's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. Audit. Upon the Association's request, the Recipient shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;
2. furnish to the Association as soon as available, but in any case, not later than nine (9) months after the date of the Association's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Association; and
3. furnish to the Association such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Association shall reasonably request.

F. Closing Date. The Closing Date is May 31, 2026.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing March 15, 2035, to and including September 15, 2074.	1.25%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “DPBEP” means *Document de Programmation Budgétaire et Economique Pluriannuelle*, the Recipient’s multiannual budget and economic programming document prepared by the ministry in charge of economy and finance.
2. “Finance Law” means the law no. 2023-017 dated December 27, 2023, adopted by the Recipient and published in the official gazette on December 27, 2023.
3. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Development Policy Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
4. “IPDCP” means *Instance de Protection des Données à Caractère Personnel*, the Recipient’s data protection authority, created by decree no. 2020-111/PR, dated December 9, 2020.
5. “*Livret Foncier*” means a title of customary land ownership registered in a dedicated land register created by decree no. 2024-052/PR, dated September 30, 2024.
6. “RSPM” means *Registre Social des Personnes et des Ménages*, the Recipient’s Social Registry of Physical Persons and Households, established through Decree No. 2023-043/PR dated April 24, 2023 on the creation and functioning of the RSPM, an information system that allows for the registration and management of data, information, and statistics related to individuals, households, and the aid programs they benefit from.
7. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated October 30, 2024 from the Recipient to the Association declaring the Recipient’s commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
8. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

9. “Single Withdrawal Tranche” means the amount of the Financing allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.