

TOGO : DETAILED POVERTY AND SOCIAL IMPACT ASSESSMENT (PSIA)

Overall, the policy and institutional reforms supported under the proposed DPF are expected to support a resilient economy and have positive social impacts. The policy actions in Pillar 1 aimed at promoting sustainable agriculture, rural electrification and climate mitigation are expected to increase welfare. Policy reforms under Pillar 2 aimed at boosting human capital and resilience to shocks are expected to increase coping strategies amongst the vulnerable population, improve access to basic services, increase social inclusion, and reduce gender inequality. The policy actions under Pillar 3 aimed at rebuilding the fiscal space by improving the management of tax exemptions and strengthening corporate governance and accountability of SOEs is not expected to have short-term poverty and social impacts but could have medium to long-term impacts by opening fiscal space for pro-poor spending.

Prior Action #1. To promote climate-smart agriculture intensification, the Recipient has adopted three *Arrêtés* (i) enacting the 2024-28 strategy on irrigated agriculture, (ii) creating eighty planned agricultural development zones (ZAAP) where this strategy is being implemented; and (iii) clarifying conditions for the acquisition and distribution of fertilizers by the state in exceptional circumstances.

Boosting agriculture productivity and resilience to climate shocks (PA#1) in Pillar 1 has significant potential to accelerate income growth for the rural poor and improve welfare in the short and long terms. Rural households derive income from multiple sources, with income from agriculture alone accounting for 54 percent of total income. Evidence shows that investment in irrigation is crucial for climate adaptation strategies to overcome the vulnerability to rainfall variations and improve household resilience to climatic shocks. However, barely 1.5 percent of plots cultivated in 2018/19 were irrigated. Evidence also points to weak extension services in terms of both access and quality. Specifically, according to the 2018/2019 community survey, merely 16 percent of villages reported receiving extension services. In addition, evidence shows no correlation between access to extension services and crop yields, hinting at the potentially poor quality of the current extension system.¹ The promotion of access to irrigation, mechanization, and access to inputs, and digital extension services through the establishment of the eighty planned agricultural development zones (ZAAP) would increase agricultural production and productivity, boosting food security and generating surpluses for commercialization.

Promoting women's access to land tenure security offers many gains, not only for women themselves but also for their families, communities, and society at large. To start with, women's landownership is associated with positive developments in endowments and agency, including improved maternal and reproductive health outcomes, enhanced women's decision-making power, and lower vulnerability to gender-based violence.² Additionally, women's landownership empowers women economically and allows them to move out of poverty.³ At the same time, women's secure land tenure offers many benefits to their families and households, such as improved food security and better investments in children's human capital.⁴ Finally,

¹ World Bank (2021) The World Bank Annual Report 2021 : From Crisis to Green, Resilient, and Inclusive Recovery

² Agarwal, B., and Panda, P. 2007. Toward freedom from domestic violence: The neglected obvious. *Journal of human development*, 8(3), 359-388; Goldman, M. J., A. Davis, and J. Little. 2016. "Controlling Land They Call Their Own: Access and Women's Empowerment in Northern Tanzania." *Journal of Peasant Studies* 43 (4): 777-97; Grabe, S., R. G. Grose, and A. Dutt. 2015. "Women's Land Ownership and Relationship Power: A Mixed Methods Approach to Understanding Structural Inequities and Violence against Women." *Psychology of Women Quarterly* 39 (1): 7-19; Muchomba, F. M., J. S. H. Wang, and L. M. Agosta. 2014. "Women's Land Ownership and Risk of HIV Infection in Kenya." *Social Science & Medicine* 114: 97-102; Selhausen, F. 2016. "What Determines Women's Participation in Collective Action? Evidence from a Western Ugandan Coffee Cooperative." *Feminist Economics* 22 (1): 130-57.

³ Agarwal, B. 2003. "Gender and Land Rights Revisited: Exploring New Prospects via the State, Family and Market." *Journal of Agrarian Change* 3 (1-2): 184-224; Salcedo-La Viña, C. 2020. "Beyond Title: How to Secure Land Tenure for Women." World Resources Institute, March 3, 2020.

⁴ Allendorf, K. 2007. "Do Women's Land Rights Promote Empowerment and Child Health in Nepal?" *World Development* 35 (11): 1975-88; Meinzen-Dick, R., A. Quisumbing, C. Doss, and S. Theis. 2019. "Women's Land Rights as a Pathway to Poverty Reduction: Framework and Review of Available

women's land rights provide benefits for society at large by boosting agricultural transformation, amplifying economic growth, and strengthening resilience of rural farm households. For instance, regional evidence from Sub-Saharan Africa suggests that women's landownership increases land investments and adoption of long-term climate-smarts practices, hence making rural households more resilient to climate shocks.⁵

Furthermore, clarifying the conditions for the acquisition and distribution of fertilizers by the state in exceptional circumstances is expected to improve access to fertilizers in several ways. First, it can provide transparency and accountability in the process of acquiring and distributing fertilizers. This helps to ensure that fertilizers are distributed fairly and equitably, with priority given to those who need them most.⁶ Second, it can help to prevent corruption and fraud, which often plague the distribution of fertilizers in many developing countries.⁷ Third, clarifying the fertilizer distribution conditions can enable farmers to plan and prepare for the availability of fertilizers, which can improve their productivity and yields.⁸ As a result, by ensuring that the acquisition and distribution of fertilizers are done in a transparent and accountable manner, farmers can have greater confidence in the process and are more likely to invest in their farming activities, which can contribute to increased food security and improved livelihoods for farmers. By limiting the state's involvement in fertilizer distribution to exceptional circumstances, the private market is less likely to be crowded out. This, in turn, will encourage the development of the private sector.

While the intervention has the potential to reduce poverty and inequality, it also has potential downsides. The implementation of the ZAAPs presents a great feature, as it reduces exclusion errors of the poor and vulnerable by allocating a higher number of ZAAPs to the poorest regions with a focus on women and youth. However, poverty levels vary within regions, and the poorest populations tend to live in remote areas. Therefore, efforts should be made to ensure that the intervention is inclusive of the poor or generates spillovers that benefit them. Additionally, it is important to ensure that the digital component of the intervention, such as use of a platform for agricultural extension services, is user-friendly, as the low digital literacy rate among the poor and women could be a barrier to access and knowledge acquisition.

Prior Action #2. In order to boost rural connectivity and accelerate the energy transition, the Recipient has adopted an Arrêté establishing a sustainable financing framework for the rural electrification and renewable energies agency (AT2ER) and signed a new performance contract with the national utility company CEET supporting the improvement of its financial and operational performance.

The proposed reforms in the electricity sectors (PA#2) in Pillar 1 are expected to generate wider access to electricity in rural areas, thus, improving monetary and non-monetary welfare and reducing inequality of opportunities in the medium to long-term. Rural households remain largely unconnected to the electricity grid making Togo display the largest Urban-rural access gap (88 percent in urban areas versus and 27 percent in rural areas) in the WAEMU region (Figure A6.1). Access to electricity also significantly varies by wealth status (Figure A6.2). The new reform would help reduce this gap and provide economic opportunities to the rural population and the poor, and consequently, improve welfare. Indeed, rural electrification can have a positive impact on household income, primarily through employment in a larger rural non-farm economy. Increased

Evidence." *Agricultural Systems* 172: 72–82; Menon, N., Y. Van der Meulen Rodgers, and H. Nguyen. 2014. "Women's Land Rights and Children's Human Capital in Vietnam." *World Development* 54: 18–31.

⁵ Dillon, B., and A. Voena. 2017. "Inheritance Customs and Agricultural Investment"; Goldstein, M., K. Hounbedji, F. Kondylis, M. O'Sullivan, and H. Selod. 2018. "Formalization without Certification? Experimental Evidence on Property Rights and Investment." *Journal of Development Economics* 132: 57–74.

⁶ Fan, S., & Zhang, L. (2004). Structure of the fertilizer market in China and the impact of public policy. *Food Policy*, 29(3), 221-237

⁷ Goyal, S., & Joshi, P. K. (2016). Efficiency and effectiveness of targeted public distribution system in India: Evidence from end-to-end computerization. *Food Policy*, 61, 74-89

⁸ Babatunde, R. O., Omotesho, O. A., Sholotan, O. S., & Olorunsanya, E. O. (2018). Fertilizer subsidy and agricultural productivity in Nigeria. *Sustainable Agriculture Research*, 7(2), 92-103.

access to electricity also favors the development of agro-food processing and expanded market opportunities will in turn incentivize productive investment by farmers, notably for high-value crops. Moreover, access to electricity can extend the time that students spend learning in the evenings and increase the amount of time teachers can devote to lesson preparation, thus enhancing the learning and teaching processes. As a result, access to electricity provides a significant number of monetary and non-monetary opportunities. Consistent with this, simulations show that extending access to electricity to 150,000 additional to electricity, as proposed under PA#2, is expected to raise the national Human Opportunity Index⁹ (HOI) from 36.1 percent to 49.4 percent in 2025. The increase in rural areas is relatively greater, as access to electricity is expected to raise the HOI from 21.1 percent to 38.7 percent.

Figure A6.1 Urban-Rural gap in access to electricity
(differences in percentage points)

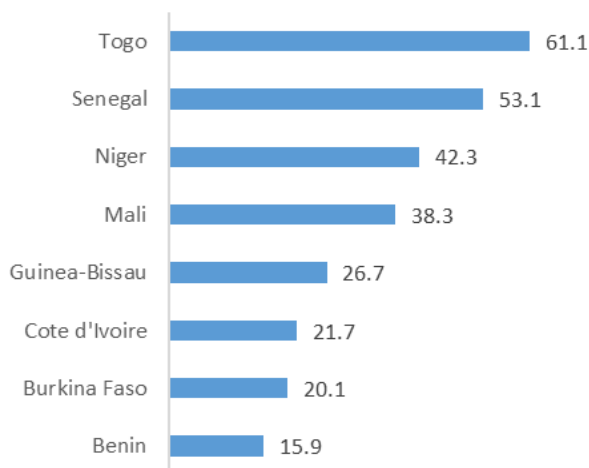
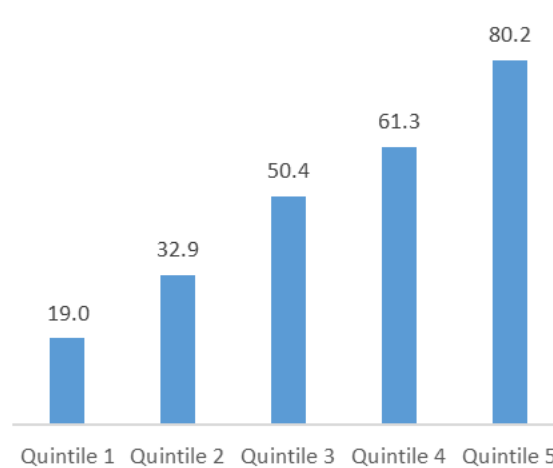


Figure A6.2 Access to electricity by wealth quintiles
(% of Households)



Source: World Bank staff calculation using EHCVM 2018/2019.

While the new performance contract holds promise for sustainable energy, it could also have some negative effects. To establish renewable energy production facilities, land can be need, thereby reducing available arable land and disrupt transhumance routes for livestock production. Additionally, the chemicals used for treating solar panels could have toxic effects on soil and water tables. Moreover, the cost of energy may be prohibitively high for households, particularly those who are already struggling financially, underscoring the importance of the adoption of the Indicative Trigger 1 under PA#2. Furthermore, evidence from a systematic review of the impact of electrification shows heterogeneity of effects. Particularly, findings suggest that that areas that are more likely to benefit from electrification in terms of income earning are places which have already achieved some level of economic development.¹⁰ The positive impact on income was observed when access to markets was present,¹¹ highlighting the importance of infrastructure development to fully realize the potential economic benefits of electrification.

⁹ The Human Opportunity Index (HOI) measures how individual circumstances (i.e., characteristics -- such as place of residence, gender, and education of the household head -- that should not determine access to basic goods and services) can affect a child's access to basic opportunities such as water, education, electricity, and sanitation. It is a synthetic measure of how far a society is from universal access to an essential good or service, and how equitably access is distributed across individuals (circumstance groups). The HOI is thus an economic indicator that combines coverage rates and equality in a single measure.

¹⁰ Pueyo et al (2013), Real Time Monitoring Technologies for Pro-Poor Access to Electricity . Pueyo, Ana (Institute of Development Studies (IDS), 2013-07).

¹¹ Terrapon-Pfaff et al. (2018), "Productive use of energy – Pathway to development? Reviewing the outcomes and impacts of small-scale energy projects in the global south," Renewable and Sustainable Energy Reviews, Elsevier, vol. 96(C), pages 198-209.

Prior Action #3. In order to reduce greenhouse gas emissions and attract new investments in sustainable agriculture, forestry and renewable energy, the Recipient has adopted a decree establishing the regulatory and institutional framework to manage carbon credits and carbon reduction units.

The adoption of the decree establishing the regulatory and institutional framework a national carbon credit mechanisms (PA#3) is expected to generate social and economic benefits in the long term but may increase inequality in the short-term. The regulated and voluntary carbon markets is expected to attract investments in sustainable agriculture, forestry and renewable energies. For a country like Togo, carbon markets represent a significant opportunity to attract investments to support their low-carbon development, with significant benefits in terms of energy access, rural livelihoods, biodiversity and job creation. Stimulating high integrity carbon credit projects in Togo could also accelerate climate mitigation and adaptation and preserve natural capital endowment while providing additional revenues for financing social service, which could benefit the poor. This will also constitute an additional source of revenue, creating fiscal space for priority spending in infrastructure and social services, as the reform is projected to increase investments by up to \$60 million per year. With the potential to support more than 100,000 jobs by 2030, the reform could also boost employment opportunities, which could benefit women and youth, who are disproportionately underemployed.¹²

Nevertheless, carbon credits may increase inequality if only larger companies and wealthy individuals are more likely to be able to take advantage of such mechanisms.¹³ In agriculture for example, small-scale farmers may not have access to the necessary market infrastructure or information to participate in the carbon market. Consequently, programs aimed at reducing greenhouse gas emissions in agriculture may disproportionately benefit larger and wealthier farmers or intermediaries, potentially exacerbating existing inequalities. This could be mitigated through the allocation of tax and other revenues associated with carbon credit projects to improve infrastructure and service delivery for local communities.

Prior Action #4. To improve the efficiency of social protection systems, the Recipient has adopted a decree establishing the Registre Social des Personnes et des Ménages (RSPM, Social Registry) making it mandatory to use the RSPM for the selection of beneficiaries for any aid or social assistance programs.

The adoption of institutional reforms to improve the efficiency of social assistance (PA#4) in Pillar 2 is expected to increase resilience to shocks and therefore reduce vulnerability to poverty. In Togo, sustaining poverty reduction is challenging due to the high poverty rate and exposure to shocks, including illness or death of an income-earning household member, and climate-related events like irregular rainfall, crop and animal diseases, and rising prices. High food price inflation, exacerbated by the war in Ukraine, can disproportionately affect poor households who spend a larger share of their budget on food. Indeed, poor households in Togo spend 52.7 percent of their budget on food compared to 47.7 percent for the non-poor, making them vulnerable to food insecurity. Cash transfers can help households smooth their food consumption and reduce negative coping mechanisms that can not only deplete their productive resources, and consequently, lead to intergenerational poverty, but also have long-term negative impact on human capital accumulation. Indeed, a comprehensive analysis of more than 160 studies has revealed that cash transfers can lead to improvements in monetary poverty, investment in human capital such as education and health, and greater savings.¹⁴ Recent evaluations have shown that cash transfers can assist recipient households in managing risks by investing in

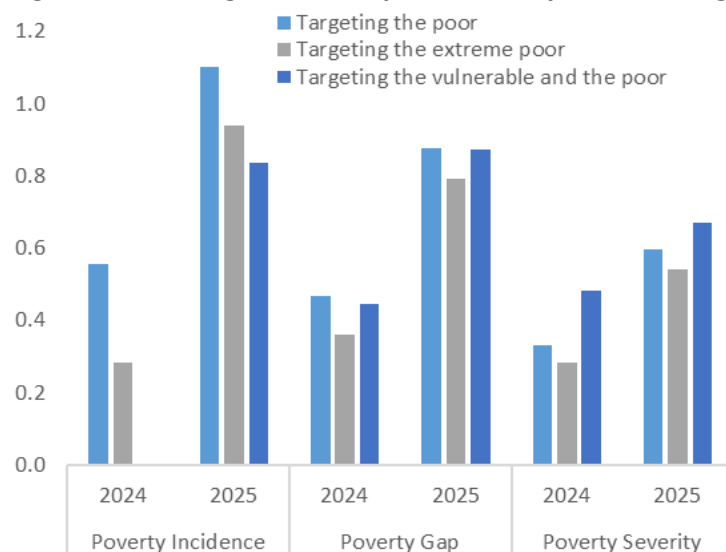
¹² UN data and analysis, <https://data.unwomen.org/country/togo>

¹³ Harlan, S. L., Pellow, D. N., Roberts, J. T., Bell, S. E., Holt, W. G., & Nagel, J. (2015). Climate justice and inequality. *Climate change and society: Sociological perspectives*, 127-163.

¹⁴ Bastagli, Francesca, Jessica Hagen-Zanker, Luke Harman, Valentina Barca, Georgina Sturge, and Tanja Schmidt. (2019). "The Impact of Cash Transfers: A Review of the Evidence from Low- and Middle-Income Countries." *Journal of Social Policy* 48 (3): 569–94. <https://doi.org/10.1017/S0047279418000715>

productive assets, expanding income-generating activities, saving money, and avoiding negative coping strategies. However, successful targeting is needed for cash transfers to be effective, but this has been found to be challenging in the developing countries.¹⁵

Figure A6.3. Changes in Poverty Indicators by different target groups



Source: World Bank staff calculation using EHCVM 2018/2019

Moreover, increasing the share of female-headed households' eligible for cash transfer programs adds an important instrumental value in reducing poverty and building resilience to climate shocks. Evidence shows that the provision of cash transfers to female members of beneficiary households can enhance human capital outcomes of women and girls and boost their economic empowerment, hence creating a pathway out of poverty. For example, providing the cash transfer directly to women-headed households provides safer and more secure access, more control over use, offers a gateway to savings and other mechanisms, and increases a woman's bargaining power.

By designating the National Social Registry (RSPM) as the main targeting and coordination instrument across social programs, the prior action holds promise in improving the targeting of social safety assistance, increasing the chance of reaching the population most in need. To simulate the impact of the cash transfers on poverty, we run microsimulation with the assumption of targeting the poor. The expected impact of the program on poverty reduction is estimated at in 0.6 and 1.1 percentage points, respectively, in 2024 and 2025. Based on these results, the program is expected to lift about 155,752 people out of poverty by 2025. We also run simulations targeting the poor and vulnerable, and the extreme poor. The results, presented in Figure A6.3, suggest that targeting based on poverty status has a relatively larger impact on poverty reduction than targeting the extreme poor or the poor and vulnerable. A couple of factors can explain these results. Those who are vulnerable to poverty are not poor but risk of falling into poverty in face of a negative consumption shock. As a result, giving out transfers to the vulnerable population does not have impact on reducing poverty. Rather, it will decrease the likelihood of them falling back to poverty in case of a negative shock. The impact of the cash transfers on poverty, when a perfect targeting of the extreme poor is assumed, is lower compared to targeting the poor because the extreme poor are further below the poverty line such that it would require a larger transfer amount to lift them out of poverty compared to the poor.

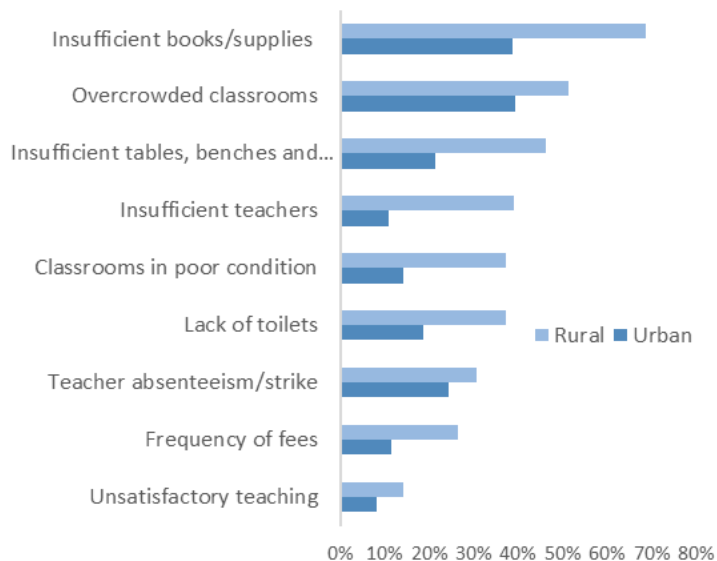
It is important to note that, the results of the estimated impact of the cash transfers on poverty are driven by the assumption that those who are lifted out of poverty do not fall back into it. This is an ambitious

15 Subbarao, K., & Ahmed, A. U. (eds.). (2015). Social protection for a changing India. Oxford University Press.

assumption, given the high vulnerability to poverty in Togo, making the GoT’s ambitions to establish a dynamic social registry very opportune. Indeed, such a social registry can help the governments to monitor the effectiveness of its poverty reduction programs and make necessary adjustments.

Prior Action #5. In order to support the deployment of quality teachers in rural and underserved areas, the Recipient has adopted an Arrêté regulating transfers of teachers and administrative staff in primary, secondary and technical education.

Figure A6.4. Issues reported by parent of students by areas of residence



Source: World Bank staff calculation using EHCVM 2018/2019

Improving the quality of teachers with a focus on increasing female teachers’ presence in rural and underserved areas (PA#5), is expected to enhance welfare and reduce the urban-rural divide in human capital, while also addressing gender inequalities. Research has shown that effective teachers have the potential to generate noteworthy learning outcomes and enhance labor market prospects in the long run.¹⁶ As per research findings, teacher’s quality in terms of knowledge has consistently exhibited a positive correlation with student achievement among the various observable traits of teachers. By deploying quality teachers to rural and underserved areas, the reform proposed under PA#4 is expected to improve literacy skills among primary school students, thereby, leading to a wide range of long-term welfare benefits. For instance, improving literacy skills can enhance students’ ability to learn and engage with their coursework, leading to improved academic performance and a stronger foundation for future learning.¹⁷ Literacy skills can contribute to students’ social and emotional wellbeing, providing them with the tools they need to communicate effectively, build positive relationships with others, and manage their emotions in healthy ways.¹⁸ Importantly, improving literacy skills can enhance students’ ability to access and understand health

16 Chetty, R., J.N. Friedman, and J.E. Rockoff (2014). ‘Measuring the Impacts of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood’. *American Economic Review*, 104(9): 2633–79. <https://doi.org/10.1257/aer.104.9.2633>.

17 Developing early literacy: Report of the National Early Literacy Panel. Retrieved from <https://lincs.ed.gov/publications/pdf/NELPReport09.pdf>

18 National Institute of Child Health and Human Development. (2000). Report of the National Reading Panel: Teaching children to read: An evidence-based assessment of the scientific research literature on reading and its implications for reading instruction. U.S. Department of Health and Human Services.

information, leading to improved health outcomes and a better quality of life, especially for girls.¹⁹ Improving literacy skills has also been found to increase students' chances of success in the job market, opening up more and better job opportunities and improving their long-term economic prospects. Having more women teachers could also lead to increased school enrollment for girls²⁰ and achieve a better academic performance,²¹ as female teachers can serve as role models for girls, inspiring them to pursue education and empowering them to believe in their ability to succeed academically. In addition, women teachers can provide protection and support against school-based gender-based violence.²²

It follows that, PA#5 reform has potential to reduce inequalities in medium to long-term by increasing human capital accumulation and intergenerational mobility for both human capital and economic opportunities, as well as reducing gender inequalities. Simulation results indicate that the expected improvement in the share of students achieving basic literacy in Grade 2 from 23.7 percent in 2019 to 35 percent in 2025 would increase the HOI from 65.2 percent to 75.2 percent (from 51.6 percent to 66.8 in rural areas). Nevertheless, in addition to increasing the presence of quality teachers and retaining them in rural and underserved areas, further reforms would be needed to tackle some of the major issues faced by the rural population as presented in Figure A6.4. Fortunately, the indicative trigger #4 that supports a reinforced framework for the production and distribution of textbooks could address the major issue reported faced parents of students in rural areas (Figure A6.4).

***Prior Action #6.** To strengthen girls and women's empowerment, the Recipient adopted a Law for the protection of students against sexual violence, strengthening prevention measures, support mechanisms for survivors and sanctions for perpetrators.*

It is expected that the provisions of the Learners' protection law (under PA#6) will have positive effects on gender equality in two ways: through the broader prevention of different forms of GBV and through addressing one of the core impediments to girls' access to education. Besides the introduction of a comprehensive definition of school-based sexual violence (SGBV), the new law foresees a series of prevention measures including through a curriculum on sexual education and rights, training for school staff, collaboration with media, CSO and traditional leaders and parents on sensitization, hotlines for information, and a code of conduct for all education sector staff. Preventing GBV is expected to bring a multitude of positive consequences, addressing one of the barriers preventing women from any form of effective participation in societal life and enjoyment of their rights. Women who suffer from violence have more problems related to physical, mental, sexual, and reproductive health. They are more likely to contract a sexually transmitted infection; to have fatal outcomes (suicide or homicide), more unintended pregnancies and birth complications, and depression and anxiety disorders; and to engage in increased substance use, smoking, and risky sexual behaviors.^{23 24 25}

Furthermore, by preventing SGBV, girls' chances to complete education (particularly on the upper secondary level) are expected to increase. SGBV can deter school completion among girls through i)

19 UNESCO. (2011). Global monitoring report 2011: The hidden crisis- Armed conflict and education. UNESCO Publishing.

20 Herz 2002; Jewitt and Ryley 2014, What are the links between Menstrual Health Management & Gender-Based Violence?

21 Agyapong 2017.

22 Bhana 2015 "When caring is not enough: The limits of teachers' support for South African primary school-girls in the context of sexual violence," International Journal of Educational Development

; Porter 2015

23 Raghavendra, S., Duvvury, N., & Ashe, S. (2017). The macroeconomic loss due to violence against women: The case of Vietnam. *Feminist Economics*, 23(4), 62-89.

24 Morrison, A., & Orlando, M. B. (2004). The costs and impacts of gender-based violence in developing countries: Methodological considerations and new evidence. Retrieved March, 5, 2007.

25 World Health Organisation, 2021

pregnancy, which often leads to a school dropout ; ii) the perceived risks of SGBV among parents discouraging them from sending girls to schools; iii) actual experience of SGBV leading girls to drop out, resulting in a physical or mental injury, forcing girls to skip classes or drop out completely²⁶. SGBV also presents severe health risks: spread of sexually transmitted infections, especially HIV, and shame and stigma can also present adverse effects for girls' mental health^{27,28}. In addition to tackling SGBV, the new law in its Art. 8 also declares the right of pregnant girls to continue school – if she missed school, she will be allowed to repeat the year, another point expected to positively affect girls' schooling.

Prior Action #7: *To improve the management of tax exemptions and help rationalize inefficient ones, the Recipient has adopted an Arrêté creating the National Committee for the Evaluation of Tax Expenditures and endorsed a list of 22 tax exemption measures to be repealed.*

The rationalization of tax exemption (PA#7) in Pillar 3 is not expected to have short term poverty and social impacts but can potentially lead to positive impacts in the medium to long run. Enhancing transparency and accountability in the execution of the public budget will guarantee the efficient use of funds, improve prioritization of spending, and maximizing savings. In addition, a transparent evaluation of tax exemption can enhance spending efficiency and fiscal discipline.²⁹ Similarly, improvements in fiscal risk management will serve to protect funding for critical social and infrastructure projects that are necessary for economic development. These have the potential to create new jobs in the medium and long term through additional and better-quality infrastructure investments and reduced vulnerability to external shocks due to lower macro-fiscal risks. Furthermore, there is some evidence that suggest that the elimination of VAT exemptions on goods consumed primarily by high-income households, such as energy and water, may have limited impact on the poor and vulnerable. For instance, a study found that in low-income countries, VAT exemptions tend to be concentrated on goods consumed by higher-income households, such as luxury items, while basic goods like food and medicine are often subject to VAT.³⁰ Warwick et al. (2021)³¹ show that although preferential VAT rates reduce poverty, overall, they are not well targeted towards poor households.

Prior Action #8. *To strengthen the governance and performance of state-owned enterprises (SOEs), the Recipient, through its Council of Ministers, submitted to Parliament a law establishing a new legal framework for companies with public financial participation to improve management, internal and external control systems, and performance monitoring and evaluation.*

Improvement in the management of contingent liabilities associated with SOE (PA#8) in Pillar 3 is expected to increase resilience of the fiscal space and generate savings, which may indirectly benefit the poor. Previous attempts at reform have highlighted that poor performance in state-owned enterprises (SOEs) is less caused by exogenous or sector-specific issues, but rather by fundamental problems in their governance. This refers to the underlying rules, processes, and institutions that regulate the relationship between SOE managers and their government owners.³² Enhanced risk management is expected to have only indirect

26 Dunne, D., & Martin, R. (2006). Design thinking and how it will change management education: An interview and discussion. *Academy of Management Learning & Education*, 5(4), 512-523

27 Bott, S. (2010). Sexual violence and coercion: implications for sexual and reproductive health. *Social determinants of sexual and reproductive health: informing future research and programme implementation*. Geneva: World Health Organization, 133-57.

28 Gelaye, B., Arnold, D., Williams, M. A., Goshu, M., & Berhane, Y. (2009). Depressive symptoms among female college students experiencing gender-based violence in Awassa, Ethiopia. *Journal of interpersonal violence*, 24(3), 464-481

29 World Bank, 2012, world development report - Gender Equality and Development

30 International Monetary Fund. (2016). *Fiscal Monitor: Action Needed to Uphold Fiscal Responsibility*. Washington, DC: International Monetary Fund

31 Warwick, R., Harris, T., Phillips, D., Goldman, M., Jellema, J., Inchauste, G., & Goraus-Tańska, K. (2022). The redistributive power of cash transfers vs VAT exemptions: A multi-country study. *World Development*, 151, 105742.

32 World Bank. 2014. "Corporate Governance of State-Owned Enterprises. A Toolkit." Washington, D.C.

effects on wellbeing by increasing investor confidence, reducing fiscal risks, and maximizing savings. However, any savings resulting from improvements in fiscal management can have positive medium- and long-term effects by opening fiscal space for priority social spending and productivity-enhancing public investment. Updating the SOEs' legal and institutional framework to fully reflect the current institutional framework for SOEs and the provisions of OHADA's Act on Commercial Companies and Economic Interest Groups (AUSCGIE) will enable a greater business environment. This can increase investors' confidence, attracting much needed foreign capital.³³ There is evidence to suggest that full debt transparency can have a positive impact on a country's borrowing costs and credit ratings. A study by the World Bank found that increased transparency in public debt management can lead to lower borrowing costs, as investors are more likely to trust and lend to countries with transparent and well-managed debt systems.³⁴ Similarly, a study³⁵ found that increased transparency in fiscal reporting can lead to higher credit ratings and lower borrowing costs. Lower borrowing costs and higher credit ratings resulting from improved fiscal transparency and debt management can potentially create fiscal space for governments to increase social spending that benefits the poor.

33 Gelos, G., & Wei, S. J. (2002). Transparency and international investor behavior.

34 World Bank. (2013). Debt Management Performance Assessment: A Tool for Good Governance. Washington, DC: WB

35 International Monetary Fund. (2011). Enhancing the Credibility of Fiscal Policy: Transparency, Accountability, and Independent Monitoring. Washington, DC: International Monetary Fund