



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 19-Dec-2022 | Report No: PIDC263281

**BASIC INFORMATION****A. Basic Program Data**

Country Togo	Project ID P178835	Parent Project ID (if any)	Program Name Togo - Social Assistance Transformation for Resilience
Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date 10-May-2023	Estimated Board Date 31-Aug-2023	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Republic of Togo	Implementing Agency Agence Nationale d'Identification (ANID)	Practice Area (Lead) Social Protection & Jobs

Proposed Program Development Objective(s)

The Program Development Objective is to strengthen systems for coordinated, inclusive, and efficient safety nets.

COST & FINANCING**SUMMARY (USD Millions)**

Government program Cost	275.00
Total Operation Cost	80.00
Total Program Cost	80.00
Total Financing	80.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	80.00
World Bank Lending	80.00

Concept Review Decision

The review did authorize the preparation to continue



B. Introduction and Context

Country Context

- 1. The economic consequences of COVID-19, compounded by an overlapping crisis of climate and conflict, have stalled Togo's steady progress over the past years and exacerbated fiscal pressures.** Despite benefiting from steady growth since 2008, Togo, a small coastal country with a population of approximately 8.1 million, remains one of the poorest in West Africa. Togo's economic progress slowed in 2020, with growth at just 1.8 percent. Growth is expected to recover to pre-pandemic levels and stabilize in the medium term.^{1,2}
- 2. In the face of fiscal stress, bold reforms are needed to ensure growth is inclusive.** Togo remains under pressure to reduce debt and pursue fiscal consolidation.³ The sharp deterioration of fiscal balances against the backdrop of persistent poverty and lagging investments in human capital poses difficult tradeoffs and calls for purposeful solutions to build greater resilience. Focusing on gender can unlock an important source of income gains while promoting human capital outcomes.
- 3. Despite steady progress over the last decade, poverty remains persistently high, with large regional disparities.** According to the latest household survey data from 2018/19, the poverty headcount ratio using the national poverty line stood at 45.5 percent, and food poverty has been even more widespread, at 52 percent.⁴ Inequality, as measured by the Gini index, decreased slightly between 2011 and 2019, but remains one of the highest rates in the sub-region.⁵ The fallout from the war in Ukraine has led to the acceleration of inflation with dire consequences for the living standards of the population, especially the poor.
- 4. Togolese households face overlapping crises rendering large portions of the population vulnerable to falling into poverty.** Overall, 64.9 percent of the Togolese population is either poor or vulnerable to poverty⁶. The corresponding figure in rural areas is substantially higher. Togo's high vulnerability to poverty is due to its population's exposure to shocks. Low educational attainment also hampers resilience to shocks, as it reduces opportunities to access new income generating activities. Households resort to informal safety nets or negative coping strategies, which lead to asset depletion and deterioration of human capital. An overwhelming proportion of individuals from households with a single adult female are vulnerable to poverty relative to their counterparts with one adult male.
- 5. Climate change is an important driver of household vulnerability.** Mean temperatures in Togo have risen steadily, in particular over the past 20 years, and are projected to rise further over the coming decades. Rising temperatures are expected to contribute to reinforcing climate risks, such as drought events, wildfires, and floods and continue the trend of increasing and intensifying natural hazards.⁷ Rural and dry areas with households working in agriculture, who are already likely to be poorer than households in other areas, tend to be the most exposed to climate change impacts, presenting a

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

² Public Expenditure Policy Note. June 2022.

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

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

⁵ World Bank 2022. Togo Poverty and Gender Assessment.

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

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



further obstacle to eradicating poverty.⁸ Climate change is hence a long-term risk for sustainable development and poverty reduction.⁹

6. Access to services is often difficult and burdensome, particularly for the poor and vulnerable, borne out by lagging human development outcomes. According to the World Bank's Human Capital Index (HCI) a child born in Togo is expected to be only 43 percent as productive as she could be, if she were to benefit from the full human capital potential as represented by the countries with the highest HCI. Adult literacy rates and life expectancy fall short of the Sub-Saharan African average¹⁰ and the IMF finds that "Togo's social performance is below that of selected peer countries."¹¹

7. Togo is facing increased security concerns in the Northern part of the country. Since November 2021, six attacks have occurred in the Savanes Region with human casualties. Increased insecurity in the Savanes Region will likely increase vulnerabilities for a population that already counts among the poorest in the country.

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

Sectoral (or multi-sectoral) and Institutional Context of the Program

9. The proposed operation will directly support the new vision of the Government of Togo to accelerate development and economic growth by building resilience and prosperity for all Togolese. The "*Feuille de Route Gouvernementale Togo 2025*" (FRGT 2025) was adopted in October 2020, and complemented Togo's first national development plan, "*Plan National de Développement*" (PND; 2018-2022). The FRGT's main vision is "A Togo at peace and a modern Nation with inclusive and sustainable economic growth". The vision includes 10 objectives (to be achieved by 42 priority reforms and projects, of which 75 percent involve some degree of digitalization) built around 3 strategic axes. The first of three strategic objectives embrace "strengthening inclusion and social cohesion and guaranteeing peace", combatting inequality, vulnerability and insecurity through coordinated actions, by boosting human capital outcomes, through social protection, health and education.

10. Based on the vision of FRGT, Togo is creating the preconditions to foster better employment opportunities and to strengthen human capital outcomes against a backdrop of necessary fiscal consolidation. The ambitious program prioritizes the growth of the agricultural sector, which hosts 65 percent of the poor. The Document de Programmation Budgetaire et Economique Pluriannuelle (DPBEP) focuses on "favoring endogenous economic growth fueled by targeted social spending", especially through social protection, which will have positive impact on human capital and feed back to sustainable economic growth.

11. Important progress has been made in Togo's social protection sector over the last ten years, as a result of robust government commitment to building the foundations of a social safety net system. The first round of cash transfer programs (PDCplus) was launched in 2014 supported by UNICEF. In 2017, an ambitious Safety Nets and Basic

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

⁹ World Bank. 2017. Country Partnership Framework for Togo, p. 9.

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

¹¹ IMF (2019). Art. IV Review, p. 20.



Services Project, *Filets sociaux et services de base* (FSB project, P157038), was launched. It contributed to the PND's goals by increasing access to basic services in 200 villages through socioeconomic infrastructure reaching 60,000 households with an additional financing reaching 125,000 poor households. Employment Opportunities for Vulnerable Youth Project or *Emplois des Jeunes Vulnérables* (EJV) created over 14,000 temporary employment opportunities for youth in the poorest communities in the country. Economic inclusion measures were introduced in 2021 to 15,000 beneficiary households, to build back from the negative impacts of COVID-19. The Government also launched a program to support families with pregnant women and newborns, covering over 150,000 beneficiaries with free medical services to poor and vulnerable women, and extended basic universal health insurance for poor and vulnerable populations, with the goal of covering 55 percent of the Togolese population by 2024.

12. In a turn-around moment arising amidst the pandemic, the government put in place Novissi, a globally recognized emergency cash transfer program that made innovative use of new technologies and data to provide income support to 25 percent of the adult population, 63 percent of which were women. With Novissi, the government created a new emergency program for temporary cash transfers to urban informal sector workers, who were hardest hit by the crisis. Togo deployed a low-tech and a high-tech method of prioritizing social assistance in a data-poor environment. To provide support efficiently and without physical contact, Novissi relied entirely on digital platforms using a simple USSD interface and mobile money, thereby innovating significantly on the country's existing safety net delivery systems. Novissi disbursed a total of US\$33.9 million, reaching 920,000 beneficiaries by August 2021.

13. Beyond cash transfers and economic inclusion measures, the Government initiated the development of foundational elements of a social protection delivery system focusing on the poorest households. A dynamic social registry—the "*Registre Social des Personnes et des Menages*" (RSPM)—is currently under development with support from the World Bank-financed West Africa Unique Identification for Regional Integration and Inclusion (WURI) program (P169594). The RSPM will be strengthened through the foundational unique identification system (eID Togo) and the interoperability framework being developed by Togo's Digital Transformation Agency (*Agence Togo Digital*, ATD). These ongoing initiatives will provide a foundational basis for building a coherent and coordinated social protection system that enables productive inclusion and stokes economic growth.

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

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

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



17. In light of these challenges, set against the backdrop of successful experience gained and lessons learned from Novissi and the FSB project, the Government has pledged to strengthen and reform its social protection architecture. The October 2020 *Déclaration de Politique Generale* of the Prime Minister highlights social protection systems, including foundational unique identification, a dynamic social registry, social protection programs (including social payments), and universal access to health insurance among the foremost priorities along the first axis of ensuring social inclusion, harmony and peace.

18. The strategic documents of the Government envisage a period of bold structural transformation of its entire delivery systems for social protection, with sustained levels of funding for on-going programs for 2022-2024. Based on the progress achieved in fiscal consolidation and in the restructuring of delivery systems for the social protection sector, on-going work on the government’s vision is proposed in the draft “Politique Nationale de Protection Sociale” (PNPS). The contours of a national social safety net program are being defined in a Programme National de Filets Sociaux (PNFS). The PNFS is expected to outline a framework for coordinating the intervention of various actors to achieve the Government’s vision of reducing poverty and vulnerability to shocks, strengthening household resilience, and enabling equitable access to services.

19. At the heart of the Government’s vision, strategies, and planning of an architecture for social protection is a fundamental transformation in the way social protection programs are delivered directly to people, with agility and transparency. In this context, the proposed PforR is conceived as support to the Government of Togo’s efforts to achieve transformative change to the social protection architecture and programming: it does so through the introduction of new technology and data solutions for inclusion and coordination, and results-based financing. The PforR is conceived along three lines – a flagship program, delivery systems, and institutional capacity for sustainable financing:

- i. To strengthen individuals’ and household’s resilience to climate, conflict, and other shocks
- ii. To enhance the efficiency and institutional coordination of safety net programs
- iii. To increase the capacity of implementing agencies for sustainable financing

Relationship to CAS/CPF

20. The proposed program aligns with the Togo 2017-2020 Country Partnership Framework (CPF), which was extended to 2022. Objective 2.3 under Focus Area 2 (“Inclusive Public Service Delivery”) of the CPF is to “strengthen social safety nets for the most vulnerable”, to which the proposed program and its PDO contribute directly. Given the proposal to incorporate productive inclusion aspects into the program, the operation will furthermore contribute to Objective 1.2 of the CPF, which is to “improve business environment and employment opportunities”. Indicator 2 measuring “improved employment options for Togolese youth” will be of relevance. In strengthening households’ ability to adapt to climate change, the operation furthermore contributes to CPF Focus Area 3 (“Environmental Sustainability and Resilience”).

21. The operation contributes to three pillars of the World Bank Group’s Global Crises Response Framework (GCRF). By providing cash transfers aiming at reducing chronic poverty and in times of covariate shocks, the operation aims to strengthen households’ ability to respond to food insecurity in line with Pillar 1 of the GCRF. Shock-responsive cash transfers and the investment in shock-responsive social protection delivery systems aim to strengthen the resilience of households and of the system overall (Pillar 3). Lastly, the operation aims to support the Rebuilding Better agenda of pillar 4 of the GCRF by investing in long-term capacity, a sustainable adaptive social protection system and furthering digital development in Togo.



22. The operation will furthermore build on and complement a series of operations currently in the portfolio. The new operation will overlap briefly with the Safety Nets and Basic Services project, allowing it to build on the lessons learned and the institutional capacity created. The operation directly complements WURI Togo,¹² which finances the development of a foundational unique identification platform, a dynamic social registry and will map unique identifiers to financial accounts. WURI's support to Novissi helped to test and mainstream shock-responsive mobile money payments, and contributed to digital financial inclusion, particularly of women. The WURI Togo project is responsible for the implementation of the three foundational investments in social protection delivery systems, which the PforR operation will rely on.

Rationale for Bank Engagement and Choice of Financing Instrument

23. The proposed operation builds on robust engagement of the World Bank over the past years to enhance coordination and efficiency of public spending. The World Bank has engaged in Togo's social protection sector over several years, providing both technical expertise and financial support to developing a harmonized, effective and efficient social safety net system, and a modern social protection delivery system. The World Bank is also supporting the government to address the challenge of coordination, fragmentation of programs and resulting inefficiencies. The engagement will therefore contribute to enhancing efficiency of public spending through improved coordination, targeting, and rationalization. As such, the operation aligns with the country's program with the IMF, which has noted that "the efficiency of social spending needs to be bolstered to achieve better social outcomes."¹³

24. The PforR instrument is well-placed to support the government's vision of building technology and data innovations 'Made-in-Africa' and strengthening the government's proven capacity to implement social safety nets and delivery systems. The government's holistic and innovative vision has led to the implementation of Novissi as well as the eID foundational identification system and the dynamic social registry (RSPM) by leveraging the World Bank investment policy financing operations among other sources of financing. These systems create a solid foundation for a government-driven, programmatic approach to social protection supported by the proposed PforR. Furthermore, the World Bank is well positioned to support the government's vision while enabling access to global knowledge and technical expertise for design choices, implementation and capacity strengthening.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

The Program Development Objective is to strengthen systems for coordinated, inclusive, efficient, and productive safety nets.

PDO Level Results Indicators

The following PDO level indicators have been proposed to monitor progress towards the achievement of intended results under the Program:

- Direct project beneficiaries (of which, Females)
- Number of unique individuals and households registered in the dynamic social registry (of which, Females)

¹² <https://www.worldbank.org/en/news/press-release/2020/04/28/togo-benin-burkina-faso-and-niger-join-west-africa-regional-identification-program-to-help-millions-of-people-access-services>

¹³ IMF (2019). Art. IV Review, p. 20



- Number of unique individuals and households enrolled as beneficiaries of the government’s flagship productive safety nets program by year (of which, Females).
- Share of beneficiaries of flagship program receiving regular transfers (of which, Females).
- Share of beneficiaries of flagship program receiving temporary shock-responsive transfers (of which, Females).
- Share of beneficiaries of flagship program receiving productive inclusion measures (of which, Females).
- Share of beneficiaries satisfied overall with the flagship program (of which, Females).
- Number of unique individuals and households who receive direct transfers from all cash transfer programs through the treasury single account payments platform (of which, Females).
- Data exchange platform between eID, RSPM, BOMS of flagship program and payments platform.

D. Program Description

PforR Program Boundary

24. The proposed PforR will support the building of the foundations of a modern social protection system and scale up of its coverage. It will finance the expansion of social protection through a flagship social safety net program, to enable a whole-of-government approach to reducing poverty and vulnerability and strengthening resilience to shocks, fostering productive inclusion and greater investment in human capital through enhanced access to services. The DPBEP (2023-2025) and the State Program Budget (2022-2025) presents key parameters for financing social protection until 2025 and the results sought.

25. The proposed PforR will directly support the government roadmap FRGT (2020-2025) and a consolidated flagship safety net program (2023-2032). The WBG/IDA role will consist of co-financing a consolidated flagship safety net program with accompanying productive inclusion measures, leveraging the transformation of the foundational delivery systems, and building institutional capacity for a results-based approach to social policy financing.

26. Once the foundational delivery systems are in place and social protection institutions have achieved transition to these systems, the Government will initiate the scaling of a flagship safety net program. By 2026 the social protection system will be ready for a radical expansion of its coverage using the new delivery platforms and programmatic elements piloted in the first stage of the implementation (2023-2025). It will be supported by the increase in financing for targeted social protection programs.

Table 1: Summary of the PforR Program Boundary

Description	Government Program	Program supported by the WB’s PforR
Objectives	To sustainably reduce poverty and vulnerability, increase incomes through economic inclusion, increase access to public services, and to improve living standards.	To strengthen systems for coordinated, inclusive, efficient, and productive safety nets.
Scope	FRGT Flagship safety nets program (2023-2032)	Flagship Safety Nets Program for Chronic and Transient poverty, Delivery Systems, Institutional Capacity and Financing



Duration	Phase 1 CY until 2025 (FRGT) Phase 2 CY starting in 2025 (Flagship safety nets program)	FY2024-2027
Geographic coverage	National	Chronic Poverty – National Transient (Shocks) – Geographic (conflict and climate) Productive Inclusion – National Delivery Systems - National Institutions and Financing – National
Sub-programs (SPs)/ Results areas (RAs)	<p>Government’s main axis of the program:</p> <p>A. Flagship Program for Chronic Poverty Phase 1: increase the number of direct beneficiaries of safety nets for chronic poor from 100,000 HH currently to 120,000 in 2025 Phase 2: Increase the number of beneficiaries to 150,000 by 2030 Maintain the shock-responsive component of cash transfers covering on an average year 250,000 individuals.</p> <p>B. Productive Inclusion and Resilience Measures Phase 1: Provide accompanying measures for productive and financial inclusion of 25,000 poor and vulnerable (scale up from current 10,000) Phase 2: Provide accompanying measures for productive and financial inclusion for 50,000 SSN beneficiaries Phase 1/2: Providing income support to vulnerable elderly, children, climate change affected household and victims of GBV</p> <p>C. Delivery Systems, Institutional Capacity and Financing (FRGT): Building modern delivery systems (interoperability, social registry, eID, payments), multi-year social protection strategy and financing plan, use of results-based budgeting for all social protection programs, new coordination framework for SP.</p>	<p>PforR Results Areas:</p> <ul style="list-style-type: none"> • RA1 – Flagship program for chronic and transient poverty, productive inclusion and resilience measures: Providing benefits and services that alleviate chronic and transient poverty through cash transfers, paired with productive inclusion and human capital enhancing measures, leading to reduced poverty & food insecurity, improved resilience, and economic/financial inclusion. • RA2 – Delivery Systems: Establishing an Interoperable Social Information System by developing, strengthening and linking key service delivery platforms, allowing increasing convergence in delivering transfers and services across agencies. • RA3 – Institutional capacity and financing: Supporting policy reforms that consolidate the Government’s vision for non-contributory social protection and enable social spending through enhanced capacity for coordinated, results-based budgeting and multi-year expenditure frameworks of social protection programs, leading to an increased efficiency of spending informed by results-based public expenditures framework.
Overall Financing	National Program: US\$ 275 million	Total IDA credit of US\$ 80 million for 4 years

E. Initial Environmental and Social Screening

27. A desk review of the proposed Program suggests that the activities as currently described should not pose any significant threats or cause adverse impacts. The risk at the concept stage is rated as **Moderate** pending details. The activities will need to be further refined (in terms of scale, location, etc.) so that associated environmental and social



impacts can be adequately assessed and rated (low, moderate, substantial, high). After consultation with the key actors of the program, the level of risk can be adjusted, and appropriate measures will be provided.

28. Environmental and Social Systems Assessment (ESSA). The ESSA will be undertaken during preparation and will assess the relevant systems of Government, the capacity of the *Agence Nationale d'Identification* (ANID) and of other institutions in charge of the program implementation, including *Agence Nationale d'Appui au Développement à la Base* (ANADEB) and *Agence Togo Digitale* (ATD), in environmental and social management. Any gaps or areas of improvement in these systems will be addressed in a mutually agreed Program Action Plan (PAP). Examining the systems and capacity would include a review of the management of similar past projects (P157036, P157038, and P169594). Environment and Social (E&S) focal points will be appointed from the implementation institutions to help in the data collection as well as in systems assessment. The ESSA will have the following objectives:

- Verify that the potential environmental and social risks and impacts of the Program have been adequately screened;
- Ensure that environmental and social mitigation measures to avoid, minimize, offset, and/or compensate any adverse impacts and promote environmental and social sustainability will be applied to activities that will have potential environmental and social negative impacts; and
- Identify suitable measures to strengthen the national Environmental and Social Management System (ESMS).

29. The proposed measures shall be part of the PAP These measures will be implemented by the Borrower and will be agreed upon between the Borrower and the World Bank prior to approval. The program, anchored at the office of the President, will be implemented by ANID. ANID has an experience in implementing the World Bank-financed *West Africa Unique Identification for Regional Integration and Inclusion program (WURI-P169594)*. However, for this PforR which is the first one for the institution and the second one under preparation by the Government, the existing Project Implementation Unit (PIU) within ANID will be reinforced and staffed with an environmental safeguards Specialist in addition to the Social development Specialist. Continuous capacity building shall be conducted to enable the project's key stakeholders and its PIU's E&S specialists to fully play their roles in meeting the necessary requirements.

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Borrower/Client/Recipient

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