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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 30-Oct-2024 | Report No: PIDA0217



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Togo	WESTERN AND CENTRAL AFRICA	P179138	Togo Digital Acceleration Project
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)	21-Oct-2024	16-Dec-2024	Digital Development
Borrower(s)	Implementing Agency		
Republic of Togo	Ministry of Digital Economy and Digital Transformation		

Proposed Development Objective(s)

Expand access to affordable and climate-resilient broadband connectivity, enhance digital skills and digital entrepreneurship

- Components
- Component 1. Expanding Broadband Connectivity
 - Component 2. Boosting Digital Skills and Entrepreneurship
 - Component 3. Strengthening Legal, Regulatory and Institutional Environment for Digital Economy
 - Component 4. Project Management

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	Yes
Is this project Private Capital Enabling (PCE)?	Yes

SUMMARY

Total Operation Cost	110.00
Total Financing	110.00
of which IBRD/IDA	100.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	100.00
IDA Credit	28.00
IDA Shorter Maturity Loan (SML)	72.00

Non-World Bank Group Financing

Commercial Financing	10.00
Unguaranteed Commercial Financing	10.00

Environmental And Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

1. **Togo, a small low-income country in West Africa, shows signs of economic resilience but continues to face serious development challenges.** While enjoying steady economic growth over the last decade (averaging 5.7 percent over 2011-2019 and remaining relatively strong at 4.8 percent over 2020-2023, despite a series of shocks), Togo remains a low-income country with the gross national income per capita (GNI p.c.) of US\$1,030, below the Sub-Saharan African (SSA) average of US\$1,641.¹ More than half of its 9.1 million population lives in rural areas (with a national urbanization rate of 44.5 percent), and almost a third subsists below the international poverty line, with the extreme poverty rate estimated at 26.6 percent in 2023.² The country is burdened by high levels of underemployment and precarious self-employment, and is further strained by growing security and climate change risks that disproportionately affect poorer areas, particularly northern and poorest Savanes region.³ Against this backdrop coupled with the uncertainty of the external environment, Togo's economic outlook remains tilted to the downside, with growth projected to slow to 5.1 percent in 2024 before strengthening to 5.4 percent in 2025 and 5.6 percent in 2026.

2. **Cognizant of multiple and compounding challenges, the Government of Togo (GoT) has recalibrated its strategic objectives to accelerate growth, including by leveraging digital technologies for inclusive and resilient socio-economic**

¹ GNI per capita based on Atlas method calculation (in current US\$) for 2023, as reported by the latest World Development Indicators (WDI) report.

² An international poverty line is US\$2.15 p.c. per day, 2017 PPP. Importantly, while the extreme poverty rate dropped from 28.4 percent in 2018 to 26.6 percent in 2021, the actual number of extreme poor increased by 40,000. Macro Poverty Outlook for Togo. Annual meetings 2024 edition.

³ The northernmost Savanes region displays the highest poverty incidence (85 percent) followed by the Kara region (81 percent). Since November 2021, six attacks have occurred in the Savanes Region with human casualties.



development. In the wake of the pandemic, the GoT adopted in 2020 a new national development strategy, “Togo 2025 Government Roadmap”, which keeps an overarching goal of making Togo a peaceful, modern nation and an emerging economy by 2030. The Roadmap recognizes digital technologies as a key lever for accelerating growth, driving the competitiveness of priority sectors, and creating high-value-added jobs. One of its ten ambitions is to make Togo a regional digital hub through regulatory measures and investment projects, underpinned by digitalization initiatives embedded in over two-thirds of all the other ambitions. This vision is complemented by a comprehensive sectoral strategy, Digital Togo 2025, adopted in 2022 under the leadership of the Ministry of Digital Economy and Digital Transformation (*Ministère de l'Economie Numérique et de la Transformation Digitale*, MENTD) and implemented by the Digital Togo Agency (*Agence Togo Digital*, ATD).⁴ In support of the GoT strategic priorities, the proposed Togo Digital Acceleration Series of Projects (SOP) represent a programmatic engagement to concomitantly drive digital inclusion by addressing gaps in affordable broadband connectivity, while boosting digital skills and entrepreneurship to support digital usage, productivity growth, and job creation – key priorities outlined in the World Bank’s new Global Challenge Program (GCP) “Accelerating Digitalization”.⁵ As detailed below, this is a transformational World Bank engagement that leverages integrated approach with the International Finance Corporation (IFC) which will launch a parallel upstream engagement, other development partners and World Bank financed projects in Togo to connect close to 7000 unconnected public institutions, creating positive externalities for private companies to connect households in vicinity. Over a million people are expected to use new or enhanced internet as a result of project activities. It will also create a conducive environment and provide catalytic public funding to lift the entrepreneurship ecosystem from its nascent status, marking the market attractive to institutional investors.

3. Importantly, enhancing Togo’s resilience to climate change, including by leveraging digital technologies, will be critical given the country’s high vulnerability to disaster risks. Togo ranks 137th in vulnerability and 121st in readiness out of 184 countries in the 2021 Notre Dame Global Adaptation Initiative Index, indicating both its high exposure to climate change and its low readiness to face it. The main climate risks include floods (in coastal areas with a high concentration of industrial sites), droughts, water scarcity, heat waves, and wildfires (particularly in the northern Savanes and Kara regions).⁶ Climate-related disasters, especially floods and rainfall, could damage infrastructure, including underground broadband networks that are concentrated in coastal areas.⁷ In this context, investments in climate-resilient connectivity and the development of climate-informed guidelines for the digital sector under this project will contribute towards strengthening the infrastructure resilience, which is a key prerequisite for a smooth deployment and operation of innovative digital solutions for climate change adaptation, such as early warning systems, and weather and agricultural advisory services.

Sectoral and Institutional Context

4. The GoT has undertaken substantial efforts to create a favorable legal, regulatory, and institutional environment for the digital economy, including in critical domains of telecom market development, data protection, and cybersecurity. The Regulatory Authority for Electronic Communications and Posts (*Autorité de Régulation des Communications Electroniques et des Postes*, ARCEP) is responsible for telecom market regulation, supervision, and spectrum management under the 2012 Law on Electronic Communications that, despite being comprehensive, requires

⁴ Digital Togo 2025 Strategy sets ambitious objectives to: (i) include all citizens in the society and economy through biometric identification and access to high-speed internet and equipment; (ii) digitize public and social services to bring the Administration closer to users; and (iii) accelerate the transformation of the economy and become a regional tech hub with an ecosystem of innovation, startups, and digital talent.

⁵ World Bank, 2024. Global Challenge Program: Accelerating Digitalization. Approach Paper. <http://documents.worldbank.org/curated/en/099302410042414534/SECBOS1bdfac040801889219f6b38f5150e>

⁶ ThinkHazard!, 2022. <https://thinkhazard.org/en/report/243-togo>.

⁷ The GSMA mobile network coverage maps for Togo show a concentration of digital infrastructure, including mobile sites and copper-based networks, in coastal areas, making them vulnerable to sea level rise and flooding. For example, the 2015 climate events in Mozambique damaged telecom wooden poles, fiber optic and copper cables, with losses estimated at US\$ 375,788 according to the Post-Disaster Needs Assessment. <https://www.gfdrr.org/sites/default/files/publication/Mozambique%20Report-RapidAssessment-EN.pdf>.



continuous updates. Several foundational legal texts pertaining to the digital economy, including on electronic transactions, cybersecurity and cyber-criminality, data protection and biometric identification, have been adopted since 2017.⁸ Based on the legal texts, the GoT established in 2019 the National Cybersecurity Agency (*Agence Nationale de la Cybersécurité*, ANCy) and in 2020 the Body for the Protection of Personal Data (*Instance de Protection des Données à Caractère Personnel*, IPDCP), which is currently being operationalized. Moreover, the GoT has set up a national Cyber Incidence Response Team (CIRT) called Cyber Defense Africa, which functions as the operational and government-controlled arm in charge of cyberattacks detection, response, and remediation.⁹ The GoT has also been active in advancing the regional cyber-resilience agenda with the creation of an *African Center for Coordination and Research on Cybersecurity* (ACCRC). This progress, including the adoption in 2024 of a national cybersecurity strategy, is reflected in Togo's positive evaluation in the 2024 International Telecommunications Union (ITU)'s Global Cybersecurity Index, which places the country in the advancing group, with its scores in all categories exceeding African average.

5. **Boosted by increased competition, fixed broadband penetration and affordability have been improving.** Recent improvements in the competition dynamics of the broadband market include privatizing the incumbent operator Togo Telecom in 2019, establishing in 2021 a colocation data center (Lomé Carrier Hotel) financed under the now closed World Bank West African Regional Communications Infrastructure Program (WARCIP, P123093),¹⁰ as well as facilitating the entry in 2022 of a new operator Csquared Woezon (with support from IFC) and the landing of two new submarine cables.¹¹ In addition to Csquared, four other key players are active in the fixed broadband market: Togo Telecom (Togocom), Group Vivendi Africa (GVA), Café Informatique, and Teolis. On the back of improved competitive dynamics and ARCEP's regulatory actions, ITU reported affordability for fixed broadband in Togo improving two-fold over the past two years (with the price of 5 gigabyte (GB) dropping from 56.8 percent of GNI p.c. in 2021 to 31.3 percent in 2023), outperforming other countries. Despite these improvements, fixed household broadband penetration stands at 5.6 percent in 2024, behind the average of 8.6 percent in countries within the same GDP p.c. decile.¹² Importantly, there are significant connectivity gaps in public institutions – today, less than 1 percent of schools and less than 10 percent of health centers in Togo are estimated to be connected to internet, which undermines possibilities for any effective use of digital education content, distance learning, telemedicine or development of innovative sectoral solutions. To further boost the national high-speed fixed broadband coverage, the GoT adopted Decree 2020-116/PR and Arrêté 2021-002, obligating non-telecom utilities (such as electricity, water, and transport) to systematically deploy fiber optics during civil works and subsequently transfer them to a state-owned digital infrastructure company (*Société Infrastructures Numériques*, SIN), which has been mandated to hold and commercialize all public digital assets.

6. **Mobile broadband market has been also growing; however, gaps, including important gender and regional divides, remain.** The number of unique mobile broadband subscribers per 100 inhabitants in Togo, which stood at 25.7 percent in 2023, lags key regional comparators (43.4 percent in Côte d'Ivoire and 51.7 percent in Ghana).¹³ Affordability, while significantly improving (with the price of 2GB dropping from 11.4 percent of GNI p.c. in 2021 to 6.3 percent in 2023), falls short of international affordable internet targets. However, additional regulatory measures as well as increased international internet traffic from the Equiano submarine cable that became operational in August 2023 are expected to further enhance affordability and quality of broadband in the country. Internet use in Togo is closely tied to socioeconomic status, with significant gender and urban-rural divides. Based on the latest available data (2018), only 27 percent of women in urban areas used internet, compared to 49 percent of men, while rural usage was minimal (2.4

⁸ The Laws on Data Protection and Biometric Identification were elaborated with the World Bank support provided through Togo Social Sector (P166670); and West Africa Unique Identification for Regional Integration and Inclusion (WURI) Program - Phase 2 - (P169594).

⁹ See, e.g., Box 1.19 in World Bank & United Nations. 2024. *Combatting Cybercrime: Tools and Capacity Building for Emerging Economies* (2nd ed).

¹⁰ Lomé Carrier Hotel was privatized in January 2023 and is now owned and operated by a private company Horizon Data Centre Togo Company Ltd.

¹¹ Maroc Telecom (Moov) West Africa cable, operational since August 2021 and Google's Equiano cable operational since August 2023.

¹² Telegeography, 2024 (data from June 2024).

¹³ World Bank calculation based on GSMA & United Nations Population data.



percent for women, 9 percent for men). Mobile phone ownership among women is 57 percent, below the SSA average of 75 percent, due to barriers like affordability, digital skills, and security concerns.

7. **The GoT has been working on creating an enabling environment for startups and entrepreneurs, including in the digital sector, to drive quality job creation, economic diversification, and demand-based innovations.** In 2023, the GoT adopted a Law on Innovation Ecosystem in Togo¹⁴, which establishes legal grounds for identifying innovative startups to provide them with fiscal, financial, and administrative incentives. Effective operationalization of this Law requires the adoption of accompanying decrees and well-designed implementation mechanisms. Importantly, the country will need to expand a pipeline of viable startups, which – against the background of endemic informality – is currently considered quite modest, especially compared to regional peers (such as Ghana, Rwanda, and Senegal). Beyond digital connectivity gaps and limited online payment platforms, other major challenges for start-ups at all stages is access to finance, mentoring, trainings, and networking to grow their businesses¹⁵ as well as digital adoption and availability and reliability of digital public services.¹⁶ The incubation and support system for micro, small, and medium enterprises (MSMEs) and startups is still nascent, with limited financial and human resources. A handful of small incubators based in Lomé promote digital technology innovation and research, namely Nunya Lab¹⁷ and Djanta hub; however, support services remain fragmented and insufficient to help the innovation ecosystem reach scale.

8. **To effectively drive innovation, Togo is looking to address the shortage of professionals with specialized digital skills, accentuated by a clear gender divide.** A mismatch between the quantity and quality of skilled workers supplied by the formal education system and what is required by firms represents one of the key constraints to private sector-led growth, while a sizeable share of the labor force remains under-employed. Tertiary education enrollment remains very low, particularly in science, technology, engineering, and mathematics (STEM) fields. According to official statistics, a mere 1.7 percent of students in Togo are enrolled in Information Technology and Communications (ICT) related courses. Among the latter, a little less than 2 out of 10 students (17.3 percent) are female.¹⁸ When considering a wider range of scientific and technological courses, the share of students increases to 23.6 percent, of which just over 2 out of 12 students (15.6 percent) are female. The GoT has undertaken some initiatives to address these challenges; however, they remain ad hoc and small in scale.

9. **In this context and underpinned by the GoT's long-term commitment to supporting digital transformation, a programmatic engagement through a SOP is proposed, in synergies with projects of other development partners.** To foster inclusive and resilient economic growth by leveraging digital technologies, the first operation (SOP1) will focus on foundational enablers, without which digital transformation and innovation is impossible: (i) expanding affordable broadband connectivity with a focus on social sectors, such as education and health (addressing supply side constraints of digital economy and service provision); (ii) boosting digital skills and digital entrepreneurship to drive adoption and job creation (addressing demand side factors); and (iii) reinforcing legal and regulatory framework (as a transversal foundational block). A second project (SOP2) will build on these foundations to bring impact at scale with a stronger focus on regional integration and cutting-edge innovation. To that effect, SOP2 will aim to (i) strengthen digital-based service delivery and digital content creation, leveraging AI (with continued focus on education and health); (ii) reinforce regional connectivity by targeting missing links in the border areas to better interconnect Togo to its neighbors – in alignment

¹⁴ The law is similar to Start-up Acts adopted by other countries (e.g., France, Italy, Brazil, South Korea, Argentina, Tunis, Senegal, etc.) aimed at fostering the development of local startups by alleviating tax burden and administrative procedures as well as facilitating their access to financing and markets, assuming they meet specific criteria (such as the creation of high added value products and services and growth potential).

¹⁵ German development agency (*Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ*), 2022. Analysis of Digital Ecosystem in Togo.

¹⁶ World Bank. 2024. Business Ready Report. <https://www.worldbank.org/en/businessready>.

¹⁷ Currently operates small-scale incubation and acceleration programs for digital businesses in agriculture, health, education, energy, environment, art and culture, and tourism.

¹⁸ Ministry of Higher Education and Research. 2018-2019 Statistical Yearbook of Higher Education.



with the West Africa Regional Digital Integration Program (WARDIP, P176932);¹⁹ and (iii) conduct other regional activities (both on the investment and reform side). Parallel engagements of other development partners, particularly Millenium Challenge Corporation (MCC), GIZ and German Development Bank (*Kreditanstalt für Wiederaufbau*, KfW) will help amplify the impact.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

10. **The SOP program development objective (PrPDO), aligned with the SOP1 PDO, is to expand access to affordable and climate-resilient broadband connectivity and enhance digital skills and digital entrepreneurship.**

Key Results

11. **The achievement of the PDO will be measured by the following result indicators.**

Expand access to affordable and climate-resilient broadband connectivity:

- PDO 1.1 (Access): People using broadband internet (new use) (number of people), of which women and youth (Corporate Results Indicator);
- PDO 1.2 (Affordability): Data-only fixed-broadband basket, 5GB (as percentage of monthly GNI p.c.);
- PDO 1.3 (Climate resilience): Newly built or upgraded digital infrastructure that is resilient to climate-related shocks (percentage).²⁰

Enhance digital skills and digital entrepreneurship:

- PDO 2.1 (Skills): People completing digital skills trainings under the project²¹ (number), of which percentage female;
- PDO 2.2 (Entrepreneurship): Enterprises graduating from the tech hub programs²² (number), of which percentage women led.

D. Project Description

12. **In alignment with the GoT priorities and the GCP approach, the proposed Togo Digital Acceleration SOP1 is articulated around three main components focused on digital infrastructure (supply), digital skills and entrepreneurship (demand), and enabling policy environment (cross-cutting foundation), in addition to a project management component.**

Component 1: Expanding Broadband Connectivity (US\$60.0 million equivalent, including US\$10 million equivalent expected in unguaranteed commercial financing)

13. **This Component aims to expand affordable broadband connectivity by densifying the distribution network (backhaul²³) as well as extending last-mile connectivity to public facilities that are electrified but not connected to internet.** The ambition of the GoT is to provide all education and health institutions as well as townhalls with affordable,

¹⁹ SOP2 will also explore opportunities to support secure, interoperable, and standardized shared digital systems at a national and regional scale (e.g., systems for verifiable identity/credentials, interoperable payments, consented data sharing, open APIs for public services, registries, etc).

²⁰ The newly built and upgraded infrastructure will be subject to quality standards that include compliance with the requirements for disaster response and for climate change mitigation (to be elaborated in bidding documents). These requirements will include, for example, the usage of weather-resistant materials, waterproof coverings, and underground infrastructure with climate-resilient design to withstand floods.

²¹ "Completing" implies obtaining a nationally/internationally recognized certificate under the project.

²² The indicator measures the total number of start-ups and MSMEs that have successfully completed the tech hub's incubation and acceleration programs. An enterprise is considered « graduated » when it has met all program requirements and milestones, such as business model validation, product development, market readiness (i.e., reaching a minimum viable product (MVP) stage, or achieving defined growth metrics.

²³ The backhaul network comprises intermediate links between the core backbone network and small subnetworks (access nodes) at the edge.



high-quality, and resilient broadband connectivity, connecting 6,849 education institutions with more than 100 students²⁴ (1,293 under SOP1 and 5,556 under SOP2), and 804 health establishments (226 under SOP1 and 578 under SOP2), and 118 city halls (all to be connected under SOP1).²⁵ Under an MFD approach, the connectivity expansion will leverage catalytic public funds to de-risk the market by financing infrastructure deployment at the backhaul level and thus crowd in private sector investments (PCM) for the last-mile connectivity, as detailed below. The approach has been developed and refined in consultations with the private sector in February and October 2024; additional public-private consultations will be conducted prior to the launch of bidding. The project (under SOP2) will aim to include complementary investments to ensure effective use of the provided connectivity in targeted institutions (e.g., internal wiring / cabling work and equipping establishments with suitable terminals / setting up computer classrooms, etc.).

Subcomponent 1.1: Backhaul Network Deployment (US\$35.0 million equivalent, including US\$8.0million equivalent expected in unguaranteed commercial financing)

14. **The project will support the densification of the fiber optic backhaul network to connect existing backbones with the access networks to be deployed under subcomponent 1.2.** The project will focus on the deployment of fiber optics for backhaul to create a robust, high-capacity fiber optic network to future-proof the infrastructure and support growing demand for high-speed internet. The backhaul expansion will be done through a procurement of network construction and civil works, with the network route specified in tender documents (already under elaboration). Bidding operators will have an option to either (i) finance a specific backhaul segment on their own and retain its ownership; or (ii) contribute to a portion of the capital expenditures (CAPEX) for a segment that will remain in public ownership (through SIN), receiving in return an “Indefeasible Right of Use” (IRU)²⁶ of the network capacity (bandwidth) for a given period. Each scenario will generate significant private investments (through a mix of CAPEX and OPEX), ensuring a catalytic use of public financing (covered by the project). The bidding for the expansion of backhaul segments will be split into six geographically separate tenders to mitigate the risk of market power concentration.²⁷ Each operator will be able to win a maximum of two tenders. Finally, the tender specifications will include mandatory open access guarantees to ensure that the deployed infrastructure will be made available at a reasonable cost to all telecom operators. This will be supervised and enforced by ARCEP, who is currently developing a decision to set wholesale prices.

Subcomponent 1.2: Expanding Last-Mile Connectivity (US\$25.0 million equivalent, including US\$2.0million equivalent expected in unguaranteed commercial financing)

15. **This subcomponent will provide catalytic funding to expand last-mile broadband connectivity to targeted public institutions, where (i) the electric grid is already deployed, and (ii) the commercial incentive for broadband network expansion is too weak, indicating a market failure, prioritizing communes with the highest climate and socioeconomic vulnerabilities.** This subcomponent will finance the procurement of connectivity services for education and health facilities as well as city halls, with a required bandwidth defined in the tender. Such anchor contracts will leverage private investments for the construction and maintenance of access networks to connect those institutions to the backhaul (see subcomponent 1.1) and existing backbone infrastructure, thus generating PCM. The private operators that will deploy the last mile infrastructure will remain its owners.

16. **For both subcomponents, the project will utilize a competitive procurement process, based on international good practices, to ensure transparency and value for money.** The procurement strategy will include the following key

²⁴ Education institutions include primary and secondary public schools, colleges, TVETs, and universities.

²⁵ The numbers are based on the feasibility work conducted under the leadership of MENTS by a consortium of TACTIS and KPMG in the context of the MCC's Threshold Program and in preparation of the Compact Program in Togo.

²⁶ “Indefeasible Right of Use” (IRU) is a type of telecom lease permanent contractual agreement (that cannot be annulled, or voided, or undone) for an exclusive, unconditional, and irrevocable right to use a specific portion of a network. These contracts obligate the purchaser to cover fully or partially the operating expenditures (OPEX) as well as the costs of maintaining the cable.

²⁷ Five lots will be covered by the World Bank financing, and one will be covered by KfW.



elements: (i) Open and Transparent Bidding with qualified bidders invited to submit proposals for the provision of goods and services; (ii) Lot-Based Approach with the project dividing the country into six geographic lots, allowing for multiple bidders to participate in the procurement process and ensuring competition; (iii) Technical and Financial Evaluation of bids, ensuring that the selected bidders have the necessary expertise and capacity to deliver the project successfully; (iv) Contract Management with the project implementing robust contract management procedures to ensure that selected bidders fulfill their contractual obligations and deliver on time and within budget; and (v) Open Access principles on the fiber backhaul to ensure a fair, transparent, non-discriminatory access to the infrastructure at a reasonable cost for all other telecom operators in the country. The project will finance an impact evaluation study that will accompany the deployment phase. Study will evaluate the effectiveness of the selected infrastructure deployment approach, and its findings will inform subsequent infrastructure expansion under SOP2.

Component 2: Boosting Digital Skills and Entrepreneurship (US\$40.0 million equivalent)

17. This Component will aim to equip people with in-demand digital skills to drive their employability and participation in the digital economy, while supporting the entrepreneurship ecosystem to create scalable businesses and jobs. The project interventions under this Component will aim to address job creation challenges and operationalize some of the recommendations of the World Bank Togo Jobs Diagnostic, helping Togo leverage its youthful and dynamic human capital for quality job creation, while building a robust pipeline of local innovative start-ups and businesses. The programs of the tech hub and its satellite knowledge centers across the country will target both individuals, digital start-ups, and businesses to support the adoption of digital and complementary skills (from basic to specialized) and the roll out of incubation, acceleration, mentoring, training, and networking services.

Subcomponent 2.1: Tech Hub (US\$27 million equivalent)

18. This subcomponent aims to support the GoT in establishing a regional tech hub for supporting entrepreneurship and providing in-demand digital skills training programs, thus contributing to job creation, economic diversification, and inclusion. Based on an extensive pre-feasibility conducted for MENTD, the tech hub will provide incubation and acceleration programs accompanied by mentorships and networking for eligible enterprises (at various stages of growth) as well as digital skills trainings for individuals with a focus on youth and women. To ensure the sustainability of the tech hub business model aligned with lessons learnt from other countries, the GoT will collaborate with IFC, globally recognized private sector partners and academic institutions that have expertise and experience in establishing and operating such hubs, as well as launching digital skills and entrepreneurship programs.

19. Key activities to be financed will include the following:

- (i) TAs to elaborate a detailed business case and master plans for the tech hub and its programs and to conduct a feasibility study and elaborate a business case and governance model of a possible Start-up Fund.
- (ii) Leveraging the outcomes of these TAs, SOP1 will finance the following programs:
 - a. Incubation and acceleration programs and small financing schemes for eligible digital entrepreneurs, startups, and MSMEs, designed and implemented by an investment-backed acceleration partner that has experience and track-record in raising pre-seed/seed capital from institutional partners. IFC would provide guidance through a parallel upstream engagement based on the IFC Startup Catalyst program.²⁸
 - b. Hybrid digital academy that will offer face-to-face and virtual digital skills courses (targeting intermediate to advanced and specialized levels) with internationally recognized certification.
 - c. Renovation costs and equipment provision to improve and/or expand existing facilities owned by the GoT and accorded to MENTD, which will host the above programs.

²⁸ IFC's Start-up Catalyst Program addresses critical funding gaps in nascent and frontier venture capital ecosystems by investing and mobilizing early stage and seed-stage capital in seed funds and investment-backed accelerators to sustain early-stage businesses and entrepreneurs until they become viable investment opportunities for other downstream participants (i.e., Series A and later). The program has US\$55.7million committed.



- d. Design, assembly and deployment of six pilot education and innovation pods (prefabricated mobile facilities, outfitted with electricity and internet, designed to be assembled, disassembled, and relocated as necessary) in selected localities to target population unable to access the tech hub programs delivered in Lome.²⁹ The project will support the operations of the pods under the pilot phase (staffing and programs execution) as well as their impact evaluation with a possible scale-up.

Subcomponent 2.2: Knowledge Network (US\$13.0 million equivalent)

20. **This subcomponent will support the creation of a national “knowledge network”, aimed at engaging various population groups in inclusive and collaborative online learning focused on digital and complementary skills.** The knowledge network will be a web-based platform with local and international training content accessible to everyone in the country that will equitably offer basic to intermediate digital skills trainings and other learning opportunities to all population groups with a focus on women, people with disabilities, and other marginalized population groups. The Knowledge Network will also be a central platform for disseminating knowledge and offering training programs tailored to market needs and technological developments.

21. **Key activities to be financed under this subcomponent include the following:**

- (i) TA to conduct a detailed study and extensive consultations with all stakeholders on the approach and content of the knowledge network.
- (ii) Development (or acquisition/customization depending on the outcomes of the preceding TA), and deployment of an open-source digital learning platform accessible to everyone in the country.
- (iii) Acquisition or creation and hosting of educational content, with a focus to English trainings, digitizing K-12 curriculum, promoting the use of ICT tools and online, and self-paced digital skills training modules. This aggregation platform will offer both local and international content, which will cover (i) courses within secondary and university education programs; and (ii) specialized trainings outside of the formal education system focused on digital and non-digital skills.
- (iv) Trainings, capacity building and change management activities for the course providers (teachers and subject experts) on content creation and utilization of the digital learning platform.

Component 3: Strengthening Legal, Regulatory, and Institutional Environment for Digital Economy (US\$5.0 million equivalent)

22. **This Component will finance TA activities for MENTD and other key stakeholders, such as ARCEP, IPDCP, ATD, and ANCy, to strengthen 'analog foundations' to underpin a safe and inclusive digital economy.** The overarching objective of this Component will be to support telecom market development, boost digital public services delivery and uptake, and enhance people's trust in digital transactions.

Component 4: Project Management (US\$5.0 million equivalent)

23. **This Component will provide support for the management and implementation of project activities.** Project financing under this Component will cover operating and staff costs of a project implementation unit (PIU) to be established under MENTD, including the recruitment of key experts.. This Component will also cover independent audits and learning/training for the PIU, MENTD and key implementation partners. Finally, the Component will finance community engagement and communications, including a grievance redress mechanism (GRM).

²⁹ The “innovation pods” will be tech-hub satellites located closer to rural communities across the country, where entrepreneurs can come for advice or guidance on improving their businesses. The “education pods” represent spaces within schools, connected under Component 1 that will serve as computer labs and offer digital skills and vocational trainings as well as mentorships and sensibilization programs to young people in formal education.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

24. **The project is likely to generate moderate environmental and social risks and impacts on project beneficiaries, government officials, the public, workers, targeted communities, and vegetation.** The environmental risks are primarily site-specific and largely generated during the construction phase. The Borrower has prepared, disclosed, and will implement an Environmental and Social Management Framework (ESMF) to guide the preparation of Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs) for the subprojects. The specific location, number, and scope of civil works are currently undetermined. A Resettlement Policy Framework (RPF) was prepared and disclosed to provide guidance for the screening and management of any unavoidable involuntary physical or economic displacement, in compliance with both national legislation and the World Bank's Environmental and Social Standard (ESS) 5, which includes higher standards for compensation and livelihood restoration. The project will support the development of a national strategy on climate-smart digital infrastructure, which will establish an Extended Producer Responsibility (EPR) program to reduce the digital sector's carbon and environmental footprint through e-waste collection, dismantling, refurbishing, and recycling. Efficient recycling of e-waste can greatly reduce the demand for virgin raw materials, thus contributing to limiting greenhouse gas (GHG) emissions. Other safeguards documents prepared and disclosed by the Borrower include the Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP), Security Management Plan (SMP), and Labor Management Procedures (LMP).

E. Implementation

Institutional and Implementation Arrangements

25. **The overall project implementation will be supported by a dedicated PIU anchored at MENTD, which will gradually transfer responsibility for project management to MENTD staff.** The PIU will include a project coordinator, a fiduciary team, a safeguards team, an M&E expert, a communications expert, an administrative assistant, and technical experts, as needed. A competitive recruitment of the core PIU team has already been launched. The PIU will be also reinforcing capacity of MENTD with a focus on World Bank rules and procedures with the aim of gradually transferring responsibility for project management to MENTD staff. Detailed processes and procedures for implementing, monitoring, and evaluating the project, ensuring compliance with the World Bank policies as well as implementing the GRM, are described in the Project Implementation Manual (PIM).

26. **A Project Steering Committee (PSC) will provide overall strategic guidance to the PIU.** The PSC will be chaired by MENTD and will comprise representatives from other GoT stakeholders, particularly Ministries of (i) Economy and Finance; Higher Education; Primary, Secondary and Technical Education; Health; Development Planning and Cooperation; and Territorial Administration. In addition, the PSC can invite representatives from the communes, the private sector, academia, and civil society on an ad hoc basis. The mandate, procedures and terms for the PSC are detailed in the PIM.

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APPROVAL

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