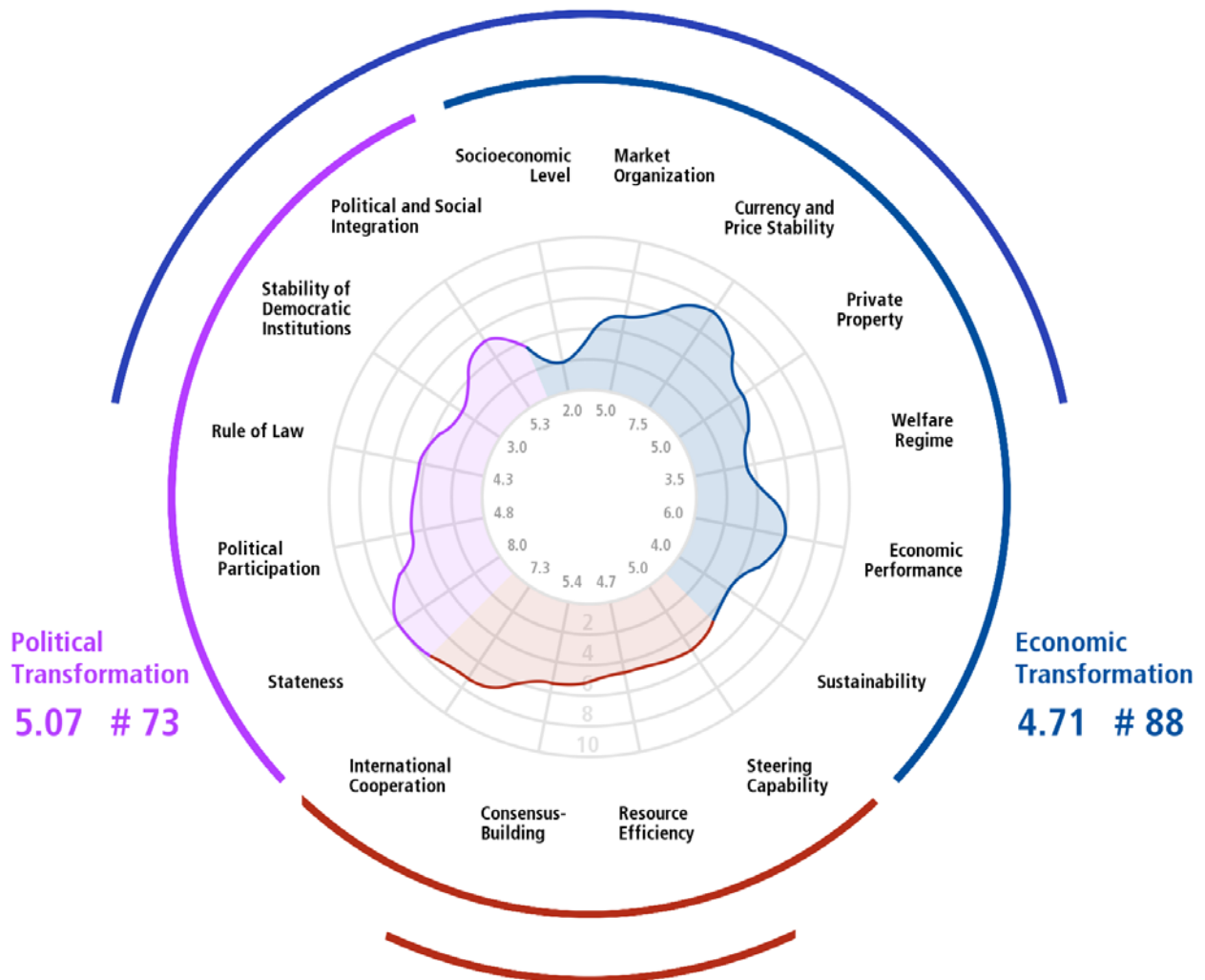


Togo

Status Index

4.89 # 84

on 1-10 scale out of 129



Political Transformation
5.07 # 73

Economic Transformation
4.71 # 88

Governance Index

5.10 # 62

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	7.6	HDI	0.487	GDP p.c., PPP \$	1491
Pop. growth ¹	% p.a.	2.5	HDI rank of 188	166	Gini Index	43.0
Life expectancy	years	59.9	UN Education Index	0.529	Poverty ³	% 73.2
Urban population	%	40.5	Gender inequality ²	0.556	Aid per capita \$	26.9

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The presidential elections of April 25, 2015, resulted in a victory for the incumbent, Faure Gnassingbé. Thus, he secured his third five-year term, consolidating the Gnassingbé clan's grip on power. The Gnassingbé clan have ruled the country since 1967. In view of the ruling party's absolute parliamentary majority, further meaningful constitutional and electoral reforms have been postponed indefinitely. Overriding concerns for stability in West Africa in view of the growing threat from Islamist terrorist organizations combined with Togo's role as a contributor of soldiers meant that the international community largely ignored the government's indefinite postponement of democratic reforms and local elections. However, the simmering discontent of hardliners within the security forces and ruling party was remained evident. The opposition tried unsuccessfully to overcome internal divisions between its moderate and radical wings. An alliance of opposition parties and civil society groups organized frequent peaceful demonstrations in opposition to the regime, which were often violently suppressed, with little effect. The human rights record of the government has improved, but remains poor. A tense political climate persisted due to the presidential elections in April 2015, and the apparent determination of the president to stay in power for a third and possibly fourth term whatever the cost. Despite undeniable improvements to the framework and appearance of the regime's key institutions during the review period, democracy remains far from complete. However, the international community (notably Togo's African peers, the AU and ECOWAS, as well as the Bretton-Woods Institutions, China and the European Union) followed a laissez faire approach in the interests of regional stability and their national interests in dealing with Togo. Economic growth remained stable at about 5% per annum. Public investment in infrastructure (e.g., roads and a harbor) and increases in agricultural productivity, notably of export crops, had been the key drivers of economic growth. However, economic growth remains vulnerable to external shocks and climate change, and has not been inclusive. Positive economic growth was overshadowed by increasing inter-personal and regional inequality as well as an increase in extreme poverty. Moreover, money-laundering and illegal money transfers grew to alarmingly. The illegal money transfers amounted to \$1.9 billion per

annum between 2002 and 2011, greatly surpassing the national budget. The ratio of illegal financial transfers to GDP in Togo was among the highest in the world, with illegal financial transfers equivalent to 76.3% of GDP in Togo between 2008 and 2013. The business climate improved considerably nevertheless. Though the World Bank still defines Togo as a low-income, fragile state, the government aims to achieve the status of a developing economy. Yet, in view of the country's vulnerability to political crises and social unrest, the government's aim is quite ambitious.

History and Characteristics of Transformation

Togo, established in 1884 as a German colony, became a U.N. trusted territory under French administration following World War II and wrested its independence from France on April 27, 1960. In the first democratic presidential elections of 1961 Sylvanus Olympio became president of the newly independent Togo. His assassination, on January 13, 1963, by a group of Togolese veterans of the French colonial army, led by Sergeant Etienne Gnassingbé (later called Eyadéma) was the first violent coup in the history of independent Sub-Saharan Africa. After another coup d'état, ousting President Nicolas Grunitzky, Lieutenant Colonel (later General) Gnassingbé Eyadéma became president of Togo in 1967. Establishing a one-party government, Eyadéma ruled as Togo's authoritarian head of state for 38 years. In July 1991, influenced by the implosion of the Soviet empire and by apparently successful democratization efforts in a number of African countries – including neighboring Benin – a Sovereign National Conference was organized with the objective of deciding on the country's new constitutional and political order. The assembly opted for a semi-presidential system and elected an interim prime minister. Four months later, however, President Eyadéma ordered the army to attack the interim government, re-establishing his dictatorial power. The political persecution of opponents over the following two years triggered an unprecedented wave of migration in which some 350,000 refugees fled to Togo's neighboring countries Benin and Ghana as well as to Europe. In 1993, the European Union, and other major international and bilateral donors (e.g., Germany), officially suspended development assistance to Togo due to gross human right abuses. Notwithstanding political support from Paris, the substantial reduction in international aid and the decline in inward investment had severe effects on the country's economy.

When Gnassingbé Eyadéma died unexpectedly in February 2005 after nearly four decades of autocratic rule, the military proclaimed Faure Gnassingbé, a son of the late president, the new head of state in defiance of the country's constitution. Widespread international protests compelled the new president to call presidential elections on April 24, 2005. Despite international protests against massive electoral irregularities, Faure Gnassingbé was sworn in as president on May 4, 2005. The majority of the Togolese population protested against this manipulation of the public will, but the military brutally brought down the protests. About 700 people died, and more than 40,000 citizens migrated into neighboring countries. The economy of the country further declined. Finally, massive international pressure forced the antagonists of Togo's political class into negotiations,

which included the opposition political parties and civil society groups. This resulted in the so-called Global Political Accord in August 2006. The first free parliamentary elections took place on October 4, 2007. The then governing party, the Rassemblement du Peuple Togolais (RPT), won an overwhelming majority. Contested presidential elections in March 2010 and April 2015 paved the way for a second and third five-year mandate for Faure Gnassingbé.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Togo still belongs to the impoverished fragile states according to OECD criteria. The state's monopoly on the use of force is guaranteed in principle over all its territory and population. However, a long-standing culture of impunity for extra-legal killings committed by the security forces persists. The army, gendarmerie and police are loyal to the incumbent government, apart from rivalries within its own ranks. This loyalty goes back to historically strong ethnic (Kabyè) and interpersonal links between the army leadership and the extended presidential family. The power struggle within the Gnassingbé clan, and between hardliners and modernizers among its followers in the security forces and the ruling party (RPT/UNIR), was temporarily decided in favor of the president. In September 2011, the assumed ringleaders of a 2009 coup attempt were convicted by a Lomé court which re-enforced the command by the president. Faure's younger half-brother and former defense minister Kpatcha as well as other family members, the retired army chief, General Assani Tidjani, and Abi Atti, a commander of gendarmerie, received long prison sentences. Their continued unlawful imprisonment was repeatedly criticized by the ECOWAS court of justice (2013 and 2014) as well as by the United Nations (February 2015).

According to U.N. reports, Togo has become a major hub of drug trafficking and money-laundering in West Africa related among other things to profits from re-exports of used cars from western Europe to neighboring markets (mostly smuggling to Nigeria). According to the U.N. Office on Drugs and Crime (UNODC), the proceeds of trafficking are increasingly used by Islamist terrorist groups.

A basic patriotism is observable among the vast majority of Togolese citizens for generations. Particular dates and events in country's history (e.g., independence day) are inscribed into the collective memory. However, the sentiment of national belonging is often mitigated by intra-ethnic and regional cleavages. Tensions between ethnic groups, dating back to Togo's colonial past, still play a considerable role in limiting equal access to remunerative and strategically important public authorities, thereby abetting nepotism and compromising good governance. This holds particularly with respect to the divide between the Kabyè of northern Togo,

Question
Score

Monopoly on the
use of force

9



1

State identity

8



1

who dominate Togo's politics and security services, and the economically more powerful Ewé of southern Togo. The lack of a consensus regarding national benchmarks to date may be an indicator of the deficient consolidation of the Togo as a functioning nation-state. An example of self-interested nationalism includes calls by trading elites (e.g., the Nana-Benz, politically influential cloth-trading women of Lomé) to limit market access for foreigners. Notably, Togo's trading elites have been increasingly critical of a growth in the "unfair" competition they face from small-scale Chinese traders and Nigerians, who are often accused of drug dealing.

The formally established religious groups – Christians (about 48% of population, mostly Catholic) and Sunni Muslims (about 30%, mostly of the Sufi order of the Tidjaniya) – seek to play a neutral and constructive role in the political system and to make democracy more vibrant, as was observed during the National Conference of 1991, the 2007 and 2013 legislative elections and the active participation in the Truth, Justice and Reconciliation Commission (Commission Vérité, Justice et Réconciliation) since 2009. Numerous animated Pentecostal and evangelical free churches (about 12,000, often just one man shows, had applied for official registration by 2015) are less active in secular public life. But many of them exacerbate tensions by encouraging intolerance, commercial orientation and extremely conservative attitudes (e.g., sinister elements of traditional belief systems, such as witch hunting). The same holds for the few Quran schools in the country led by radical imams.

African traditional religions, notably Vodun in the southern regions and occult belief systems all over Togo, still play an important role in everyday life. Their priests often act as esteemed conflict mediators at the local level. However, the past instrumentalization of African religions and occult belief systems by the ruling powers for political means and political motivated witch-hunts, as demonstrated by the now defunct Eyadéma regime, can be revived at any time.

Whereas the state's basic administration extends throughout the entire territory, it is functionally deficient. Key public goods are not available to large parts of the population. According to the latest figures in 2015, only 12% of the population have access to sanitation and 63% to a water source.

Basic public administration continues to suffer from the parallel structures of formal and informal institutions (e.g., traditional chieftaincies) inherited from colonial rule. In addition, the legitimacy crisis left behind by decades of despotic rule and growing corruption in a fragile economic environment are barriers to good government and a transparent administration. The state's administrative organizational structure is centralized. The political elite still lack the political will to devolve power and resources in order to enhance local autonomy, as demanded by the constitution, the opposition and the donor community. Local elections have been repeatedly postponed since 1987 when the last communal elections were held. The commitment of the government within the Global Political Accord of 2006 to replace discredited prefects have been implemented only halfheartedly by the reshuffle of 2007 and 2009,

No interference of religious dogmas

9



1

Basic administration

6



1

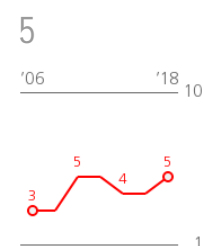
and the replacement of prefects in February 2016. On May 27, 2016, four new prefectures were created (Mô, Agoé-Nyivé, Oti-Sud and Kpendjal-Ouest, the latter replacing Naki-Est).

2 | Political Participation

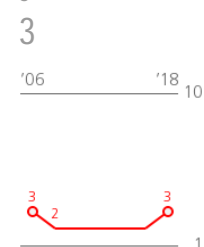
The presidential elections of April 25, 2015, resulted in a victory for the incumbent, Faure Gnassingbé. Thus, he secured his third five-year term, consolidating the Gnassingbé clan's grip on power, which has held power since 1967. Only North Korea's ruling dynasty has held executive power for longer. The constitutional and electoral reforms that would have been required for free and fair elections have been postponed indefinitely. These reforms have been repeatedly demanded by the divided and weakened opposition, numerous civil society organizations and international donors with reference to the Global Political Agreement (2006). These reforms included among other things re-establishing the two-term limit for the presidency, revising Togo's first-past-the-post system (introduced by the 2009 electoral law, which provides the incumbent with a comfortable advantage vis-à-vis his competitors), conducting local elections (which have been postponed since 1983) and the readjustment of electoral districts. Nevertheless, the international community declared the elections free and fair due to overriding reasons, simply acknowledging logistical shortcomings, related to their security interests in the region. On the contrary, the Electoral Integrity Project (Los Angeles) ranked Togo 123 out of 139 countries in 2015, the year Togo last held a presidential election, and 64 out of 73 countries in 2013, the year Togo last held legislative elections. All in all, Togo is rated as an "authoritarian regime" in the democracy index of the Economic Intelligence Unit (London).

The president has the support of the country's administration as well as that of the security forces. He faces few major structural constraints in putting his decisions into practice. However, the president is possibly not always in command of the hardliners within the ruling party, army or secret service (Agence Nationale de Renseignement, ANR). In general, the prime minister needs the president's support more so than that of parliament if he wants to implement important public policies. However, the president does not yet enjoy full democratic legitimacy, and it remains to be seen whether the powerful military will remain loyal to the president in spite of countervailing pressure by hardliners within the army and the ruling party. Prime Minister Ahoomey-Zunu resigned on May 22, 2015, and the president appointed Selom Komi Klassou as the new premier on June 5, 2015. The 55-year old Klassou, an Ewé originating from Notsè, regarded as a hardliner and long-time ally of the Gnassingbé regime, had been a member of the politburo of the former unity party, the Rassemblement du Peuple Togolais (the antecedent of the ruling UNIR), and had served as cabinet minister under both the late dictator Eyadéma and his son Faure.

Free and fair elections



Effective power to govern



The guarantee and protection of rights to freedom of assembly and association have improved since 2007. However, limitations persist, particularly on assembly rights. On May 5, 2011, a new bill on the right to freedom of association and assembly was adopted in parliament by the RPT/UFC majority. The new bill liberalized demonstrations by permitting demonstrations to be held without official permission, although they still can be banned if they disturb public order. However, the bill was contested by the opposition because it proposed draconian penalties for damages to public property. Protest marches and demonstrations in response to proposed labor, political, and media legislation occurred frequently and usually without incident. Though the U.S. State Department reports, in some instances, the police forcibly disrupted and dispersed participants. In August 2015, police arrested and questioned three members of a group called “The Coalition against the High Cost of Living” for protesting in front of the Prime Minister’s Office without a permit.

In October 2016, Amnesty International again called for the protection of the rights to freedom of association, peaceful assembly and expression in Togo, and detailed several cases involving the violation of these rights.

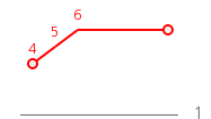
Freedom of expression and the media is constitutionally guaranteed, but to some extent restricted. According to Afrobarometer (2015) just 21% of interviewed persons (2011-2013) felt free to say what they thought. There is a wide range of daily and weekly newspapers, a vibrant private press. Radio is the most popular medium, particularly in rural areas. The government-owned radio network includes multiple stations, while there are also several dozen private radio stations and a few community radio stations. Moreover, there are two state-owned and five private TV stations that regularly broadcast news. In addition, a number of foreign stations can be followed freely. Twitter, Facebook and other social media networks are increasingly used both by the government and the opposition. Internet access is improving with 7.3% of the population with regular access to the internet in 2016 compared to 2.4% of the population in 2008. Furthermore, the mobile phone user penetration rate increased by 93% between 2009 and 2014, with about 70% of the population using a mobile phone in 2014 (HDR 2015).

Freedom of speech and freedom of the press are guaranteed by law, but the law is not always respected. The High Authority of Broadcasting and Communications (HAAC), meant to protect press freedom and to ensure basic ethical standards, is heavily biased in favor of the government, notably during election campaigns. The parliament passed a more restrictive media law on February 19, 2013, that would have given the HAAC greater power over media with sweeping powers of censorship. Although the Constitutional Court overturned some of the repressive amendments of the media law, the lack of press freedom remained a critique of national and international human rights bodies. A new penal code was adopted in parliament in November 2015. The union of independent journalists complained about the significantly harsher sentences for reporting false news introduced by the new code,

Association /
assembly rights

6

'06 '18 10



Freedom of
expression

5

'06 '18 10



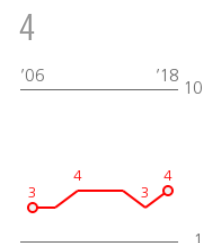
which the union considered an attempt to intimidate and suppress independent reporting. According to Freedom House (October 2016), Togo scored 60 out of 100 in 2015 for press freedoms (where zero refers to the most free), a slight improvement of two points over 2014. Consequently, Freedom House upgraded Togo's status from "not free" to "partly free." This was largely due to improvements in the media environment during the 2015 election.

3 | Rule of Law

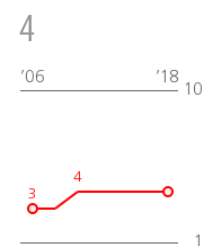
The constitution of 1992 established the legal framework for a presidential multiparty system in Togo. The president is elected for five years and cannot be challenged by the legislature (excluding extraordinary circumstances, such as abuse of office or illness). In a constitutional coup at the end of 2002, a majority of the then ruling party, the RPT (which had secured power through rigged elections), in parliament voted for constitutional change in order to guarantee the continuity of the political power of the Gnassingbé clan. Among other things, this included reform of article 59 of the constitution to allow for a third consecutive presidential term. The new electoral law of August 2009 introduced a first-past-the-post system, which provides the incumbent with a comfortable advantage vis-à-vis any challengers. The new procedure is unusual and problematic due to prevailing political conditions in Africa. The first-past-the-post system involves one round of voting, after which the leading candidate is declared the winner regardless of whether they've secured an absolute majority or not. This eliminates the opportunity for opposition candidates to re-group for a run-off vote. The prime minister is nominated by the majority group in the unicameral parliament and appointed by the president. However, a great deal of power is invested in the office of the president, which makes it difficult for the other sections of government to serve as a counterbalance. The legislature in particular needs much more technical and constitutional authority and capacity if it is to successfully act as a check on the president's power. In addition, the corrupt judiciary has yet to live up to its constitutional role.

An independent judiciary does not exist. The Supreme Court and Constitutional Court are dominated by members loyal to the Gnassingbé clan and the ruling party, as demonstrated by various biased decisions relating to recent elections prove. In September 2014, the president and the UNIR majority in parliament, boycotted by the opposition, re-elected the majority of the notorious Constitutional Court judges that had been chosen in 2007, including its president Abdou Assouma. In early October 2014, the latter published a controversial interview declaring the Global Political Accord as void with the advent of a functioning pluralist parliament. There is a sharp discrepancy between constitutional law and its implementation. A separation of powers between the judiciary and executive branches (attorney and police) is rudimentary. The president of the Judges' Professional Association (APMT) complained at the association's 2008 plenary that the Togolese people have

Separation of powers



Independent judiciary

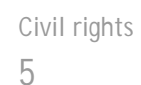
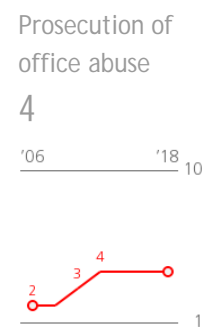


to suffer from a two-speed judicial system, one for the poor and another one for those who are able to buy the judges' decisions. A World Bank survey of businesses (2010) revealed that 60% of respondents believed that the courts were neither impartial nor free from corruption. Moreover, it is necessary to belong to the ruling party's inner networks to be nominated for any influential position in the judiciary. Finally, the judicial system suffers from legal pluralism (i.e., the separation of official and customary law derived from colonial times). The majority of poor people have limited recourse to official law in actual practice. Traditional chiefs are considered brokers between the state and local populations, and are recognized as custodians of customary law (*droit coutumier*) by constitutional stipulations. However, many of traditional chiefs have been discredited by decades of compliance with the autocratic Gnassingbé regime.

There exists a long-standing culture of impunity vis à vis human rights abuses of the security forces. Abuse of public office is still endemic in Togolese society, and the embezzlement of public funds remains rampant. However, the political opening has meant that corrupt officeholders are subjected to somewhat more (negative) publicity. Nonetheless, due to the judicial system's shortcomings, these officials are rarely prosecuted. Amnesty International (AI) and ACAT-France published a joint report in April 2015, "Togo: One Decade of Impunity." The report proposes a road-map to end impunity, notably of members of the security forces. Nevertheless, AI recognized slight improvements relating to human rights in its annual report on Togo, published in December 2015. These improvements included the criminalization of torture in the new penal code adopted by parliament on 2 November 2015.

The regime delayed the implementation of most of the recommendations for reform made by the Truth, Justice and Reconciliation Commission (Commission Vérité, Justice et Réconciliation) in 2012. In March 2015, the government established the High Commissioner for Reconciliation and Reinforcement of National Unity (Haut Commissariat pour la Réconciliation et le Renforcement de l'Unité Nationale), supplemented by a civil society platform, the Citizen Platform for Justice and Truth (Plateforme Citoyenne Justice et Vérité), in order to accelerate implementation. The National Human Rights Commission (Commission Nationale des Droits de l'Homme, CNDH) complained of a lack of resources and of the government's unwillingness to cooperate. A bill to improve the composition and organization of the CNDH, particularly with respect to the prevention of torture, was adopted in parliament in mid-October 2015.

Although the civil rights situation in Togo has improved substantially, serious problems persist. Most Togolese rely on informal institutions of justice. They do not have access to the national judicial system because they are too poor. However, even the handling of the customary law by traditional authorities, many traditional chiefs are hand-selected by the ruling regime and all too often their rulings preference the local power elites.



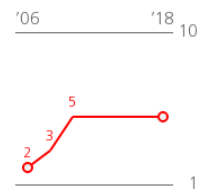
Deplorable prison conditions gained international attention. There were 4,422 prisoners (including 124 women) in 12 prisons designed to hold 2,720 people, according to a 2015 U.S. State Department Human Rights Report for Togo. The police and gendarmerie were reported to regularly use torture to extract confessions. Plagued by corruption, strong executive influence and lengthy pre-trial detention periods, the judicial system functions poorly. Civil rights for a number of groups are restricted.

Violence against women and the practice of female genital mutilation continues, though on a diminishing scale because of donor assisted awareness campaigns. Female genital mutilation was formally outlawed in 1998 and has decreased by more than half since 1996. However, the practice of female genital mutilation still exists on a considerable scale. (FGM/C about 4% on national average, U.S. Department of State Human Rights Report for Togo 2015). Other problems include child labor and the trafficking of people, especially children. Child labor in Togo is widespread, with many children working in the agricultural sector, but also in quarries and sand mines, and boys enrolled in some Islamic schools (known as talibés) were forced into begging. The worst forms of child labor, including in forced domestic work, were a result of human trafficking (U.S. Department of Labor, September 30, 2016). The 2015 penal code increased penalties for human trafficking and established penalties for the worst forms of child labor. However, the government has not devoted sufficient resources to combat child labor and the enforcement of laws related to child labor remain weak.

Togo has ratified most international human rights treaties. Nevertheless, there important omissions still remain. By the end of February 2014, the U.N. Human Rights Council encouraged the government to endorse U.N. treaties not yet ratified, including the Rome Statute of the International Criminal Court (ICC). Following the first Universal Periodic Review (UPR) at the U.N. Human Rights Council (Geneva) in 2011, Togo submitted its second national report on August 17, 2016. The UNHRC working group on the UPR adopted its report on November 4, 2016, proposing a further 136 recommendations for the improvement of human rights and the rule of law in Togo.

4 | Stability of Democratic Institutions

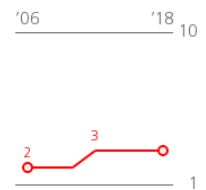
Formal political institutions are only partially democratic and their performance remains deficient. The president's conduct of office shows more transparency and commitment to dialog than has been the case during his father's regime. The question is whether his efforts are sincere and stable given that Faure Gnassingbé is still surrounded by many figures of the old dictatorial regime. Whereas parliament now engages in controversial debates, its deputies often lack professional depth of knowledge. This is due, on the one hand, to the legislature's insufficient working



Performance of democratic institutions

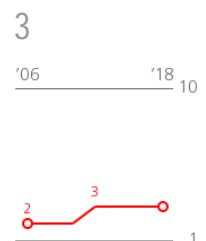
3

conditions and, on the other hand, to the fact that the opposition has yet to move beyond criticizing government and to formulate alternative policy proposals. Judicial reform is underway, but the aforementioned challenges (see “independent judiciary”) persisted throughout the assessment period. In Freedom House’s 2016 Freedom in the World survey, Togo’s overall status was upgraded from “not free” to “partly free,” mainly due to the peaceful conduct of the 2013 and 2015 free, although not fair elections. In the Economist Intelligence Unit’s democracy index 2015, the situation in Togo remained largely unchanged, with Togo ranked 130 out of 167 countries and classified as an authoritarian regime. Furthermore, Togo’s population appears have become increasingly frustrated by the regime’s inability to initiate meaningful reforms.



The commitment of the ruling elite to democratic institutions has obviously increased in the wake of the political opening and continuing pressure of international donors. Apparently, the Gnassingbé regime has learned from the past, as indicated by the formal rupture with the legacy of the former unity party RPT and its replacement by a modernized conservative party UNIR in April 2012. The regime was eager to strengthen legitimacy of its irregularly acquired grip on power through peaceful (although not democratic) legislative (2007, 2013) and presidential (2010, 2015) elections. However, as far as the existing institutions are concerned, a high degree of skepticism remains, since the president was not elected democratically and parliament, still dominated by the RPT/UNIR, has not shown its real potential yet. The personal cult around the president is still present in daily life. All this, together with the unpredictable attitude of the hardliners within the RPT/UNIR and the security forces, raises further doubts about the level of commitment to democratic institutions.

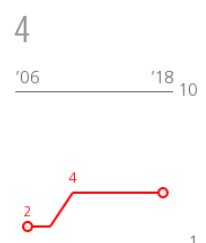
Commitment to democratic institutions



5 | Political and Social Integration

Although there exists 108 more or less significant political parties in total, Togo is de facto still a one-party system. Though the system is heading toward a two-party system involving the ruling UNIR party and the National Alliance for Change (l’Alliance Nationale pour le Changement, ANC). The ANC split from the Union of Forces of Change (l’Union des Forces de Changement, UFC) during the schism within the major opposition party following the lost presidential elections of 2010. The dissolution of the ruling RPT, the former socialist unity party founded in 1969, and creation of a modernized party UNIR in April 2012 was a response by the ruling party to adapt to the requirements of a modern multiparty system. This has included a gradual democratization of party processes and renewing of party members. However, the informal, personalized party structures remain pretty much the same. In the 2013 legislative elections, UNIR gained the absolute majority with 62 out of 91 seats, while its the coalition partner, UFC, won 3 seats. The reconciliation between RPT/UNIR and UFC resulted in a considerable weakening of the opposition. On May

Party system



26, 2010, the veteran leader of the UFC, Gilchrist Olympio, whose hopes of becoming president were declining due to his advanced age, surprisingly agreed to join a “government of national recovery.” This constituted a landmark in Togolese politics, in view of the bitter generation-long rivalry between the Olympio and Gnassingbé families.

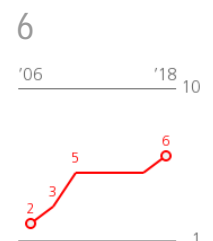
The opposition is split between a “radical” and a “moderate” wing, labels which were originally attributed by the government in the 1990s, with moderates more willing to cooperate with the government. The “radical” wing is represented by a broad opposition alliance, the Let’s Save Togo Collective (Collectif Sauvons le Togo, CST), which was founded in April 2012. CST is composed of political parties and civil society organizations led by the ANC. In August 2012, a confederation of smaller moderate opposition parties joined the foundation of a rainbow coalition, Arc-en-ciel. By the end of 2014, the opposition collectively agreed that J.P. Fabre (ANC) would stand as the opposition’s candidate for the 2015 presidential election and created a new opposition alliance, Fighting for the Political Alternative in 2015 (Combat pour l’Alternative Politique en 2015, CAP).

Nevertheless, the April 2015 presidential election again resulted in a victory for the incumbent candidate, because of the weakness of the opposition and democratic deficiencies in the electoral process. Consequently, there has been no change in power in Togo since 1967. To date, more than 88% of the population have not experienced a transfer of power in their life-time.

The party system still mirrors to a considerable extent regional and ethnic divisions. Thus, political parties tend to have readily identifiable ethnic and regional bases. The RPT/UNIR party had greater representation among northern ethnic groups than among southern groups, while the reverse was true for the UFC/ANC and CAR opposition parties. The 2015 presidential election reaffirmed this trend.

There exists a broad range of interest groups. The most influential Christian churches and the Union of Muslims in Togo (UMT) exert a mediating and constructive political influence which has been recognized far beyond their own followers. Earth priests (chef de terre) and traditional chiefs still wield a strong influence at the local level. However, their role as guardians of tradition and customary law, as enshrined in the constitution, has not yet been determined by the national decentralization program (Programme National de Consolidation de la Décentralisation, PNCD) initiated by the government in 2004. Student organizations consider themselves the political avant-garde and act accordingly. Until 2006, most of student organizations were intimately linked to the ruling party. Thus, the High Council of Students’ Associations and Movements (HACAME) degenerated into a pro-government militia which actively supported the incumbent’s bloody “enthronement” in 2005. Since 2010, oppositional student organizations have come to the fore, staging periodic anti-government demonstrations in the universities of Lomé and Kara since 2011. Their leaders have suffered political persecution. In addition, there exist numerous

Interest groups



professional representations of traders (e.g., the female cloth traders of Lomé, Nana Benz), farmers, lawyers and judges. However, many of them are either biased and closely linked to the former unity party RPT/UNIR or have little political influence. Although there are a large number of labor unions in Togo, none of them have the strength or capacity to significantly influence policy-making process. The unions nevertheless succeeded in convincing the government to continue paying subsidies for fuel, some staple foods and fertilizers so as to avoid a serious social crisis.

With the democratic renewal of the early 1990s civil society organizations (CSOs) mushroomed. According to informed estimates there existed about 2,000 CSOs in 2012, of which just 325 were officially registered. Since 1986, the government has promoted its federation within FONTGO (Fédération des Organisations Non-Gouvernementales au Togo, 150 members in 2016). However, some of the most credible CSOs are not represented by this federation. Therefore, two concurrent umbrella organizations have been formed. Many, CSOs are income-generating organizations for their founders (so-called ONG-valises). Their activities are mostly focused on Lomé and Togo's southern regions. Their target-groups, especially the poor and underprivileged, including women, are rarely allowed adequate rights of participation or self-determination. However, there exist a handful of CSOs that are influential and independent, and operate nationally. These include ACAT-Togo (Action des Chrétiens pour l'Abolition de la Torture), which won the French Republic's human rights prize in 1997, the human rights organization LTDH (Ligue Togolaise des Droits de l'Homme) and the advocacy group for gender equality GF2D (Groupe de Réflexion et d'Action Femmes, Démocratie et Développement). Some of these organizations cooperate with political parties in broad anti-government movements, such as CST.

According to a representative survey of Afrobarometer published in January 2015, just 21% of interviewed persons (2011-2013) felt free to say what they thought. Though 85% of respondents "agreed" or "strongly agreed" that there should be a two-term limit on the presidential mandate (which is not in effect). About two-thirds of respondents held the opinion that, under the current electoral system, the president could not be voted out of office or they could elect deputies who truly reflect their views. Apart from the Afrobarometer survey, no independent opinion polls are conducted in Togo. However, there is convincing anecdotal evidence that people indeed want a democratic system. This desire, however, does not so much express a reflected and informed approval of democratic principles and procedures than the profound desire for change. Nevertheless, the high level of participation (85%) at the legislative elections 2007 can be interpreted as an indication of the population's clear commitment to take part in building their democracy. The relative low turnout of 64.7% and 66.1% during the 2010 presidential and the 2013 legislative elections, respectively, was interpreted as evidence of public disappointment with the biased electoral process. In the 2015 presidential election, turnout was initially estimated to be about 53% nationwide, which is at least 10% lower than in the previous

Approval of
democracy

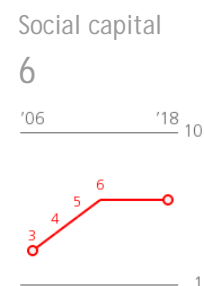
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presidential elections. Though this was later adjusted to 61% without explanation. The decline in turnout was interpreted as a sign of growing voter fatigue, which may have been aggravated by the boycott called for by smaller opposition parties.

The history of informal political institutions in Togo shows the rich base of “traditional” as well as “modern” institutions, which participate actively at all levels of society. The most notable outcome of people’s participation was the Sovereign National Conference of 1991 with representatives of all social strata of the nation. However, because the visions of this conference were dashed by violent political oppression of the dictatorial Eyadéma regime up to 2005, similar social initiatives were difficult to re-establish. On the base of the Global Political Accord of 2006 the general public were again more inclined to feel free to associate, to express their views and to organize themselves for self-help efforts, in spite of the government’s attempts to restrict association and assembly rights (see “association and assembly rights”). There exists a variety of traditional associations (including a multitude of microfinance or credit institutions, see banking sector), trade unions, human rights, religious and media organizations as well as numerous local associations. Many of these self-help groups are based on traditional systems of mutual support, others have been stimulated by international NGOs, churches or the government (see “interest groups”).

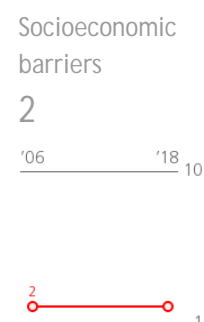


II. Economic Transformation

6 | Level of Socioeconomic Development

The current socioeconomic situation in Togo is precarious. According to the HDR 2015, Togo scored 2.8 out of 10 for overall life satisfaction, one of the lowest scores worldwide. In the 2014 HDI, Togo ranked 162 out of 173 countries, a fall of three places compared with 2012. Over a longer period, Togo’s HDI ranking has fallen from the bottom 23% of all countries surveyed to the bottom 10%. Yet, economic growth perspectives remained favorable with a 5.5% average growth rate in the years before 2015. But economic growth has been not inclusive. Poverty remains at a high level, with 55.1% of the population living below the poverty line in 2015. Though the poverty rate has decreased slightly from 59% in 2011 (WDI 2015, QUIBB 2015). However, the depth and severity of poverty as worsened, with about 81% of population now at risk of falling below the poverty line. The rate of extreme poverty in Togo is 49.2%, almost twice the 25.2% rate in Ghana. According to the IMF (2014), the distribution of regional poverty varies dramatically. For example, 91% of the population in the northern Savanes Region live below the poverty line, while 37.8% of the population in Lomé live below the poverty. The urban-rural divide is

Question
Score



also pronounced: 68.9% of the population in rural areas (e.g., in the Savanes, Central, Kara and Maritime regions) live below the poverty line (i.e., an annual income of €239), while 37.8% of the population in Lomé live below the poverty line (i.e., an annual income of €69). Regional and inter-household income inequality is increasing. The Gini coefficient for Togo increased from 0.34 in 2013 to 0.38 in 2015. The rural exodus continues. Today, about 40% of the population live in urban areas, an increase of 160% between 1990 and 2014 (AEO Togo, 2016). Urban unemployment and underemployment persists, with an estimated 33% of the urban population either unemployed or underemployed. Though officially the national rate of underemployment decreased from 6.5% in 2011 to 3.4% in 2015. In 2012, life expectancy at birth was 57.5 years, while the mortality rate for children under 5 years old was 85 deaths per 1,000 live births (HDR 2015).

Discrimination against women is widespread, but decreasing gradually (see “Equal opportunities”). Available figures concerning the prevalence of HIV are only estimates, but varied from 2.3% to 3.6% of adults aged 15 to 49 in 2001, decreasing to 1.4% to 4.1% of adults in 2013. This decrease is partly attributable to the introduction of free anti-retroviral treatment in November 2008. According to the National AIDS Committee (CNLS), the rate of HIV fell from 5% in 2001 to 2.3% in 2014.

All in all, the changes in the country since 2006 have not yet led to a substantial improvement in people’s living conditions. The subsistence economy in rural areas, the potential of the informal sector in urban areas and remittances from expatriated Togolese have helped to avoid a more severe crisis. However, on balance, Togolese citizens lack adequate freedom of choice and an effective decentralization policy including a real devolution of power and resources. At end of September 2015, the United Nations selected Togo to host the first workshop of the working group of Francophone African countries. The goal of the workshop was to prepare for the implementation of the United Nations’ 17 Sustainable Development Goals (SDGs). In June 2016, the first session of the U.N. economic and social council set-up to evaluate Togo’s progress toward the SDGs took place. Togo was the first of 22 pilot countries who had agreed to participate in this exercise. The most significant challenges to achieving the SDGs by 2030 identified by report included: youth unemployment, coastal erosion and an inadequate energy supply. In addition to the government, the report identified CSOs, Togo’s expatriated diaspora communities and remittances as important to achieving Togo’s SDGs.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	4080.9	4482.9	4087.6	4400.0
GDP growth	%	4.0	5.9	5.4	4.9
Inflation (CPI)	%	1.8	0.2	1.8	0.9
Unemployment	%	6.8	6.8	6.8	6.8
Foreign direct investment	% of GDP	4.5	1.2	6.3	5.8
Export growth	%	-16.3	-5.5	2.8	5.2
Import growth	%	76.2	-3.1	13.7	-3.5
Current account balance	\$ M	-568.3	-457.9	-460.8	-
Public debt	% of GDP	56.4	65.2	75.6	80.8
External debt	\$ M	896.0	986.3	1054.4	1176.0
Total debt service	\$ M	52.4	59.3	59.6	88.8
Net lending/borrowing	% of GDP	-4.9	-	-11.8	-
Tax revenue	% of GDP	20.0	-	21.8	-
Government consumption	% of GDP	15.5	14.2	15.9	14.3
Public education spending	% of GDP	4.7	4.9	5.2	-
Public health spending	% of GDP	2.1	2.0	-	-
R&D expenditure	% of GDP	-	0.3	-	-
Military expenditure	% of GDP	1.8	1.9	1.7	1.9

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

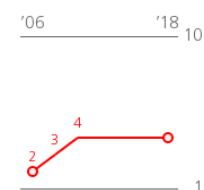
7 | Organization of the Market and Competition

Once euphemistically called the “Switzerland of West Africa,” Togo today strives to transition from a low income, fragile state to an emerging economy (World Bank, 2016). Yet, Togo still lacks the foundations for credible market-based competition and good governance, although there have been undeniable improvements.

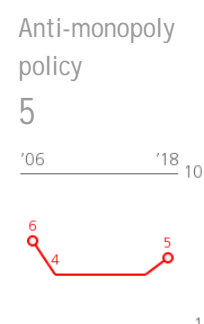
Togo remains dependent on international development aid. The European Union, France and Germany signed commitments totaling €15 million in 2016 for the period 2004 to 2020. Insufficient access to credit constituted one of the major barriers

Market-based
competition
4

to enterprise development, followed by meager results of the fight against corruption on all levels of administration, including the judiciary. Fiscal deficits increased in recent years, raising sustainability concerns. The revival of the phosphate and cotton sectors by improved governance, the attraction of private investors and the capacity-building of cotton producer's organizations, are still regarded by the World Bank and IMF as major drivers of growth. Regulatory burdens mean that the business climate in Togo is not very investment-friendly. According to the World Bank's Doing Business report, the business environment in Togo has improved little over the past six years. In 2009, Togo was one of the worst performing economies, ranked 166 out of 183 economies. However, Togo's rank has since improved and Togo ranked 154 out of 190 economies in 2017. As in the case of five other members of the West African Economic and Monetary Union (WAEMU), which equally ranked at the bottom, Togo's political and administrative operating environment constituted a barrier to the growth of private direct investment and private sector activities. Major deficiencies in tax paying (high taxes and costly customs procedures), enforcing contracts, property registration and protecting investors impeded FDI. Likewise, the Heritage Foundation ranked Togo 138 out of 180 countries in the 2017 Index of Economic Freedom.



Key sectors of the economy, notably the banking, cotton and phosphate sector, are still in the hands either of a few individuals or parastatal. The electricity sector is still characterized by high costs and limited penetration. On September 2, 2015, the government announced three bills aiming to eliminate the well-established monopoly held by Communauté électrique du Bénin (CEB), a public enterprise owned by the governments of Togo and Benin, on the purchase of electric power in Togo. In June 2016, the parliament adopted a law authorizing the ratification of the international Benin-Togolese accord of electrification, which ended CEB's monopoly and opened the market to competition. However, CEB retained its monopoly on purchases of energy imports for its own sources of production and transportation. Further privatization and adequate steps to attract foreign and domestic private investment are part of a strategy to stabilize macroeconomic stability and growth, but they have still to be put into practice. Privatization of the state-owned banks was further delayed (see Banking System). Reforms of the mining, telecommunications and energy sectors progressed slowly under resistance from vested interests (IMF 2016). The mining industry has the potential to develop into one of Togo's largest economic sectors, with the country being the world's fourth largest phosphate producer. Togo's estimated 60 million metric tons of phosphate reserves would significantly boost the mining industry. However, the Société nouvelle des phosphates de Togo (SNPT), which is public-private venture (60% state-owned, 40% owned by private farmers), was still looking for new partners worldwide for the planned expansion and modernization of ailing phosphate production. Phosphate production together with sand (which is used for cement) accounts for around a quarter of Togo's export earnings.



Foreign trade is liberalized in principle, but significant limitations persist. Togo's major agricultural exports are cotton, cocoa and coffee. These exports generate about 40% of Togo's export earnings, with cotton being the most important cash crop. Moreover, Togo is among the world's largest producers of phosphate. Re-exports are significant as well, as Togo is one of West African's most important transit-economies, along with neighboring Benin.

According to the Heritage Foundation's 2016 Index of Economic Freedom, economic freedom in Togo has improved substantially over the past four years. In 2016, Togo scored 53.6 out of 100 points, an improvement of 5.3 points since 2012, and ranked 135 out of 178 economies worldwide and 29 out of 46 economies in sub-Saharan Africa. Thus, Togo was for the first time upgraded from "repressed" due to improvements in six of ten economic freedoms, notably investment, trade and business freedoms. Nevertheless, Togo's overall status, defined as "mostly unfree," remains poor. Among the key constraints to promoting shared prosperity the World Bank identified barriers to entry, policies and regulations distorting private economic activity, high and distortionary taxation and poor governance (World Bank 2016). In 2015, Togo ratified the WTO free-trade agreement, with a third of the LDCs having now signed the treaty.

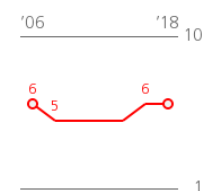
The Togo Export Processing Zone (EPZ), created in 1989, aims to promote foreign trade and attract investments. It grants privileges (tax, financial and administrative) to encourage participating companies to increase employment and value-added activities. In 2016, the EPZ comprised 57 operational enterprises and 37 companies in the process of becoming operational. These companies are from 13 different nationalities, while 29% of the companies are owned by Togolese investors (valued at about \$300 million). The companies provide over 13,000 full-time jobs, representing a significant proportion of employment in the formal private sector, and exported \$260 million. In 2012, the EPZ accounted for more than half of Togo's exports, 80% of EPZ products were sold in ECOWAS countries. However, domestic value added in the EPZ has declined from 51% of the turnover of companies in the EPZ in 2001 to 36% in 2008 to just 18% in 2012. The World Bank recommended a restructuring of the EPZ to promote more labor-intensive export industries. But even so Togo's economy remains vulnerable to shocks to export demand.

In general, the weighted average tariff rate decreased from 15.87% in 2008 to 9.51% in 2014. But freedom of trade was also restricted by non-tariff barriers of trade.

The banking system in Togo has deteriorated since the early 1990s because of unprofessional government involvement in lending and banking decisions. As a consequence, the IMF has requested since 2007 a reform of the banking sector, including the privatization of government-run banks and an increase in bank capitalization. The system was then put under the scrutiny of the WAEMU. More than 30% of loans issued by these banks were considered to be non-performing and strained by bad loans from parastatals. The government wanted to privatize public

Liberalization of
foreign trade

6



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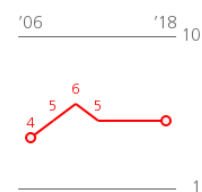
Banking system

banks by the end of 2010. However, the privatization of the four public banks has been delayed due to the banks' weak finances and the unwillingness of the government to sell according to market conditions rather than in the interests of the Gnassingbé clan and its followers. In October 2015, the nomination of a sister-in-law of the president, Magui Gnacadé, as director of the Bank for Trade and Industry (BTIC), one of state-owned banks, in October 2015 attracted controversy. In particular, private media and opposition parties were critical of Gnacadé's lack of relevant qualifications or experience. The IMF has also recommended that action be taken to tackle vulnerabilities in other banks.

In addition to formal institutional banking, the microfinance system (systèmes financiers décentralisés, SFD), and informal traditional African savings and loans schemes (tontines, known as Adakavi in Togo) play an important role, especially for small- and medium-sized enterprises in the informal sector. Widespread informal mutual tontines had an estimated 2.5 million beneficiaries by end of 2014. These beneficiaries included 660,000 women and 86,000 entrepreneurs from the formal sector (APIM, 2015; AFD 2016; AEO Togo, 2016). In the microfinance, and savings and loans system, overall savings amounted to \$249 million and credits to \$207 million in 2015. The system included about 200 formal microfinance initiatives, with about 500 service points nationwide. These initiatives are assisted by the Association Professionnelle des Institutions de Microfinance du Togo (APIM-Togo), which was created in 2004 to promote the development of the microfinance industry in Togo. Despite the large number of SFDs, the sector remains concentrated in a few cooperative networks. The largest of these networks is FUCEC Togo and WAGES, which account for about 70% of the market.

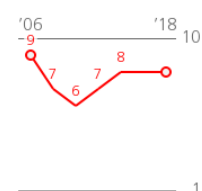
8 | Currency and Price Stability

Consumer price inflation remained low (below 2% on average between 2013 to 2015). The inflation rate should remain moderate over the coming years due to the currency peg and government subsidies on fuel prices. As a member of the CFA franc zone, the country cannot pursue an independent monetary policy. The West African CFA franc is pegged to the euro at a rate of CFA 657.88 to €1. The central bank of WAEMU, the Banque centrale des Etats de l'Afrique de l'ouest (BCEAO), is meant to control both inflation and the viability of the West African CFA franc's value to the euro. Integration into the franc zone is still mainly justified for political rather than economic reasons. This is because of high exposure of West African countries to political crisis. However, crucial common denominators of the CFA franc zone are not necessarily in the economic interests of Africa. Its shared colonial heritage, including a social and economic infrastructure, oriented to the mise en valeur of African resources for the former colonial power, entails a considerable loss of economic and political sovereignty on the part of African member states. In addition, the volatility of the euro, caused by the global financial crisis and poor governance in some EU member states, shows that the perpetuation of the established monetary



Anti-inflation /
forex policy

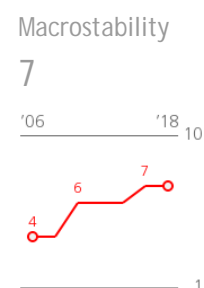
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structure of the CFA franc zone is increasingly anachronistic. The fixed value of the West African CFA franc to the euro, which reflects the interests of highly industrialized European countries, led to an overvaluation of the West African CFA franc's real exchange rate. This could constitute an obstacle to sustainable indigenous development in francophone Africa. Yet, the major structural deficiencies within and between member states of each zone cannot be solved by monetary coordination alone. Tackling these structural deficiencies requires sustainable political and economic solutions, adapted to the specific needs of each WAEMU member state, which would enable each member state to take ownership of the measures and instruments. Therefore, African governments, including the government in Lomé, should get the priorities right. In other words, each government ought to first implement sustainable solutions to the problems of crisis resolution and prevention, and the fight against corruption and rent-seeking to then promote good governance, transparency and accountability.

In the past, the government pursued a stability oriented monetary and fiscal policy. At the end of 2010, Togo had become the 31st country to successfully graduate from the HIPC process. The IMF and major bilateral donors (e.g., France, Germany and Italy) approved the cancellation of debts. Because of this write-off, the public debt burden fell from 52.7% of GDP in 2009 to 17.2% in 2010, or 32.3% including debts owed by parastatals. However, this negatively affected structural reforms, which have since substantially slowed down. Though the government finally implemented the unified revenue authority (Office Togolais des Recettes, OTR) in 2014, merging the customs and tax directorates. However, public debt, including the debts owed by public-sector enterprises, increased from 48.6% of GDP in 2011 to 75.4% in 2015, which was above WAEMU's total public debt limit (70% of GDP). Although this mainly reflected investment in public transport infrastructure, considered necessary by major economic actors, the large debt service repayments put significant pressure on the government budget. Urged by the IMF, the government agreed to refocus on sustainably financed infrastructure spending and targeted social programs, such as the Programme d'Urgence de Développement Communautaire (PUDC) and Programme d'Appui aux Populations Vulnérables (PAPV), to be integrated in the National Development Plan (PND, 2018-2022). Reform of the banking, phosphate and cotton sectors has lagged behind.

An average economic growth rate of 5.5% for the period 2015 to 2018 (IMF 2015) is expected to continue to 2021 due to the benefits of the improved transportation infrastructure and productivity gains in the agricultural sector. The agricultural sector accounted for 47.6% of GNP in 2015 and employs half the economically active population in Togo. The role of the private sector in driving economic growth is expected to increase. However, economic growth was overshadowed by increasing individual and regional inequality as well as environmental degradation, which more than offset economic growth (see environment). All in all, the economy and government budget remain volatile and prone to external shocks.

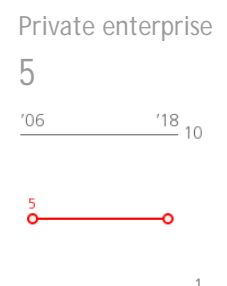
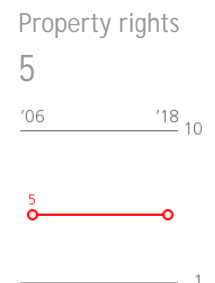


9 | Private Property

The judicial system does not sufficiently protect private property. The influence exercised by the executive is too strong. Inheritance and property protection laws are deficient, notably for women. And where they exist, they are not adequately enforced. As for most of the laws, contracts are difficult to enforce. The ongoing reform of the judiciary needs to address these issues. Because of the state of quasi-lawlessness in many sectors, there is a substantial black market for illegally imported products, mainly electronics, computer software and cosmetics.

The problem of a complex land-tenure system in which traditional and modern law coexist and compete is exacerbated by land scarcity. The land-tenure regulations are still dominated by traditional African customary laws, re-interpreted by traditional chieftains and local authorities, often to their own advantage, notably in the countryside. Most contracts on agricultural land are still verbal. Disputes over land are extremely common. 80% of court cases regard land-tenure questions, according to the Truth, Justice and Reconciliation Commission (Commission Vérité, Justice et Réconciliation). Only about 36% of arable land is under a tenure system that provides long-term security. Especially poor farmers, migrants and women have no secure rights. The fight against land grabs threatens 25,000 hectares in Togo, including 23 cases of lease contracts or large-scale land acquisitions, has gained momentum (Forum national sur l'accapement des terres, FOPADESC 2012). Among the rural areas most affected are those with high agricultural potential, such as the prefectures of Amou, Ogou, East-Mono, Haho, Kpélé and Kloto in the plateau region, as well as those on the plain of Mò in the central region. The perpetrators are often affluent officials, politicians or businessmen. They use methods ranging from creating and sustaining inter-community conflicts to outright intimidation. Much of the at-risk land has not been cultivated for several decades and its value is largely speculative. These damaging practices threaten the food security of Togo's rural poor, since land grabs deprive rural populations of their main production tool. Stakeholders urged the government to reinforce the legal framework protecting the right to food within its national Food Security Program (PNIASA), and to implement as soon as possible land reforms corresponding to international standards that prevent land grabs and forced evictions (ANoRF-Togo 2013).

A limited sector of mostly small- and medium-sized enterprises cover a greater part of the Togolese' day-to-day consumption needs. But the private sector is comprised primarily of the agricultural sector, which employs 65% of the country's labor force in both subsistence and small-scale commercial farming. The informal sector still prevails, it provides employment for more than three times as many laborers than the formal sector. According to the World Bank's Enterprise Survey of Togo 2009, about 75% of the 155 firms surveyed started operation without being formally registered, an indicator of the prevalence of the informal economy. On a larger scale, there are



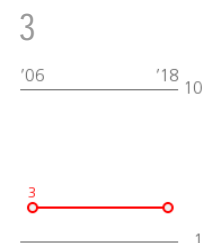
still too many hurdles to developing a stable private sector. Government procurement contracts and dispute settlements are subject to corrupt practices. In 2012 government adopted a new investment code promising equal treatment of domestic and foreign investors. However, investment is permitted only in certain sectors. Every investment must have a minimum value, and is screened on a case-by-case basis, which opens doors to further bribery. The lack of transparency and predictability, and the high informal transaction costs inhibit robust FDI. Foreign exchange accounts need prior government approval. In November 2010, the government ratified a Charter of Small and Medium Enterprises meant to promote the informal sector by providing a more friendly administrative environment for the development of SMEs. So far, the part of SMEs in public orders remains negligible, below 5% on average in the WAEMU, because this sector was considered as the preserve of big enterprises and multinationals.

The overall tax burden equals 16.7% of domestic income. About one quarter of government revenue is provided by tariffs. Regarding business taxes, the government cut the rate of corporation tax to 30% (from 37%) for industrial firms and to 33% (from 40%) for other enterprises. The highest income tax rate is 45%, although this is rarely payed.

10 | Welfare Regime

Togo's welfare system is underdeveloped. It is available only to government employees and those employed in the formal sector. The monthly minimum wage (salaire minimum interprofessionnel garanti, SMIG) was increased in August 2008 to CFA 28,000 (€2.68). The updated SMIG of CFA 35,000 (€3) was applied to the Lomé free-trade zone in January 2012 by stipulations of the Convention Collective Interprofessionnelle du Togo. However, workers complained regularly about precarious working conditions characterized by bad hygienic and security conditions and non-payment of the minimum wage. The Togolese minimum wage is still rather low compared with CFA 60,000 (€1) in Côte d'Ivoire (2013) and 18,000 NGN (€3) in Nigeria. In any case, it is hardly enough to feed an individual for a month and only applies to the formal sector. About 85% of the working age population is active and an estimated 33% underemployed (2011), while youth unemployment is a major problem in urban centers. The government tried to counteract this tendency with limited success by introducing in 2011 a program for unemployed school leavers, PROVONAT (Programme de Promotion du Volontariat au Togo). PROVONAT, which was backed by the UNDP, was reformed in June 2014 into the National Agency of Volunteers in Togo (Agence Nationale de Volontariat au Togo, ANVT). The program secured volunteer positions for 2,334 people of which 1,092 people had secured employment by 2016. Overall, 8,906 volunteers (32% women) have participated in the programs since 2011 and in one program 44% of participants found employment.

Social safety nets



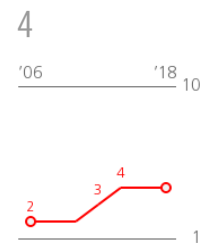
Pension schemes in Togo do not guarantee beneficiaries a decent living. Despite the fact that the median age in Togo is 18.6 years (i.e., almost half of the population is younger than 18), the current system is no longer financially sustainable. This is why the government has been negotiating with unions to increase the pension entry age for civil servants to 60, which would put further pressure on the labor market. The state of Togo's health services system is lamentable. In February 2011 parliament adopted a new health insurance law covering the 80,000 public sector employees, who have to contribute 3.5% of their monthly wages. Most individuals suffering hardship or accidents rely either on the help of family (or clan) members or that of a traditional mutual assistance schemes. These schemes are self-organized by their members, who provide services either on a rotating basis (e.g., rotating savings clubs (tontines)) or in the event of an emergency.

Togo does not provide equal opportunities to all citizens, especially to women. There are severe disadvantages for girls in the Togolese education system, notably with regard to secondary and higher education. In 2015, the enrollment ratio of women to men was 0.9 in primary education, but 0.5 and 0.4 in secondary and tertiary education respectively). The literacy rate is considerably lower for women (73%) compared to men (90%).

Although women are dominant in the informal sector (e.g., agriculture and petty trade) and form almost 51% of the labor force, they have only very limited access to, and control of the factors of production (land, equipment, inputs, credit). In addition, it is highly unlikely that they will get equal access to wage employment in the formal sector in the foreseeable future.

Yet, the exclusion of women from key activities in the economy and politics has slightly improved since 1990. In 2008, the government introduced a national action plan to correct gender inequality (PNEEG - Plan d'Action national pour l'équité et l'égalité de genre au Togo 2009-2013). However, the means to implement this policy are insufficient. Discrimination of women remains widespread. According to the latest Women's Economic Opportunity Index (EIU 2012), Togo ranked among the lowest countries globally, 122 out of 128 countries. In the most recent Gender Inequality Index (GII), Togo ranked 134 out of 188 countries in 2014. The percentage of girls who completed primary education rose from 55% (2008) to 79% (2014), against boys from 77% to 91% (World Bank 2016). Girls are increasingly more disadvantaged vis-à-vis boys as the level of education increases. However, gender inequality is most pronounced concerning property rights (land tenure), access to credit and employment. Women are underrepresented in the political arena (i.e., government, parliament and political parties) and enterprises. Togo amended the national electoral law in 2013, which now requires that candidate lists include equal numbers of men and women. This amendment will be applied from the next (2018) legislative election. In addition, a 2013 law on Political Party and Electoral Campaign Funding provides that 20% of public funding allocated to political parties be

Equal opportunity



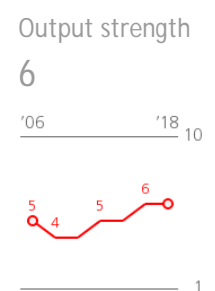
distributed in proportion to the number of women elected in previous legislative elections. The last legislative elections (2013) resulted in the election of 16 women deputies out of a total of 91 deputies (17.6%), compared with 9 (11%) in the previous parliament elected in 2007. Women have comprised 11.1% of mayors and 0.38% of canton chiefs since the 2000s (IMF 2014). All the same, the representation of women in the cabinet decreased from 26% in 2013 to only 3% women (Alphabetization, Trade and Postal Service) or 13% in the cabinet since the latest government reshuffle in August 2016. The socio-cultural conditions for a stronger participation of Togolese women in politics are rather bleak. A survey of Afrobarometer (2014) revealed significant gender differences concerning men and women's interest in political affairs. Just 31% of women have participated in election campaigns against 52% of men, and three times more men (27%) assisted candidates as women (8%) during the 2010 presidential election.

According to a UNDP report of April 2010 the unequal distribution of the standard of living (Gini coefficient 33.5%) is overwhelmingly due to inequality in income differences according to region (i.e., a north-south divide), gender and socioeconomic strata. Political factors have disadvantaged southern parts of the country since 2006. However, the significance of these factors has decreased (apart from the public and security services), although belonging to a wealthy family or having a family member in the administration remain important factors in securing formal employment.

11 | Economic Performance

Togo still belongs to the low-income countries with a per capita income of PPP \$1,320 (WDI 2015). However, economic growth remained strong at about 5% and has been consistently over 4% per annum since 2010, driven by investment in infrastructure, and the key cement and clinker sector. Inflation has been below 2% since 2012 (when it surpassed 3% per annum). Foreign direct investment has been around 2% of the GDP since 2012 as well. Public debt, however, has increased since 2010 rising from 49.9% in 2010 to 62.3% in 2015.

Togo's main exports include re-exports, cotton, phosphates, coffee and cocoa. High rates of underemployment in general (33%), notably among recent school leavers (65%), remain alarming. The current account deficit widened from 7.4% of GDP in 2008 to 11.2% of GDP in 2015, mainly financed by concessional external loans. Apart from domestic problems such as poor infrastructure, an erratic electricity supply, limited foreign investment, the suspension of international aid (1993-2007), and an adverse sociopolitical environment, the increase of imported food and fuel prices in the 1991 to 2008 period of political instability and subsequent aid crisis also had a severe impact on the economy. Factors like the foreign trade ratio, foreign capital investment and wage incentives have had a strong impact on efficiency.



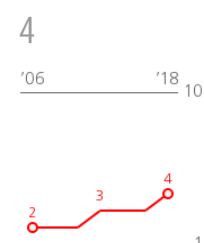
Togo once counted among the largest phosphate producers in Africa. Phosphate provided 40% of the country's revenues from exports and made up more than 20% of Togo's GDP. Since 1997, however, production has fallen from an annual 5.4 million metric tons to 800,000 metric tons in 2010, primarily due to corruption and mismanagement. Production increased again to 900,000 metric tons in 2013 (27% of export earnings from minerals, compared with 49% for clinker and 24% for gold), and Togo again became the fifth largest phosphate producer worldwide. However, phosphate earnings, representing about 14% of domestic exports (excluding re-exports), were affected by the volatility of world prices of phosphate (e.g., the world price decreased by 24% in 2014) and a 9.4% reduction in production due to outdated technical equipment and prolonged strikes in the mining industry in 2015.

Diversification of mining resources and more equal regional distribution of benefits was one of the major objectives promised by the president during the UNIR's foundation congress in April 2012.

12 | Sustainability

Environmental degradation and natural resource depletion is mainly due to population pressure, outdated and neglected farming systems, and global climate change. According to the IMF, the current economic growth rates are completely offset by environmental degradation, primarily through soil and forest resource depletion, coastal erosion, and ambient air and water pollution. Due to the country's failure to accumulate and preserve its physical, financial and natural wealth, Togo's net national savings rates are negative when adjusted for environmental degradation (WDI 2006-2012). Between 1990 and 2010, Togo has lost 58.1% of its forest cover, which represents roughly 398,000 hectares. Notably between 2000 and 2005, Togo had one of the highest deforestation rates in the world. According to the Yale University's 2016 Environmental Protection Index, Togo ranked 161 out of 180 countries. Environmental laws and programs were first adopted long ago, but are insufficient and poorly enforced. Deforestation rates remain high at an annual rate of 1.4% (2015). Togo's consistently high deforestation rate dates back to the early colonial period and the establishment of cotton production for export. Reforestation attempts have been unable counteract this development. This is attributable mainly to slash-and-burn agriculture and the use of wood for fuel. The government aims to influence a change in habits by subsidizing kerosene and household gas as a substitute for the domestic use of firewood, but to little avail. In October 2015, the government started a \$4 million project (2015-2018) to reduce deforestation. Other forms of pollution include water contamination that presents health hazards and hinders the fishing industry. Air pollution is increasing rapidly in urban areas as well. Nevertheless, the environment in most Togolese towns is much cleaner compared to years past, as some waste management efforts have begun to yield improvements. In general, however, eco-friendly consciousness is not well developed, neither by the

Environmental policy

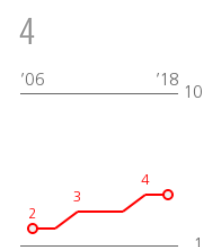


population nor by producers, including the mining companies. This results in serious environmental pollution (e.g., by phosphate sludge) and health hazards. In December 2016, Togo and four neighboring countries (Nigeria, Ghana, Benin, Côte d'Ivoire) agreed to ban imports of dirty fuels from Europe. The imports had been revealed by the Swiss campaign group, Public Eye, in September 2016. Public Eye had discovered that retailers were exploiting weak regulatory standards in West Africa, which dated from the colonial era, to export diesel containing levels of toxins that were illegal in Europe. The new stricter standards have reduced the sulfur limit in fuels from 3,000 parts per million to 50 parts per million, although this is still above the EU limit of 10 parts per million.

After having suffered under the political and economic crises of the past decades, the entire education system has since recovered with remarkable success. Public spending on education averaged 4.6% of GDP (2008-2010, UNICEF 2014). Free primary school education was introduced in 2008. As a consequence, the gross enrollment ratio increased considerably. In 2012, the gross enrollment ratio was 133%, with the net enrollment ratio averaging 94.3% between 2008 and 2011 (UNICEF 2014). The gross enrollment ratio compares now favorably with neighboring African states. Overall primary school completion rate (TAP) increased from 57% to 77% between 2008 and 2012 (World Bank). Though gender inequality persists with the average female primary school completion rate at 52% and male primary school completion rate at 71% between 2005 and 2010 (PRB 2014). The youth (15 to 24 years) literacy rate stands at 87% (male) and 73% (female) (on average for 2008-2011; UNICEF 2014). However, the quality of education is worryingly poor. Insufficient and poorly qualified teachers, and classes of 50 pupils are common. Increasingly, children aged between 5 and 14 are forced into work due to the poverty of their families. The adult literacy rate remains low (total: 64%; male 76%; female: 53% on average for 2008-2012, UNICEF 2014). There are strong regional inequalities in education as well, as indicated by the literacy rate (for the same age group) of just 25% in the Savanes region and 85% in Lomé, or in general of 43.5% in rural areas as compared to 79.2% in urban areas. Furthermore, universities are overcrowded, lack resources, staff and learning facilities. Because of a lack of state resources some local communities assumed responsibility for the running schools, notably in the poorest regions in the north. Thus, in the Savanes region, most of the schools were entirely funded by the local community, which supported the building classrooms and paying teachers' wages (UNDP-MDG-report, 2015:67). Private schools are expensive and not always of better quality. Secondary schooling remains still on a low level (35% completion rate in 2010). However, the absorption rate of school leavers into the national economy is limited and unemployment among recent school leavers is alarmingly high.

Research and development remains a neglected area. According to latest available World Bank figures, R&D expenditure stood at only 0.3% of GDP in 2014.

Education policy /
R&D



Governance

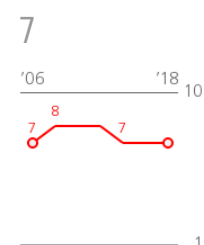
I. Level of Difficulty

Togo is a small country with promising natural resources. The population still depends to a large extent on subsistence farming. Major foreign exchange earners are the ailing phosphate sector, clinker, cement and cotton production and (mostly illicit) re-exports, all dependent on volatile terms of trade on the world market. In addition, the country only produces some of the energy that it needs. Togo is dependent on neighboring Ghana and Nigeria for electricity and gas supply. Access to electrical power remains a luxury for most of the Togolese population, whose main source of energy is firewood and charcoal, which combined comprise 80% of the country's energy. The increases of food and energy prices, combined with the impact of the global economic crisis, have made matters worse for efficient governance. Migration, accelerated by the political crisis has had a dramatic impact on the country's labor force in the last two decades. Many qualified Togolese can be found in Europe but also in neighboring West African countries. The lack of good governance, including the ruling elite unwillingness to devolve power, still constitutes the major single development barrier.

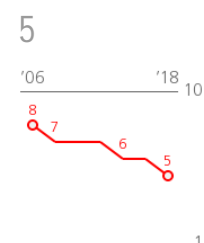
However, increasing raw material demand of new global players like China and India provide the much-needed stimulus to revive the export industries and to improve Togo's bargaining position in economic cooperation (aid), as big infrastructure projects financed by the Chinese show (e.g., the construction of a new Lomé international airport, the extension of the deepwater harbor and the reconstruction of major national highways). At the same time, good foreign relations with the new global players allow for a resumption of the see-saw policy already successfully practiced during the Cold War between competing major donor countries.

Civil society development flourished with the second wind of change since the early 1990s. Today, there are thousands of NGOs and associations in all spheres of public life that exercise their right to freely express their opinion or form self-help groups (see Interest Groups). This has resulted – mainly in the cities – in the creation of a multitude of different associations, often competing against each other for both the right to represent their clientele and for donor support. There are notable partnerships between various interest groups that have been forged around issues such as human rights, elections, gender and micro financing. This indeed is a clear sign of agency

Structural constraints



Civil society traditions



and a vibrant civil society determined to take its fate in its own hands. Some of these civil society organizations should exercise greater transparency in defining their operational mode and objectives. It remains to be seen whether such associations will gain the same strength in rural areas that they have in urban areas, especially Lomé.

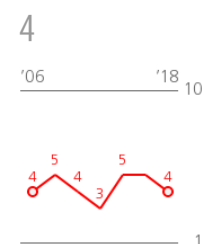
The high potential for conflict that existed under Gnassingbé Eyadéma's rule through the ethnic polarization and the militarization of society can no longer be considered the one crucial impediment to Togo's development. Yet, both elements still need to be considered. The most important determining factor in conflict remains the power politics of the Gnassingbé clan and its followers. It should be mentioned that Togo has not yet encountered severe tensions between different religious groups. Generally, the relationship between Muslims and Christians is amicable. Cooperation is sought by both groups on many occasions. Transnational conflicts between pastoral farmers and large-scale agriculturalism are still virulent beneath the surface. Occasional instances of violence occur in about one third of prefectures, notably in northern and central Togo. Thus, violent conflicts between Fulbe nomads and local peasants of Bago (Central Togo at the Benin border) resulted in 50 dead and over 100 injured persons in August 2011. Regional inequalities, and sentiments of distrust and mutual antipathy between people in the south and north still need to be addressed. Having enjoyed the spoils of the system throughout much of recent history, northern Kabyè still holds an unduly high number of relevant public offices compared to their counterparts in the south. There are sharp and increasing differences between the poor and the rich in Togo, but these have not yet led to a situation of violent conflict. Yet, growing discontent among unemployed school leavers contributes to political unrest in urban centers, notably in Lomé.

II. Governance Performance

14 | Steering Capability

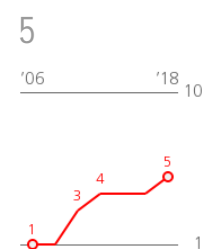
It remains unclear whether the political leadership as a whole is committed to political democratization, decentralization and economic liberalization. Nevertheless, major improvements are undeniable. According to the Ibrahim Index of African Governance 2016, Togo counted among the top five best improvers over the past decade for overall governance. In 2015, Togo ranked 33 out of 54 countries having gained 9.7 points between 2006 and 2015. Overall, Togo ranked second behind Côte d'Ivoire (+13.1 points between 2006 and 2015), followed by Zimbabwe (+9.7), Liberia (+8.7) and Rwanda (+8.4). Yet, on some individual indicators, Togo's performance deteriorated between 2006 and 2015. Actual politics point into the same direction. However, cleavages between hardliners and modernizers within the

Conflict intensity



Question Score

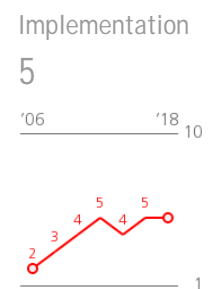
Prioritization



Gnassingbé clan, ruling party and security forces are still simmering. These cleavages have the potential to erupt at any time, especially if the regime's power base in politics and economy is threatened by an electoral defeat. In addition, a broad coalition of radical and moderate political parties together with civic movements demand an end to Gnassingbé's rule.

In 2008, Togo joined the African Peer Review Mechanism (APRM) of the NEPAD. The APRM is meant to enhance good governance in the region. However, the first efforts to initiate a nationwide evaluation structure in Togo only reluctantly began in 2011. There is a national APRM commission, composed by 37 CSOs, hand-selected by the government and members of the public administration. A mid-term evaluation of the APRM, including stakeholder analyzes of five West African states (Togo, Ghana, Benin, Mali, Niger, Burkina Faso), completed in February 2016 as well as an ECOWAS APRM-workshop in Abidjan at end of November resulted in mixed findings. The evaluation directed by the national APRM commission is still in progress, including regional seminars for capacity-building of CSOs.

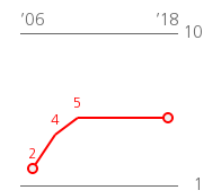
The administration has the support of the international donor community for these efforts. In September 2011, a new defense partnership between France and Togo came into force, which replaced the outdated secret military assistance agreements of the Eyadéma era. Apart from the traditional partners, such as France, Germany and the United States, China and India also supported the country with development aid during the review period. In addition to the revitalization of bilateral cooperation, international organizations like the IMF, World Bank, the West African Development Bank (BOAD) and the European Union are also reinforcing their assistance in order to promote good government, democratization and inclusive growth in Togo. The first IMF financed three-year Extended Credit Facility (ECF), which had replaced the Poverty Reduction and Growth Facility, expired in 2011. The full Poverty Reduction Strategy Paper (PRSP) was implemented in 2014. This established the base for Togo's Strategy for Accelerated Growth and Employment Promotion (SCAPE, in French) for 2013 to 2017. The detailed planning for the National Development Plan (2018-2022) that replaces SCAPE is in progress. Following the political upheaval in the aftermath of the contested 2005 presidential elections, the donor community demanded a national dialog in order to overcome the enduring political cleavages between the government, opposition and civil society, which resulted in the Global Political Accord (GPA) in 2006. However, it was implemented only halfheartedly and declared obsolete by the government in 2014, despite constituting a necessary precondition for the resumption of development assistance from the European Union and other international donors. The delayed implementation of major GPA reforms remained a point of contention.



The presidential elections of 2010 and 2015 as well as the legislative elections of 2013, passed by largely peacefully, and were considered basically democratic by African peers and the donor community. This was in stark contrast to the previous 2005 presidential election, with its aftermath of bloody political persecution. Apparently, the Gnassingbé regime had learned from the past. The regime was eager to boost the legitimacy of its irregularly acquired power through peaceful and largely free elections, and modernization of the ruling party. Nevertheless, Faure Gnassingbé and his party (RPT/UNIR) successfully employed the same “divide and rule” policy that his father Eyadéma had successfully used for decades to weaken the opposition movement both by legal and extra-legal means. However, his power is contested by hardliners from his own ranks. The international donor community (e.g., the European Union, the IMF, France and United States) supported the government’s commitment to modernize and consolidate public finances by providing substantial aid. Nevertheless, the international donor community was less concerned with democratization than with regional stability, and the growing terrorist threat in the Sahel region (Mali) and Togo’s support to combat it. In general, the transition process remains volatile and might easily be reversed when pressure is put on the president (e.g., by hardliners in the military or within the ruling party).

Policy learning

5

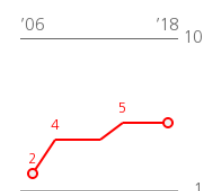


15 | Resource Efficiency

Togo is still suffering from an underutilization of assets and other opportunities which could be used by the government. The new reform processes, assisted by the international donor community have improved an efficiency oriented governance approach in some areas (e.g., in public administration and finance as well as infrastructure rehabilitation). Examples include a new 100-megawatt multi-fuel power plant in Lomé connected to the West African Gas Pipeline (WAGP) inaugurated in July 2010, new telecommunications network, road rehabilitation, a new international airport, and the extension of a deepwater harbor as a major hub of West African transit and maritime traffic. However, it will take some time before the structural reforms have an impact and continuing aid will be crucial to promote the process. Donor confidence remains the most important resource in driving economic development in Togo.

Efficient use of assets

5



A key sector remains education. Whereas most children are now attending school, there are not enough teachers to teach them, despite the high numbers of potential teaching personnel in the country. Many qualified Togolese teachers, waiting for an opportunity to work in their own country again, are still abroad because the former government, suspicious of educators, drove them away. Likewise, decades of political crisis and deficient economic freedom still discouraged private foreign investment. It is difficult to revitalize confidence of foreign investors, although enhanced competition with new global players like China is good for business.

The commitment of the government to democratization and consolidation of public finances vis à vis the donor community conflicts with the determination of the president and his party to remain in power whatever the cost. The coordination between the presidency and the prime minister's office, which has not always been smooth, improved with the nomination of Komi Klassou, a renowned as loyalist of the ruling elite, in May 2015. Because the president apparently still lacks overall control of the ANR and the military, he is at pains to restructure the security services' high command. Nevertheless, he still manages the portfolio of defense himself for fear of coup attempts. Though steps in the right direction have been made, these have been outweighed by high levels of corruption and criminal practices (drug trafficking, capital flight and money-laundering) at all levels, including members of the current administration.

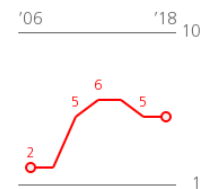
Togo ranks among the most corrupt African states. Furthermore, Togo counts among the major culprits worldwide concerning illicit financial transfers, which averaged 76.3% of GDP between 2008 and 2013 (World Bank 2016). A national anti-corruption commission (Commission nationale de lutte contre la corruption et le sabotage économique – CNLCSE) was created in 2001. However, it lacks the political will to combat corruption effectively. The whole society is aware of the need to undertake decisive steps to eradicate this problem. However, this is a difficult policy step to take because it would cut the lifeline of large parts of the current Togolese elite and administration. In July 2007, a law against money-laundering was enacted following serious debate in parliament, although the law has had little effect to date. There are serious concerns regarding the link of corruption, money-laundering and drug trafficking as Togo becomes a transit country for all forms of trafficking. The high level of illicit financial flows through Togo, which strongly correlate with money-laundering practices, attracted the concern of the international donor community. According to the annual report of the international NGO Global Financial Integrity (GFI, Washington D.C., 2015), illicit outflows from Togo averaged \$2,229 million between 2004 and 2013, with a peak in 2008 when illicit outflows were equivalent to 160% of GDP and were four times greater than the annual government budget.

16 | Consensus-Building

A Global Political Accord was established in 2006 by major political parties and civic organizations, assisted by the European Union. However, it was implemented only halfheartedly. A population census, the first in nearly three decades, was duly executed in 2010/2011. Moreover, the Truth, Justice and Reconciliation Commission (Commission Vérité, Justice et Réconciliation) delivered its report on human rights violations in April 2012. Other important measures meant to guarantee fair and free elections are still pending, while the last local elections were held in 1987. A domestic process of dialog between major political parties (Cadre permanent de dialog et de

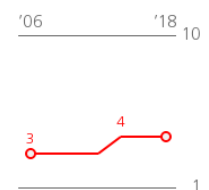
Policy coordination

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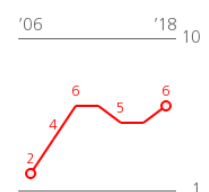
Anti-corruption policy

4



Consensus on goals

6



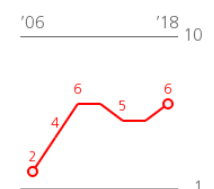
concertation, CPDC), established in 2009, got stuck several times (latest in May 2014) and finally ceased to exist because of a lack of consensus. In October 2014, the re-elected president of the Constitutional Court, Assouma, and the ruling party declared the Global Political Accord was obsolete. Representatives of the Christian churches had appealed repeatedly to the political class to reopen the discussions on contentious institutional and constitutional reforms. Thus, overall consensus on transformation goals remains fragile. There are still some key cleavages running through Togolese society that result from regional and ethnic discriminations, the exclusion of previous opposition movements, and high socioeconomic disparities.

The majority (e.g., the ruling party and most of the opposition) agree on the country's need to regain economic strength, a view shaped by the severe hardships experienced by many Togolese in everyday life. Political change demanded by many is seen as an instrument for achieving urgently needed social and economic development. On the one hand, daily hardships may lead to serious social strife. On the other hand, citizens appear willing to support any government that shows genuine concern for the problems of the majority. In general, the government, ruling party, opposition parties and CSOs are dedicated to the basic principles of a market economy. As a transit-economy, Togo depends on open markets and transnational trade, notably within ECOWAS, and with the markets of neighboring Ghana and Nigeria. However, because a large part of this trade is informal (including smuggling) the recognition of official rules and regulations on taxation, tax-evasion, money-laundering, capital flight is rather weak. Apart from this, there are divergent views within the ruling elite on the need to protect infant industries and commercial agriculture from foreign trade policies (e.g., within the framework of the controversial EU-West African Economic Partnership Agreements, EPAs). Negotiations on EPAs, which have dragged on since 2002, were increasingly under pressure, as the European Union wanted to conclude the deal on October 1, 2015. Although Brussels adopted a stick and carrot approach to the negotiations, apparently at least five countries (including Nigeria and Togo), still refuse to sign the deal.

The RPT/UNIR's purely anti-democratic elements are no longer as important as they had been before the presidential elections of 2010 and 2015. They are still strong enough, however, to endanger any serious attempt by President Faure Gnassingbé to further democratization and devolve power, notably concerning the overdue local elections. President Faure Gnassingbé's imprisoned half-brother, Kpatcha, might play an important role in this respect. Kpatcha, and some within the military and RPT/UNIR leadership, know about the disadvantages they will have to face in the event of a change in government. Divisions within the ruling elite (i.e., the Gnassingbé clan, the RPT/UNIR and the security services) became apparent once more during the modernization of the ruling party in 2012 as well as by the refusal of the UNIR majority in parliament to vote in favor of a draft law on changes of the constitution introduced by its own government in June 2014. In addition, democratic principles as well as a culture of transparency and accountability are not fully

Anti-democratic actors

6



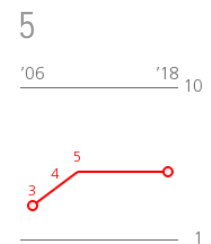
respected among the new elites of Togo, including the opposition. This was shown by the schism of the major opposition parties, the UFC and ANC.

The Gnassingbé clan and its followers continue to pursue a policy of creating or stimulating conflicts in order to exercise authoritarian power, as evidenced by the arson attacks on the central markets of Lomé and Kara (January 2013). The attacks were used by the government to harass opposition leaders prior to the 2015 presidential election. In contrast, a report on findings released by the CST on November 11, 2013, identified several key figures within the regime as organizing the attacks.

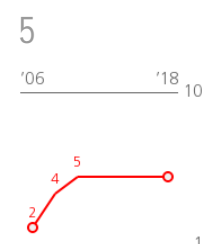
There are no consistent policies in place to systematically address emerging conflicts in the country. Nevertheless, there have been some positive steps taken. Beside the nationwide capacity-building of CSOs promoted by the APRM initiative, the administration recognized, for example, that the environmental problems arising from nomads and their cattle herds often leads to problems with settled farmers, whose agricultural production is endangered. This situation must be addressed. A national committee is now trying to find lasting solutions to this conflict by taking into consideration views from both sides. Due to the oppressive and corrupt nature of the previous regime, which affected almost every institution in the country, there are few non-governmental actors that are powerful enough to mediate in actual or future conflicts, with one notable exception the Truth, Justice and Reconciliation Commission (Commission Vérité, Justice et Réconciliation) and the Catholic Church. In general, the NGOs that specialize in conflict prevention and management are not yet strong enough to play a decisive role. However, some 50 CSOs joined in April 2013 to organize a platform for conflict prevention, which could work together with the government to prevent further conflicts. Approaches designed to prevent institutional crises can be found in UNDP-backed conflict prevention programs (e.g., concerning the training and deployment of national election observers and mediators). Besides, German political foundations (HSS, KAS) support small crisis prevention projects in Togo. In addition, some trade unions, NGOs, religious organizations and media outlets created transnational partnerships for conflict prevention, like the West African Network for Education & Peace (WANEP-Togo) and the Togolese section of WPP-Africa (Women Peacemakers Program – Africa).

The present government seems to be much more open to civil society participation than any previous government. The inefficient use of civil society organizations' capacities is sometimes more due to the weakness of the NGOs' administration and membership structure than to the government's reluctance to engage with them. Enhanced dialog between CSOs and government is becoming a reality within the APRM initiative. The APRM initiative is composed of 37 CSOs, in addition to members of the public administration. However, the CSOs are hand-selected by the government, which means that more critical parts of civil society tend to be excluded.

Cleavage /
conflict
management



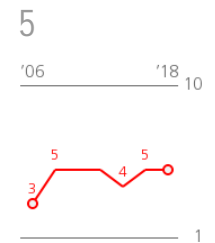
Civil society
participation



Both sides must work hard to overcome the deep-rooted distrust in the present situation.

In May 2009, the Truth, Justice and Reconciliation Commission (Commission Vérité, Justice et Réconciliation, CVJR) was established to investigate human rights violations from 1958 to the bloody persecutions of 2005. It submitted its final report in April 2012. The most important recommendations included reparation, public documentation of human rights violations, symbolic reconciliation (e. g., public condonation by perpetrators, monuments, memorial days) and criminal prosecution of perpetrators. The commission demanded that the government publish a white paper stating how it intends to implement the recommendations of the CVJR, and suggested two institutions for monitoring and evaluation. Unfortunately, the government is reluctant to implement the recommendations, because high ranking members of the government, military and administration continue to benefit from impunity. Apart from publishing a white paper (2014) on the implementation of the CVJR's recommendations, considered to be the precondition for the eventual payment of reparation and establishment of a High Commission on Reconciliation (HCR) in 2013, the government applied mainly delaying tactics. A High Commissioner's Office for Reconciliation (Haut Commissariat pour la réconciliation et le renforcement de l'unité nationale, HCRRUN) installed in March 2015 was meant to speed up the implementation of the recommendations, assisted by a CSO-platform (Plateforme citoyenne justice et vérité, PCJV). However, effective functioning was delayed again by transferring contested issues to national discussion groups in July 2016.

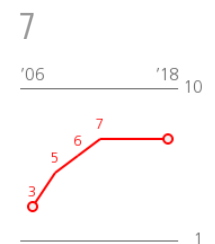
Reconciliation



17 | International Cooperation

Togo counts among the largest beneficiaries of international aid. Starting in the late 1970s, international aid dependency increased considerably. Net ODA received (as a percentage of GNI) amounted to 13.36% per annum on average between 1978 and 1996. After the resumption of international aid in 2008, aid dependency continued at 11.4% per annum between 2008 and 2014, peaking at 17.78% per annum in 2009 (indexmundi 2016). Resumption of aid and substantial support from donors to the Togolese government started in 2007 after the largely free legislative elections. The numerous activities and cooperation programs such as the ECF, PRGF, SCAPE and HIPC completion point were connected to the progress made in political transformation. However, support from donors was not always used efficiently and transparently. The increasing influence of Asian countries, notably China and India, among international aid donors allows Togo to re-adopt a see-saw policy, which it had practiced during the Cold War, of playing competing major donor countries against one another.

Effective use of support



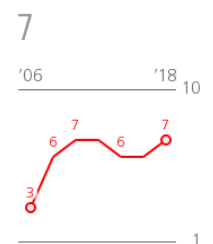
Apart from aid, remittances from Togo's diaspora (estimated 2 million people) play a significant role in development. Remittances have increased by an average of 9% per annum over the past decade. In 2011, remittances accounted for 11% of GDP, falling to \$350 million or 8% in 2015. On average, they amounted to double the volume of ODA (3%) and FDI (4%; AEO 2016). According to OECD statistics, Togo ranked high on a global scale both with ODA per capita (\$91 in 2011, the 17th highest worldwide) and remittances per capita (\$52 in 2011, the 7th highest worldwide) respectively. In mid-October 2015, the foreign minister Robert Dussey launched a new initiative, Réussite Diaspora (Success Diaspora), in order to persuade Togolese migrants to return home and contribute with their skills to the development of their home country. The project was supported by the European Union, AfDB and UNDP but viewed skeptically by the Togolese diaspora. Although there no direct link is between remittances and economic growth is discernible, remittances constitute an important supplementary source of financial inflows because they act countercyclical (i.e., remittances increase during downturns) unlike other capital flows like FDI. It is considered to be a more effective means for poverty-alleviation than aid or FDI. However, growing xenophobia in Europe and Africa could threaten future flows of remittances.

International actors appear increasingly trusting of the current government. Traditional partners, such as France, Germany and the United States, and new partners, such as China and India, supported the country with development aid during the review period. In addition to the revitalization of bilateral cooperation, international organizations like the IMF, World Bank, the West African Development Bank and the European Union are also reinforcing their assistance in order to promote good governance, democratization and inclusive economic growth in Togo.

To consolidate the government's newly acquired credibility among the international community and among the Togolese population, the government's most important task is to tackle corruption at all levels of the state, facilitate political competition and devolve power. There are currently two deeply contrasting interpretations of the government's actual intentions, both among the Togolese population and the international donor community. One perspective holds that the government is genuinely pursuing political transformation and that a democratic era has just begun, while a second perspective holds that the government's attitude is camouflaging its attempt to stay in power at all costs.

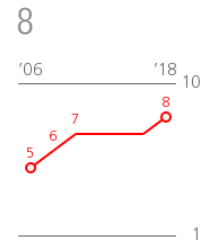
Given security concerns in the region, international donors increasingly trust - or want to trust - the Togolese government. The military cooperation agreement between Togo and France from 2010 is a case in point. Togo also actively participates in the peacekeeping missions of the AU and ECOWAS.

Credibility



Togo is a member of all relevant regional, African and international organizations, notably of ECOWAS and WAEMU in the West African sub-region. President Faure Gnassingbé and members of his government are trying to return to a situation where Togo plays a constructive role as regional mediator and host to international meetings as in the “glorious past” of the father of the incumbent, General Eyadéma. The latter was recognized as a mediator of international African conflicts by his African peers, although being the longest serving African dictator. Togo remained a reliable and significant contributor to peacekeeping missions in the sub-region. In May 2012 Nigeria, Togo, Ivory Coast and Senegal contributed to the ECOWAS force’s first troop deployment in the failed state of Guinea Bissau. Later on, Lomé contributed to the African-led International Support Mission to Mali (AFISMA) organized by ECOWAS against the growing threat of Islamist terrorist organizations in northern Mali as well as to the U.N. led MINUSMA (United Nations Multidimensional Integrated Stabilization Mission in Mali) corresponding to a Security Council resolution 2164 of June 25, 2014. On December 15, 2015, Saudi Arabia announced the formation of an Islamic military alliance to fight terrorism. The initiative was explicitly not restricted to countering the so-called Islamic State, but was intended to combat all forms of terrorism worldwide and included 34-member countries. Beside 10 Islamic countries, including nations with large and established armies, such as Pakistan, Turkey and Egypt, 20 African countries joined the alliance, including Togo, Nigeria and Ivory Coast. In November 2016, Togo signed the Charter on Maritime Security within the framework of the Africa Integrated Maritime Strategy (2050 AIMS Strategy).

Regional cooperation



Strategic Outlook

Like most sub-Saharan African countries, Togo faces several substantial challenges, including a lack of good governance, volatile economic growth, exposure to external economic shocks, rising food costs, erratic energy prices and major environmental risks. But there are a few key issues the country should address if it is to reach a level of development on par with that achieved by more successful West African countries (e.g., Benin and Ghana).

Following the recent, peaceful parliamentary and presidential elections, Togo's government should not reduce its democratization efforts, which are winning the trust and confidence of its own population and the international community. The democratic reforms implemented over the recent years have won considerable support both within and outside the country. Though many Togolese citizens and observers remain skeptical of whether these reforms reflect a genuine attempt by the Gnassingbé regime to promote democracy in Togo.

The government should transparently pursue national reconciliation, democratization and sustainable economic development on the base of internationally accepted principles of good governance. The postponed local elections should be managed effectively and impartially to be recognized internationally as "free and fair." In order to overcome some of Togo's endemic development problems (i.e., over-centralized decision-making processes, the undemocratic dominance of the ruling party, the distance between the ruling elite and political realities, and regionalism), support for decentralization should be enhanced. The government must stop obstructing the further devolution of power and resources, which is required by the constitution and necessary to enhance local autonomy. In addition, the devolution of power and resources should be accompanied by support for civil society organizations at local and national levels.

The transition process will not succeed if the government remains under pressure from hardliners within the ruling party and security services. Therefore, it is imperative to guarantee the strict political neutrality of the security forces, notably the military, intelligence service and gendarmerie.

Concerning economics, structural reform of the banking, and phosphate and cotton sectors is crucial. Donors should make additional efforts to support this process. The fight against corruption, money-laundering, capital flight and embezzlement of public funds in Togo's public administration constitutes another significant step on the road to democratization. Last, it is important to support the process of regional integration in West Africa. Any attempts to undermine political initiatives of regional integration (e.g., by special arrangements within the current negotiations on EU-West African EPAs) should be prevented. Greater economic and political integration would benefit all stakeholders. In addition, peacekeeping initiatives and observation measures in the West African region should be promoted.