Republic of Togo: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

March 28, 2008

The following item is a Letter of Intent of the government of Republic of Togo, which describes the policies that Republic of Togo intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Republic of Togo, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.
Mr. Dominique Strauss-Kahn  
Managing Director  
International Monetary Fund  
Washington, D.C. 20431  
U.S.A.

Dear Mr. Strauss-Kahn:

Over the past two years, we have embarked on profound political and economic reforms to help Togo overcome its long-lasting socio-political crisis, reengage with the international community, shore up public finances, and lay the foundations for long-term economic growth. The parliamentary elections held on October 14, 2007, saw the participation of all parties in the political process, and drew record numbers of voters. With this milestone behind us, we are determined to reengage fully with our development partners, and with their support, revive Togo's economy to improve the lives of our people.

We have already implemented important economic reforms in the context of the recent Staff-Monitored Program. We have worked to stabilize the economy, restore fiscal discipline, raise transparency of economic management, and initiate deeper reforms to revive economic growth and improve living standards. We are determined to see these efforts through, in collaboration with the IMF and our other partners, and bring about a much hoped-for economic renewal in Togo.

To do this, we have prepared, in consultation with civil society, a medium-term economic reform program, as specified in our Interim Poverty Reduction Strategy Paper (I-PRSP). The program contains measures to strengthen governance and public financial management, improve the investment climate, restructure ailing banks and state-owned enterprises, and rebuild health and education services. We are counting on our development partners to help us address our dire infrastructure and social service needs. In this regard, it will be critical to rebuild Togo’s institutional capacity through intensified technical assistance, enhance financial support for vital development projects, and relieve Togo’s heavy external debt burden.

To support our strategy, Togo requests a three-year arrangement under the Fund’s Poverty Reduction and Growth Facility (PRGF) in an amount of SDR 66.06 million (equivalent to 90 percent of quota). We request that the first disbursement, in an amount equivalent to SDR 13.26 million, be made available after the approval of the PRGF arrangement by the Executive Board of the IMF. The Fund’s assistance under the PRGF arrangement would help us pursue sound economic policies and reforms to maintain macroeconomic stability and revive growth. It would also pave the way for comprehensive debt relief under the Heavily
Indebted Poor Countries (HIPC) Initiative and MDRI. Our goal would be to reach the HIPC completion point before the PRGF-supported program ends. This assistance is critical if we are to make room for vital growth- and poverty-related projects within a sustainable budget framework.

The enclosed Memorandum on Economic and Financial Policies (MEFP) describes our economic program for 2008–10. The program would be reviewed in October 2008 and April 2009, based on the performance criteria and structural benchmarks shown in Tables 1 and 2. To that end, Togo would provide the Fund with all data required to monitor the program on a timely basis, in line with IMF policy and the attached Technical Memorandum of Understanding.

The government considers the policies and actions in the MEFP sufficient to achieve the program objectives, and stands ready to take other steps as needed. Togo will continue to consult closely with the IMF staff on the adoption of such steps, and in advance of any revisions to the policies contained in the MEFP. To keep the public informed, the government will publish this letter of intent and the attached MEFP and will regularly report on its progress under the program.

We are confident that the policies in our economic program, supported by our development partners and the IMF in particular, will help Togo sustain its economic development and improve the livelihoods of its people.

Sincerely yours,

/s/
Adji Oteth AYASSOR
Minister of Economy and Finance
REPUBLIC OF TOGO

MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES

Lomé, March 28, 2008

I. BACKGROUND

1. As Togo finally emerges from its long socio-political crisis, the time has come to focus on reviving our economy and lifting our people out of poverty. While living standards and social conditions were relatively high in the 1970s, the economy experienced volatility in the 1980s and has deteriorated thereafter as a result of socio-political conflict, economic and financial mismanagement, overindebtedness, and external shocks.

2. Over the past two years, we have started addressing Togo’s economic challenges by strengthening public financial management and making public enterprises more transparent. Among other measures, we have replaced the top managers of the tax and customs administrations, closed bank accounts used for offbudget operations, limited the use of exceptional spending procedures, audited the state-owned cotton company and the government’s domestic debt, and cleared arrears to cotton farmers. As a result, we have been able to boost fiscal revenues, control expenditures, reduce the fiscal deficit, and reduce domestic arrears. We have worked closely with Fund staff, and met all quantitative targets and almost completed all structural benchmarks under the recent Staff-Monitored Program (October 2006 – June 2007).

3. Much remains to be done to address the legacy of Togo’s long socio-political and economic crisis. Excessive public debt and lax fiscal discipline have led to large arrears, undermining the confidence of suppliers and creditors. Poor management of state-owned enterprises has caused mounting losses, in particular in the cotton and phosphate sectors. As a result, several banks are burdened by high nonperforming loans, and some are highly undercapitalized. The business environment is constrained by decades of underinvestment in infrastructure (notably transport and energy) and poor governance. Institutional capacity has declined during long socio-political crisis and donor disengagement. Education and health services have deteriorated as a result of poor expenditure management and the decade-long freeze in foreign aid. More recently, Togo’s economy has been hit by a severe energy crisis, high world oil prices, rapid euro appreciation, and flooding in certain parts of the country.

II. PROGRAM OBJECTIVES

4. We have specified a comprehensive economic reform program in our Interim Poverty Reduction Strategy Paper (I-PRSP), prepared in collaboration with civil society and our development partners. Besides outlining Togo’s economic challenges, the I-PRSP describes the multifaceted dimensions of poverty. About 62 percent of the population fall below the poverty line. The health system lacks qualified personnel, medical supplies, and infrastructure and is ill-equipped to cope with the high level of infant and maternal mortality and infant malnutrition. Teacher shortages and overburdened school infrastructure are
eroding the quality of education. Lack of public investment has reduced access to basic social services and constrained economic opportunities.

5. The main objective of our program is to revive economic growth and raise living standards across the country. This will require measures to maintain macroeconomic stability; resolve Togo’s high debt; channel resources toward health, education, and infrastructure; and advance growth-oriented structural reforms. To achieve this, the I-PRSP sets out a comprehensive reform agenda along three strategic axes:

- **Political and economic governance**: A central objective is to strengthen public financial management, which would help us to channel fiscal spending into priority areas, use foreign aid more effectively, and restore private sector confidence. To bring debt to a sustainable level and create room for much-needed spending on health, education, and infrastructure, the strategy envisages gradual fiscal adjustment, resumption of concessional donor support, and comprehensive debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). Steps to improve political governance include measures to build strong civil society, reform public administration, strengthen the judicial system, and fight corruption.

- **Economic revival and sustainable development**: Restructuring loss-making state-owned enterprises (especially in cotton and phosphate) and ailing state-owned banks will be critical for achieving higher economic growth. To promote private sector activity, the strategy sets forth measures to stabilize the electricity supply and improve Togo’s transport infrastructure through investment and sectoral reforms. To improve the overall business environment, we plan to facilitate business and property registration and streamline tax and regulatory procedures. Additional reforms include steps to foster regional integration, reform agriculture, improve natural resource management, and protect the environment.

- **Social sectors and human development**: To develop Togo’s human capital, the strategy focuses on enhancing access to education and health services, rehabilitating school and health infrastructure, improving the quality of education, increasing food security among the poor, building greater access to water and sanitation, and promoting gender equality, employment, social protection.

### III. Macroeconomic Program

6. Our program targets real GDP growth of at least 3¾ percent a year in 2008–10. Donor-financed investment projects, improved business confidence, and stronger cotton and phosphate production would drive the initial recovery. Higher foreign direct investment, growing regional trade, improved financial intermediation, and upgrades to public infrastructure, especially electricity and transport, would sustain growth in the medium term.

7. Inflation should remain well contained, anchored in the WAEMU currency union and supported by prudent fiscal policies. Monetary policy, exchange rate policy, and banking supervision will continue to be conducted at the regional level. The monetary authorities will
closely monitor money and credit growth in Togo. If the monetary expansion fuels inflation or imprudent lending practices, the monetary authorities will take appropriate measures, including a possible increase in reserve requirements.

8. We expect exports to recover gradually as we restructure state-owned enterprises and improve the business climate. Nonetheless, the current account deficit is unlikely to decline in the near term, as higher external assistance and private investment are likely to boost imports. We expect Togo’s gross international reserves to remain at around three months of imports.

9. We believe our macroeconomic objectives are realistic and are based on conservative assumptions. GDP growth could thus turn out higher than anticipated, though factors outside our control pose a downside risk to our outlook. Togo still depends heavily on electricity imports, resulting in frequent energy shortages, and its external competitiveness remains vulnerable to the risk of higher oil prices, lower cotton or phosphate prices, and further euro appreciation. Finally, given Togo’s role as a hub for regional trade and its financial linkages across the WAEMU, shocks in neighboring countries could hurt our economic prospects. We will therefore remain vigilant and prudent in conducting our fiscal, economic, and financial sector policies to mitigate the potential fallout from such shocks.

IV. Fiscal Policy

10. A guiding principle for fiscal policy will be to keep domestic spending within the domestic resource envelope. Specifically, we plan to raise revenue collection to 17¾ percent of GDP by 2010, and target a primary domestic fiscal surplus of about 1 percent of GDP. This will allow us to service domestic debt and gradually unwind the large stock of domestic arrears to restore confidence among domestic suppliers. To achieve the primary surplus objective and safeguard priority spending, we have identified contingency spending cuts in case revenue or financing falls short.

11. Another central fiscal policy objective is to support higher economic growth and improve social services. To this end, the program scales up spending on health, education, and vital public infrastructure (notably energy and transport). The increase will be financed by reallocating domestic expenditures and, as donors resume their assistance, raising foreign-financed project spending to at least 6 percent of GDP a year. After a decade-long salary freeze, the public wage bill will increase moderately, largely in health and education, but will remain within a realistic budgetary framework in line with the threshold set by the WAEMU convergence criteria. Budgets for 2008–10 will make room for restructuring ailing state-owned banks and enterprises.

12. Another critical program objective is to bring public debt to a sustainable level. Besides domestic fiscal adjustment and measures to reduce domestic debt and arrears, Togo will need financial assistance from donors on concessional terms, mostly in the form of grants, and comprehensive debt relief under the HIPC Initiative and MDRI. This assistance will help us reach a sustainable fiscal position and make room for critical growth-oriented and social spending.
V. **EXTERNAL FINANCING NEEDS**

13. While the program envisages a sizable domestic fiscal adjustment, Togo’s excessive debt burden and its pent-up demand for health services, education, and infrastructure can only be resolved with the support of our creditors and development partners. Moreover, the recent energy crisis and flooding in the north have widened the financing gaps in the budget and the balance of payments. Domestic financing can play only a limited role in reducing the budget gap, given the BCEAO’s ceiling on issuing rediscountable bonds, limited government deposits, and the need to service the government’s domestic debt and arrears.

14. We have therefore requested support from our development partners in four areas. First, Togo needs enhanced technical assistance to rebuild its institutional capacity. Second, we have requested assistance to finance vital projects in education, health, and infrastructure. Given Togo’s heavy debt burden, most of this assistance should come in the form of grants, and the remainder as concessional loans. Third, we have approached our official creditors to reschedule and reduce Togo’s debt and arrears, including under the HIPC Initiative and MDRI. We hope to reach the HIPC decision point after six months, and the HIPC completion point before the end of the program period. Finally, we have requested program financing from the IMF and others to help Togo close its projected balance of payments and budget gaps. As shown in the I-PRSP, the anticipated external assistance would help us regain debt sustainability and make significant progress toward higher economic growth and lower poverty, but would still fall short of the resources needed to meet the Millennium Development Goals.

15. As an immediate priority, we have stepped up our efforts to reach understandings on arrears clearance with all multilateral and bilateral creditors.

- We have signed a Memorandum of Understanding with the World Bank that specifies actions we will take through March 2008, and requested clearance of Togo’s arrears to the Bank through an exceptional IDA allocation soon thereafter. We have also requested new program financing to cover future debt service.

- We have reached understandings with the African Development Bank (AfDB) that Togo’s arrears will be cleared under its forthcoming facility for fragile states. We expect donor support to help us cover our contribution.

- The EU has agreed to clear Togo’s arrears to the European Investment Bank through grants under the ninth and tenth EDFs.

- FIDA has proposed to reschedule most of our arrears, with a three-year moratorium period without debt service.

- We have contacted all other multilateral creditors to negotiate mechanisms for arrears clearance and rescheduling of debt service, including with BADEA, OPEC, IsDB, BIDC, BOAD, FSA, and Fegece.
• We are seeking generous treatment from Paris Club creditors to clear Togo’s arrears and reschedule debt service during the program period.

• We will request renegotiation of our debt and arrears with all other bilateral creditors on terms comparable to the Paris Club’s.

VI. STRUCTURAL REFORMS

16. To achieve our growth and social objectives, we plan to implement a comprehensive structural reform agenda, as specified in the I-PRSP. Priority reforms monitored under the PRGF arrangement would center on three broad areas: fiscal governance reforms, financial sector development, and reforms of state-owned enterprises and the business environment. The reform calendar is ambitious but takes into account the severe capacity constraints resulting from Togo’s long political conflict and donor disengagement. We will focus initially on improving public expenditure management, initiating bank restructuring, and preparing reform strategies in key sectors, including cotton, phosphate, and energy (Table 2). In the second phase, we intend to implement the sectoral reform strategies and improve the business environment as we continue to strengthen public financial management and the banking sector. Technical assistance and close coordination with development partners will be critical as we work to build institutional capacity. We have increased the retirement age for certain civil servants from 55 to 60 years to prevent the anticipated wave of retirement of skilled personnel.

A. Fiscal Governance

17. A central element of our reform strategy is to strengthen governance in the fiscal area to ensure fiscal sustainability and effective use of public resources in support of economic growth and poverty reduction. We will build on gains made under the SMP in the areas of revenue administration, public expenditure management, budget monitoring and accounting, internal controls, and cash and debt management. To guide our fiscal structural reform efforts, we will draft a public financial management action plan based on the recent IMF technical assistance recommendations and the 2006 Public Expenditure Management and Financial Accountability Review. The plan will indicate where additional technical assistance and external project financing will be needed. To support our fiscal reform agenda, we intend set up an integrated information technology system for public finance.

Revenue administration

18. To secure the envisaged increase in revenue collection, we will continue to strengthen revenue administration. Our recent reforms have already boosted revenues substantially, as we strengthened the tax and customs administrations, closed bank accounts used for off-budget spending, collected tax arrears, and reorganized the tax department, including by setting up units for internal audit and tax inspections. We have completed installation of an advanced computer software system (Sydonia ++) in the main customs offices and have started using the system. We have also recently introduced an internal audit unit in customs.
19. In 2009-10, we plan to (i) strengthen human resources through training and recruitment of qualified personnel; (ii) computerize the tax administration; (iii) move toward more selective, risk-based ex-ante and ex-post tax audits; (iv) strengthen control of the Export Processing Zone by activating the Sydonia++ segment recording goods and services in and out from the Zone and updating the law regulating the Zone to provide the audit unit of the tax and customs administrations the authority to perform inspections; (v) update the tax code to streamline tax exemptions; (vi) update the customs code; and (vii) introduce a computerized, double accounting system at all levels of revenue administration.

Public expenditure management

20. Strengthening public expenditure management will be a high priority, to ensure that we meet our budget objectives. We have already sharply curtailed exceptional payments authorizations without ex-ante budget line identification (ordres de paiement sans telegramme lettre), and will use such procedures only for unforeseen emergencies. We have closed expenditure commitments (engagements) at end-November and payment authorizations (ordonnancements) by end-December in both the 2006 and 2007 budget cycle. We will ensure that suspense accounts (comptes des consignations) are used only in exceptional cases, and that subsidies are committed based on quarterly allocations for the recipients.

21. Our medium-term goal is to restore regular and predictable expenditure procedures. We will do this by streamlining and expediting procedures, using simplified risk-based controls. We will also work with the World Bank to adopt a new procurement code in line with WAEMU standards. We will audit the civil service pension fund (CRT) and conduct a census of civil servants.

Budget preparation, monitoring, and accounting

22. A central program objective is to improve the monitoring of budget execution in order to help policymakers make informed decisions. We have already set up a monitoring committee that compiles monthly data. We will soon introduce a new framework for monitoring budget execution, using a template designed by a recent IMF technical assistance mission. This will allow us to review monthly data (commitments, authorizations, and payments by budget category, including data on priority sectors) within 15 days after the end of each month, compare the outturn to program targets, and take corrective action if necessary. Our medium-term objective is to introduce an integrated software system that allows us to monitor budget execution in real time.
23. To improve prioritization of spending allocations, we have unified budget preparation for current and capital expenditures under the Director of Budget in the Ministry of Economy and Finance. Our medium-term objective is to move to multi-year budgets with budgetary classifications in line with the IMF’s Government Finance Statistics methodology (GFSM 2001).

**Internal audits and controls**

24. Effective and credible internal controls will be vital for improving the management of public resources and reassuring our development partners that their financial assistance is used effectively. As a first step, we have set aside resources in the 2008 budget to set up and staff a General Inspectorate of Finance under the direct responsibility of the Minister of Finance. In line with other WAEMU countries, this Inspectorate will conduct selective ex-post inspections of agencies that manage public resources in order to ensure that revenue and spending occurs within the legal framework for budget execution.

25. The General Inspectorate of Finance will prepare a yearly work program and report its inspections and recommendations to the Minister of Finance. It will also disseminate an annual report. After a trial phase, the Inspectorate will start full operations in 2009. We will also conduct a comprehensive audit of all banking system deposits and liabilities of public agencies. Another important objective is to activate the Court of Public Accounts in time for the review of the execution of the 2009 budget. Subsequently, we will submit to parliament laws on budget execution (lois de reglement).

**Public debt and treasury management**

26. Improving our debt management capacity will be critical for avoiding any new arrears and participating in the HIPC Initiative. We have recently strengthened the Directorate of Public Debt to ensure that data management and payments procedures are adequate as we resume regular debt service to all creditors. Specifically, we have compiled an improved dataset on public external debt, trained staff, and clarified payments procedures. We also intend to enforce the WAEMU Directive (Reglement) that only the Minister of Finance has the authority to contract or guarantee external debt. We will not contract or guarantee any nonconcessional external debt, as defined in the TMU, throughout the program period.

27. To restore supplier confidence, we will adopt and publish a strategy for clearing domestic arrears. The strategy will cover all overdue claims by private suppliers that have been verified by the 2007 KPMG audit and its subsequent update, and have been validated by the government. These arrears will be converted into tradable government securities, with payments starting in 2009. The strategy will also set out principles for dealing with other arrears.

28. In 2009-10, we will (i) centralize and unify treasury management under the sole responsibility of the treasurer, (ii) conduct a reconciliation of all banking system accounts of government and autonomous public agencies; (iii) strengthen cash management by introducing monthly forecasts of revenue and spending; (iv) prepare and commence regular
Treasury bill auctions (see below); (v) integrate monitoring and management of external and domestic public debt; and (vi) initiate regular reporting of debt management operations and projections.

B. Financial sector

29. Restructuring ailing state-owned banks will be critical to macroeconomic stability and effective financial intermediation. Under the SMP, we have strengthened monitoring of several banks and initiated bank restructuring based on the recommendations of the WAMU Banking Commission and the March 2007 IMF technical assistance mission with World Bank participation. We have recently changed management and oversight of BTCI based on terms of references prepared in consultation with the WAMU Banking Commission. In the near term, our priority is to recapitalize BTCI and UTB, including issuing government securities and addressing nonperforming loans to state-owned enterprises in the cotton and phosphate sectors. We also intend to restore UTB’s board of directors and identify a strategic investor.

30. To improve treasury cash management and create more tradable financial instruments, we will prepare an action plan for introducing T-bill auctions in Togo. We will consult with the BCEAO on its assessment of monetary developments and possible measures it may take to mitigate risks resulting from rapid credit growth, including adjustments to reserve requirements (see paragraph 7).

31. In 2009-10, we plan to (i) continue strengthening BTCI and UTB by aligning their accounting and risk management with WAEMU prudential regulations; (ii) adopt an action plan for the long-term restructuring of BTCI, with the long-term goal of turning the bank over to private management; (iii) start the privatization process for UTB in a transparent framework; (iv) prepare a financial sector strategy, taking into account the findings of a future FSAP with the IMF and World Bank; (v) strengthen supervision of microfinance institutions; (vi) examine reform options for the pension system; and (vii) commence regular T-bill auctions in a predictable and transparent framework.

C. Public Enterprises and Business Environment

32. Reforming the state-owned enterprises and improving the business environment will be critical for strengthening Togo’s external competitiveness and generating private sector growth. Under the SMP, we completed financial and strategic audits of the state-owned cotton company, SOTOCO; replaced the financial director; and repaid all arrears to cotton farmers. As recommended by the audit, we will transform SOTOCO into a new company partly owned by cotton producers. We will now work with the World Bank to define a medium-term sector reform program, including further reforms aimed at improving financial controls, pricing, and productivity. In the phosphate sector, we have formed a new legal entity and received external financing to upgrade equipment. We will conduct an audit of the sector, based on terms of references agreed with the World Bank, to define long-term reform options. We are committed to press ahead with energy sector reforms. We have already started repairing existing capacity and contracted the privately-financed construction of new generators linked to the Nigeria-Ghana gas pipeline. We have introduced a new institutional
and regulatory structure for CEET, and will prepare a review of its finances and operations. To strengthen Togo’s business environment and shorten regulatory procedures, we have set up a one-stop window for enterprises (CFE).

33. In 2009-10, we will focus increasingly on improving the overall business environment, based on a strategy we intend to develop in the next year. Specifically, we intend to adopt a new investment code that facilitates foreign direct investment yet ensures a level playing field for all enterprises. We will also institute legal and regulatory changes that make it easier to register businesses and properties. Alongside ongoing efforts to enlarge the tax base, we intend to reduce Togo’s relatively high corporate tax rate as part of a package of tax policy measures that should be broadly revenue neutral. To follow through on sectoral reform strategies, we intend to (i) complete the phosphate audit, implement its recommendations, and attract a strong strategic investor; (ii) complete the restructuring of SOTOCO; (iii) initiate the financial and technical rehabilitation of the energy sector in close collaboration with the World Bank and our regional partners; (iv) audit and reform the operation of the state road fund (FER); (v) audit and strengthen the Port of Lomé, and (vi) prepare and initiate an agricultural reform strategy that will help export crops recover.

VII. PROGRAM MONITORING

34. The PRGF-supported program will be monitored based on the agreed quantitative targets (Table 1), a set of structural performance criteria and benchmarks (Table 2), and semiannual program reviews. The quantitative targets for end-June 2008 and end-December 2008 are performance criteria and those for end-March 2008, and end-September 2008 are indicative targets. The first review is scheduled for October 2008 and the second for April 2009. Reporting requirements, performance criteria, and program benchmarks are contained in the attached Technical Memorandum of Understanding.

35. To strengthen our own program monitoring capacity, we have set up an inter-ministerial steering committee charged with supervising the economic reform program. The committee will issue monthly progress reports, liaise with domestic agencies and development partners, and keep track of technical assistance needs.
Table 1. Togo: Quantitative Performance Criteria and Indicative Targets
December 31, 2007—December 31, 2008

<table>
<thead>
<tr>
<th>Performance criteria</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic primary fiscal balance (floor)</td>
<td>2.5</td>
<td>9.7</td>
</tr>
<tr>
<td>Nonaccumulation of external arrears (^1)</td>
<td>20.7</td>
<td>...</td>
</tr>
<tr>
<td>Net domestic financing (ceiling) (^2)</td>
<td>14.8</td>
<td>-6.7</td>
</tr>
<tr>
<td>Central government contracting or guaranteeing of nonconcessional external debt (ceiling) (^3)</td>
<td>...</td>
<td>0.0</td>
</tr>
<tr>
<td>Indicative Targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue (floor)</td>
<td>203.3</td>
<td>51.1</td>
</tr>
<tr>
<td>Domestic payments arrears, changes in stock (ceiling)</td>
<td>-9.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Domestically financed social and capital spending (floor)</td>
<td>...</td>
<td>24.5</td>
</tr>
<tr>
<td>Projected program financing</td>
<td>0.0</td>
<td>9.6</td>
</tr>
</tbody>
</table>

\(^1\) Continuous performance criterion.

\(^2\) Excluding BCEAO credit to government linked to IMF financing. The ceiling on net domestic financing will be adjusted to offset deviations from projected external program financing, subject to a cap of CFAF 5 billion.
<table>
<thead>
<tr>
<th>Fiscal governance</th>
<th>Date</th>
<th>Macroeconomic Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit 2008 budget law to parliament in line with understandings with the mission.</td>
<td>Prior action (done: December 2007).</td>
<td>To provide the basis for a transparent and consistent fiscal policy that aims for a balanced primary position, avoidance of new arrears, and higher growth-oriented and social spending.</td>
</tr>
<tr>
<td>Implement a new framework for monthly monitoring of budget execution, and report data for April-June 2008 based on a new template.</td>
<td>Benchmark August 2008</td>
<td>To provide policymakers with a tool for making timely and informed spending decisions as they seek to achieve the budget objectives and mitigate the risk of fiscal slippages.</td>
</tr>
<tr>
<td>Create a General Inspectorate of Finance under the responsibility of the Minister of Finance.</td>
<td>Performance criterion August 2008</td>
<td>To strengthen fiscal governance by introducing oversight, control, and transparency for all units handling public resources.</td>
</tr>
<tr>
<td>Adopt a strategy and time table for clearing domestic arrears.</td>
<td>Performance criterion December 2008</td>
<td>To restore supplier confidence, facilitate the return to regular spending procedures, and allow a gradual reduction in the government’s large stock of domestic arrears.</td>
</tr>
<tr>
<td>Financial sector</td>
<td>Date</td>
<td>Macroeconomic Rationale</td>
</tr>
<tr>
<td>Change management and oversight of BTCI based on terms of reference prepared in consultation with the WAMU Banking Commission.</td>
<td>Prior action (done: February 2008).</td>
<td>To prevent further erosion of BTCI’s capital and liquidity, to restore confidence in Togo’s largest bank, and in the financial sector more broadly.</td>
</tr>
<tr>
<td>Initiate restructuring of BTCI, including by raising its capital through issuance of government securities.</td>
<td>Benchmark December 2008</td>
<td>To support the financial rehabilitation of Togo’s largest bank, prepare it for privatization, and set the conditions for sound financial sector development.</td>
</tr>
<tr>
<td>Adopt an action plan for introducing regular Treasury bill auctions in 2009.</td>
<td>Benchmark December 2008</td>
<td>To develop the domestic securities market, promote financial sector development, improve treasury management, and avoid new budgetary arrears.</td>
</tr>
<tr>
<td>Public enterprises</td>
<td>Date</td>
<td>Macroeconomic Rationale</td>
</tr>
<tr>
<td>Initiate an audit of the phosphate sector, based on the competitive selection of an audit company, in consultation with the World Bank.</td>
<td>Benchmark August 2008</td>
<td>To prepare the restructuring of Togo’s traditionally largest export sector (currently operating at only one third of capacity), including by providing options for attracting a strategic investor.</td>
</tr>
<tr>
<td>Prepare a review of the finances of the national electricity company (CEET), in consultation with the World Bank.</td>
<td>Benchmark December 2008</td>
<td>To provide the information necessary for preparing energy sector reforms and deciding on 2009 budget allocations, as rising oil prices and regionwide electricity shortages have dampened economic growth and led to increasing demands for budget support to the energy sector.</td>
</tr>
</tbody>
</table>
ATTACHMENT II: TECHNICAL MEMORANDUM OF UNDERSTANDING

March 28, 2008

1. This Technical Memorandum of Understanding (TMU) defines the quantitative and structural benchmarks and performance criteria a three-year arrangement under the Poverty Reduction and Growth Facility covering the period January 1, 2008 to December 31, 2010. Table 1 of the Memorandum of Economic and Financial Policies (MEFP) dated March 28, 2008 shows quantitative performance criteria and benchmarks for end-March 2008, end-June 2008, end-September 2008 and end-December 2008 based on cumulative changes from January 1, 2008. Table 2 shows structural performance criteria and benchmarks for 2008. This TMU also sets out the data reporting requirements for program-monitoring purposes.

I. DEFINITION OF TERMS

2. For the purpose of this technical memorandum, the following definitions of “debt” and “government” will be used:

(a) As specified in Point 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted by the Executive Board of the IMF on August 24, 2000, debt will be understood to mean a current, that is, not contingent, liability created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows: (i) loans, that is, advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans, and buyers’ credits) and temporary exchanges of assets that are equivalent to fully collateralized loans, under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements); (ii) suppliers’ credits, that is, contracts where the supplier permits the obligor to defer payments until some time after the date on which the goods are delivered or services are provided; and (iii) leases, that is, arrangements under which property is provided that the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement, excluding those payments that cover the operation, repair, or maintenance of the property. Under the definition of debt set out above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.
(b) **Government** refers to the central government of the Republic of Togo; it does not include any political subdivision, the central bank, or any government-owned entity with a separate legal personality.

## II. Quantitative Performance Criteria and Indicative Targets

### Domestic Primary Balance

**Definition**

3. The domestic primary fiscal balance is defined as the difference between (i) the government’s fiscal revenue and (ii) total fiscal expenditure, net of interest and current and capital expenditure financed by donors. The balance in the periods from end-December 2007 to end-March 2008 (indicative target), end-June 2008 (performance criteria), end-September 2008 (indicative target) and end-December, 2008 (performance criteria) respectively, should be equal to or higher than the amounts shown in Table 1 of the MEFP. The source of the data is the fiscal reporting table (TOFE) prepared monthly by the Economic Directorate of the Ministry of Finance. The data provided by the Economic Directorate will be considered authoritative in the context of the program.

**Reporting deadlines**

4. The detailed data on the domestic primary fiscal balance will be reported monthly within eight weeks of the end of the month.

### D. Net Domestic Financing

**Definition**

5. Net domestic financing of the government is defined as the sum of (i) net banking sector credit to the government and (ii) net nonbank domestic financing of the government. Net domestic financing in the periods from end-December 2007 to end-March 2008 (indicative target), end-June 2008 (performance criteria), end-September 2008 (indicative target) and end-December, 2008 (performance criteria) respectively, should be equal to or lower than the amounts shown in Table 1 of the MEFP. The ceiling on net domestic financing will be adjusted to offset deviations from projected external program financing as shown in Table 1 of the MEFP, subject to a cap of CFAF 5 billion.

6. Net banking sector credit to the government is equal to the balance of claims and debts of the government vis-à-vis national banking institutions. Claims of the government include balances of the Togolese Treasury, deposits of the Treasury with the central bank, deposits of the Treasury with commercial banks (excluding deposits of other public entities such as accounts for foreign financed projects and accounts of the CNSS), escrow accounts, and deposits of the CRT with the central bank or commercial banks. Government debt to the banking system includes central bank financing (excluding BCEAO credit to government...
linked to IMF financing), commercial bank lending (including all government securities in CFA francs held by commercial banks), and deposits held with the CCP.

7. **Net nonbank domestic financing** includes: (i) the change in the stock of government securities in CFA francs (including those issued on the WAEMU regional financial market) not held by Togolese commercial banks, calculated on the basis of initial subscription; (ii) the change in the deposit accounts of Treasury correspondents; (iii) the change in miscellaneous deposit accounts (including suspense accounts – *comptes de consignations*) at the Treasury and accounts for fines and penalties pending distribution; (iv) the amortization of other domestic government debt (including bank claims on the economy assumed by the government and past arrears converted into securities) to nonbanks (including nonresidents). The assumption or securitization by the government of debt and arrears is excluded from the definition of net domestic financing, while the amortization by the government of such debt is included.

8. Net bank credit to the government and the amount of Treasury bill and bond holdings are calculated by the BCEAO. Net nonbank financing of the government is calculated by the Togolese Treasury. Their figures will be considered authoritative in the context of the program. The data are reported in the TOFE prepared monthly by the Economic Directorate of the Ministry of Finance.

**Reporting deadlines**

9. The data on net domestic financing of the government will be reported monthly within eight weeks of the end of the month.

**E. Government Revenue**

**Definition**

10. Total fiscal revenue includes tax and nontax revenue and excludes foreign grants, revenue by autonomous agencies and privatizations receipts. The data are calculated by the revenue collection agencies (*régies financières*) and are reported in the TOFE prepared monthly by the Economic Directorate of the Ministry of Finance. Revenue is defined on a cash basis.

11. The collection of revenue in the periods from end-December 2007 to end-March 2008 (indicative target), end-June 2008 (performance criteria), end-September 2008 (indicative target) and end-December, 2008 (performance criteria) respectively, should be equal to or higher than the amounts shown in Table 1 of the MEFP. The floor on revenue will be an indicative target throughout the program period.

**Reporting deadlines**

12. These data will be reported monthly to the IMF within four weeks of the end of the month.
F. Domestic Payments Arrears

Definition

13. **Domestic payments arrears** includes (i) the Treasury float (payment authorizations (*ordonnancements*) issued to the Treasury but not yet settled); (ii) utility invoices for which the payment order has not yet been issued; (iii) arrears on wages and pensions for which the payment authorization has not yet been issued; and (iv) any arrears on domestic government debt, including bonds issued in CFA franc on the WAEMU regional market. The net accumulation of domestic payments arrears for the periods from end-December 2007 to end-March 2008 (indicative target), end-June 2008 (performance criteria), end-September 2008 (indicative target) and end-December, 2008 (performance criteria) respectively, should be equal to or lower than the amounts shown in Table 1 of the MEFP. The source of the data on domestic payments arrears is the Treasury for the Treasury float and the Economic Directorate for other arrears. Data on the change in arrears will be reported in the TOFE prepared monthly by the Economic Directorate of the Ministry of Finance. The ceiling on net accumulation of domestic payments arrears is an indicative target throughout the program period.

Reporting deadlines

14. The data on the stock, accumulation (including changes in Treasury balances outstanding), and repayment of domestic payments arrears will be reported monthly within eight weeks of the end of the month.

15. The details on any government external loan will be reported monthly within six weeks of the end of the month. This rule will also apply to guarantees granted by the government.

G. Arrears on External Government Debt

Definition

16. The government will not accumulate any arrears on external debt (continuous performance criterion). External government debt refers to central government debt to external creditors included in the database of the Directorate of Public Debt under the Ministry of Finance. Excluded from the criterion are any arrears where debt is under dispute or renegotiation. Excluded from the criterion are all arrears covered under domestic payments arrears (Section II.D). The data source will be the Directorate of Public Debt.

Reporting deadlines

17. Data on the stock, accumulation, and repayment of external payments arrears will be reported monthly within six weeks of the end of the month.
H. Central government contracting or guaranteeing of nonconcessional external debt

Definition

18. The government undertakes not to contract or issue a financial guarantee for any external debt with an initial term of one year or more that has a grant element of less than 35 percent (continuous performance criterion). Nonconcessional debt is by definition all debt with a grant element of less than 35 percent. The concessionality of loans with a maturity of at least 15 years will be calculated using a discount rate based on the average of the OECD’s published commercial interest reference rates (CIRR); for loans with a maturity of less than 15 years, the average CIRR over six months is used.

19. This performance criterion applies not only to debt as defined in point 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted by the Executive Board of the IMF on August 24, 2000, but also to any obligation contracted or guaranteed for which no value has been received. However, this performance criterion does not apply to reschedulings in the form of new debt, or to Treasury bills or bonds in CFA francs issued on the WAEMU regional financial market.

Reporting deadlines

20. The details on any government external loan will be reported monthly within six weeks of the end of the month. This rule will also apply to guarantees granted by the government.

I. Social spending

Definition

21. Domestically financed social spending is calculated, for each category of the current account (wages, goods and services, transfers and subsidies, other) as (1) expenditure executed by the Minister of Health (under “health”); (2) expenditure executed by the Minister of Education and National Research and, the National Institute for Professional Education, and the Minister of Advanced Education and Research (under education), and (3) expenditure executed by the (4) the Minister of Environment and Forestry and the Minister of Agriculture (“other social spending”, and limited to subsidies and transfers). Domestically financed social spending is classified according to the above categories (health, education, other social spending) based on a classification of each projects presented in the 2008 budget into health, education, other social spending.

22. Total domestically financed social spending, for the periods from end-December 2007 to end-March 2008 (indicative target), end-June 2008 (performance criteria), end-September 2008 (indicative target) and end-December, 2008 (performance criteria) respectively, should be equal to or higher than the amounts shown in Table 1 of the MEFP. The data provided by the Economic Directorate will be considered authoritative in the
context of the program. The floor on domestically financed social spending is an indicative target throughout the program period.

**Reporting deadlines**

23. The data on domestically financed social spending will be reported monthly within eight weeks of the end of the month.

### III. Structural Benchmarks

24. This section elaborates on the structural benchmarks shown in Table 2 of the MEFP.

a. *Implement a new framework for monthly monitoring of budget execution, and report data for April-June 2008 based on a new template (Benchmark August 2008).* The reporting template, based on the template of IMF technical assistance mission in December 2007, will allow the review of monthly data (commitments, authorizations, and payments by budget category, including data on priority sectors) within three weeks after the end of each month, and compare the outturn to program targets, and take corrective action if necessary. While not required for the purpose of this benchmark, the IMF technical assistance has advised that spending should be broken down into wages (of which health and education), goods and services (of which health and education), transfers and subsidies (of which health and education), restructuring expenditure (of which banks, energy, cotton phosphate, and others, each separately), foreign financed current expenditure (of which health and education, each separately), interest on domestic and external debt, domestically financed investment (of which spending financed through the road maintenance fund, the cofinancing of foreign financed project, investment in the energy sector, and other domestically financed investment spending, each category separately), and foreign financed investment spending. It is also recommended that the template show external and domestic debt amortization payments, the grants received during each reference month, the loans disbursed by foreign creditors, the change in the level of deposits held by the Treasury at the BCEAO, and the change in the level of deposits held by the Treasury, local administrations, and the autonomous agencies with domestic commercial banks.

b. *Create a General Inspectorate of Finance under the responsibility of the Minister of Finance. (Performance criterion August 2008).* In line with other WAEMU countries, this unit (Inspection Générale des Finances) should conduct selective ex-post inspections of agencies that manage public resources in order to ensure that revenue and spending occurs within the legal framework for budget execution. The inspection unit should prepare a yearly work program and report its inspections and recommendations to the Minister of Finance. It should also disseminate an annual report. After a trial phase, the unit should start full operations in 2009.

c. *Adopt a strategy and time table for clearing domestic arrears. (Performance criterion December 2008).* The strategy should cover all overdue claims by private suppliers that have been verified by the 2007 KPMG audit and subsequent updates, and have been validated by the government. The strategy should provide that most of these arrears will
be converted into tradable government securities, with payments starting in 2009. The strategy should also set out principles for dealing with other domestic arrears. While not covered under this performance criterion, it is expected that the strategy should be published and that payments (in cash and through securities) should begin in 2009.

d. **Initiate restructuring of BTCI, including by raising its capital through the issuance of government securities.** *(Benchmark December 2008).* The restructuring includes an increase in BTCI’s capital through issuance of new government securities and the treatment of nonperforming assets (through removal from the balance sheet and/or through provisioning). Most of the government securities would have a maturity of five years or more, and short-term securities should be tradable. In addition to securities, the government could also provide other assets and short-term liquidity support. While not required for the purpose of this benchmark, one option for implementing the recapitalization is to exchange the new government securities against BTCI’s holdings of nonperforming loans to the state-owned (and possibly private) enterprises, including in the cotton and phosphate sectors, and to combine the recapitalization with a write-down of the capital of existing shareholders to zero, as set out by the 2007 IMF technical assistance mission.

e. **Adopt an action plan for introducing regular Treasury bill auctions in 2009.** *(Benchmark December 2008).* The plan should be developed in consultation with the IMF, the World Bank and the BCEAO. It should allow initiation of regular Treasury bill auctions by 2009.

f. **Phosphate sector: Initiate an audit of the phosphate sector, based on the competitive selection of an audit company, in consultation with the World Bank (Benchmark August 2008).* The benchmark includes the preparation of terms of references agreed with the World Bank; the publication of a call for expression of interest; a request for proposals from shortlisted companies, and the selection of an audit firm based on received proposals. The signing of the contract and the subsequent audit are not covered under the benchmark, but it is envisaged that the work would begin in the second half of 2008.

f. **Energy: Prepare a review of the finances of the national electricity company (CEET), in consultation with the World Bank.** *(Benchmark December 2008).* The benchmark covers the preparation of a draft report that provides estimates of CEET’s financial assets and liabilities, including vis-à-vis the government and information to project the financial gap of CEET for 2009. While not required for the purpose of this benchmark, this information should include (i) financial assets and liabilities of CEET to the government and others; (ii) revenues and expenditures; (iii) import, production, transmission, distribution, and consumption quantities for different categories of suppliers and consumers; and (iv) tariffs and collection rates for different categories of consumers; and (v) unit costs for different categories of suppliers and producers.
IV. ADDITIONAL INFORMATION FOR PROGRAM MONITORING

**Real Sector**

25. The government will report to Fund staff:

a. the monthly disaggregated consumer price indices, within four weeks of the end of each month;

b. the provisional GDP estimates by sector and expenditure in both real and nominal terms, within four months of the end of the year, and a revised estimate within ten months of the end of the year;

c. bi-annual data on the cotton sector (in June and December of each year) showing seed cotton production, cotton fiber production, cultivated area, producer prices, average cotton fiber price, SOTOCO’s profit or loss for the current campaign and the estimates for the next one;

d. monthly data on the phosphate sector to be provided in August for January –June and in February for January-December of the previous year showing total tonnage extracted and total sales in CFAF and USD;

e. monthly data on the activity of the Port of Lomé (i.e. tonnage and value in CFAF) to be provided in August for January –June and in February for January-December of the previous year showing the level of activity;

f. monthly data on the activity of the air transportation sector (i.e. tonnage, value in CFAF and number of passengers) to be provided in August for January –June and in February for January-December of the previous year;

g. monthly data on the cement and clinker sector to be provided in August for January – June and in February for January-December of the previous year showing the total production and exports in tonnage and CFA francs;

h. monthly data on the energy sector to be provided in August for January –June and in February for January-December of the previous year showing the production of electricity, imports of electricity, sale prices (low and medium tension) by KWh for the CEB and the CEET, average production cost by KWh, invoiced energy by the CEET in CFAF and KWh, number of subscribers by category (industrial and non-industrial).

**J. Government Finance**

26. The government will report to Fund staff:

a. tax and nontax revenue collected by the General Directorate of Taxes: (1) assessments and collections (émissions et recouvrements) of tax revenues; (2) assessments and collections of nontax revenues; (3) a breakdown of collections of taxes and levies in previous years (recouvrements sur exercices antérieurs des impôts et taxes); and (4) a detailed table of payments and offsetting transactions (apurements et compensations); these data will be reported on a monthly basis within four weeks of the end of the month;
b. the statement of direct and indirect taxes assessed and collected by the Customs Administration; these data will be reported on a monthly basis within four weeks of the end of the reference month;
c. monthly data on execution of the general budget/statement of commitments (engagements) and payment authorizations (ordonnancements): current expenditure on goods and services (dépenses de matériels) of ministries and units; these data will be reported on a monthly basis within four weeks of the end of the month;
d. monthly data on the statement of personnel commitments (engagements) and payment authorizations (ordonnancements); these data will be reported on a monthly basis within four weeks of the end of the month;
e. monthly data on payment orders (ordres de paiements) on a transaction by transaction basis, with or without an express payment order sent to the directorate of finance (télégramme lettre) issued by the Treasury, broken down by category of expenditure, within four weeks of the end of the reference month;
f. monthly data on the general balance of the Treasury accounts (balance générale des comptes du Trésor); these data will be reported on a monthly basis within eight weeks of the end of the month;
g. detailed monthly data on the deposits of the Treasury with the BCEAO and with commercial banks (form P-10) and on the deposits of the public sector with commercial banks (form D-11); these data will be reported on a monthly basis within four weeks of the end of the month;
h. a detailed monthly template (tableau de bord de suivi de l’exécution budgétaire) on the monitoring of budget execution, including a summary on major line items, with information on spending allocations, commitments, authorizations, and payments; these data will be reported on a monthly basis within two weeks of the end of the month;
i. detailed monthly data on revenue and expenditure, and on domestic and external financing, including payments of domestic and external arrears (TOFE); these data will be reported monthly within eight weeks of the end of the month;
j. monthly statement of Treasury payments, cumulative summary statements of monthly payments, and monthly statements of Treasury outstanding balances (restes à payer) (settlement section –section règlement); these data will be reported on a monthly basis within four weeks of the end of the reference month;
k. detailed monthly statement of the deposit accounts of Treasury correspondents (dépôts des correspondants au Trésor);
l. detailed monthly data on a transactions by transactions on the spending financed through the use of suspense account (comptes des consignations), with a breakdown into credit and debits (consignations/deconsignation) for each of the following accounts of the Balance Generale du Tresor: 466 120 (produits a verser a des tiers), 466 133 (consignations judiciaires); 466 134 (saisies et cessions volontaires), 466 135 (cautions aux elections), 466 291 (Provisions/commande a executer), 474 11 (Credits des Ambassades), and 474 31 (Credit des Prefectures); these data will be reported monthly within eight weeks of the end of the month.
K. Public Investment Program

27. The government will report to Fund staff:

   a) monthly data on the implementation of the Public Investment Program (PIP), including a breakdown of the sources of domestic and external financing (by donor and distinguishing grants and loans); these data will be reported on a monthly basis within eight weeks of the end of the quarter.

L. Public Debt

28. The government will report to Fund staff:

   a. monthly data on disbursements from external sources for budgetary support and projects; these data will be reported on a monthly basis within eight weeks of the end of the quarter;
   b. monthly data on external debt service (amounts due and payments made, by creditor and by currency); these data will be reported within four weeks of the end of the reference month;
   c. monthly data on the stock of public debt and domestic and external payments arrears; these data will be reported within four weeks of the end of the reference month.
   d. monthly data on the public debt service payable during the duration of the program.

M. Money and Banking

29. Each month the authorities will report to IMF staff, within eight weeks of the end of each month:

   a. comprehensive survey of monetary institutions, central bank survey, survey of depositary corporations, and net government position vis-à-vis the banking system. The survey of depositary corporations should include (i) a line showing the monthly stock of Togolese government bonds and treasury bills held on the balance sheet of commercial banks; (ii) a line showing claims on the government resulting from the assumption of nonperforming loans held on the balance sheet of commercial banks (iii) a breakdown of net claims on the public sector into net claims on central government, deposits held for externally financed projects, net claims on CNSS and net claims on autonomous agencies;
   
   b. average lending and borrowing rates of the banking sector.

30. The authorities will send to IMF staff, within four weeks of the end of each month:

   a. a table on the change in the required and constituted reserves of the BTCl, UTB and BIA held with the BCEAO, on the basis of daily data;
   b. the monthly balance sheet (report form DEC 2000) of the BTCl, UTB, and BIA;
c. the yearly additional provisioning required by the WAMU banking commission (report form DEC 2060) for the BTCI, UTB, and BIA. Any changes in the report should be communicated within 4 weeks;
d. monthly change in deposits of the BTCI and UTB, by customer type (private and public).

31. The authorities will send to IMF staff, within four weeks of the end of each month a table on the monthly change in deposits, credits, non performing loans and the level of effective provisioning and the provisioning requested by the Banking Commission for the overall banking sector by type of bank (i.e. private and public banks).

N. Balance of Payments

32. The government will report to Fund staff:

a. partial and preliminary annual balance of payments data, within six months of the end of the year in question, a revised preliminary annual balance of payments data within ten months of the end of the year in question, and a final annual balance of payments data within 15 months of the end of the year in question;
b. any revision to the balance of payments data (including services, private transfers, official transfers, capital transactions) as soon as they are revised;

33. The government will report to Fund staff within eight weeks of the end of each month, monthly data on:

a. private transfers, including assessments of rapid funds transfer activities.
b. exports and imports of goods, prepared by the directorate general of customs;
c. exports and imports of goods, prepared by BCEAO if data are different from those provided by the directorate general of customs.

O. Structural Reforms and Other Data

34. The government will report to Fund staff:

a. any study or official report on the economy of Togo, including state-owned enterprises, within two weeks of its publication;
b. any decision, order, law, decree, ordinance, or circular with economic or financial implications, as soon as it is published or, at the very latest, once it takes effect.