

TOGO

UNITARY COUNTRY

BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOW INCOME

LOCAL CURRENCY: WEST AFRICAN CFA FRANC (XOF)

POPULATION AND GEOGRAPHY

Area: 56 785 km²
Population: 7.798 million inhabitants (2017), an increase of 2.8% per year (2010-2015)
Density: 137.3 inhabitants / km²
Urban population: 41.2% of national population
Urban population growth: 3.8% (2017 vs 2016)
Capital city: Lomé (12.6% of national population)

ECONOMIC DATA

GDP: 12.24 billion (current PPP international dollars), i.e. 1 570 dollars per inhabitant (2017)
Real GDP growth: 4.4% (2017 vs 2016)
Unemployment rate: 6.9% (2017)
Foreign direct investment, net inflows (FDI): 150 (BoP, current USD millions, 2017)
Gross Fixed Capital Formation (GFCF): 26.9% of GDP (2017)
HDI: 0.487 (low), rank 166 (2017)
Poverty rate: 49.1 (2015)

MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Togo is a unitary state headed by a President of the Republic elected by universal suffrage, with a unicameral parliament (National Assembly). The current constitution dates back to 1992. Its amendment is currently the subject of heated debates between the ruling government and the opposition.

The principle of decentralization is set out in article 141 of the Constitution of 14 October 1992 as follows: "The Togolese Republic shall be organized into territorial units on the basis of the principle of decentralization, while respecting national unity. These territorial authorities are: municipalities, prefectures and regions. Any other territorial authority is created by law. Local authorities are freely administered by councils elected by universal suffrage under the conditions provided for by law".

The last local elections were held in 1987, 30 years ago. Since then, no such elections have been held. The end of the mandate of local elected officials in 1987, five years later, coincided with the political instability of the 1990s. The mayors elected in the 1987 elections were replaced in 2001 by special delegations that were to remain in place until the local elections were held. This temporary system has now been in place for more than 15 years.

Recently, the decentralization process in Togo has seen some positive developments, including: the organization of a national workshop on decentralization, held in December 2016; the adoption by the Government in March 2016 of the roadmap for decentralization and local elections and the creation of the National Decentralization Monitoring Council (CNSD) responsible for steering and monitoring the process; and finally the adoption of Act 2017-008 of 29 June 2017 creating new municipalities.

Two milestones should be noted in 2018:

- The adoption by the National Assembly of the law amending Act No. 2007-011 of 13 March 2007 on decentralization and local freedoms. The amendments include, inter alia, the number of councillors per municipality, prefecture and region; a new division of competences between own competences, shared competences and transferred competences; the limitation of the mandates of local elected representatives to a maximum of two and new provisions relating to the financial organisation of local authorities.
- The official launch at the end of September 2018, by the Ministry of Territorial Administration, Decentralization and Local Authorities (MATDCL) of the national campaign for training, awareness, communication and information on decentralization.

The process was to lead to local elections scheduled for December 2018, which were finally postponed.

TERRITORIAL ORGANISATION

2017	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	116 municipalities (Communes)	39 prefectures	5 regions	
	Average municipal size: 67 200 inhabitants			
	116	39	5	160

OVERALL DESCRIPTION. Togo is divided into 5 regions, 39 prefectures, 116 municipalities and 387 cantons composed of villages. The main cities, outside Lomé the capital, are Kpalimé, Atakpamé, Sokodé, Kara, Dapaong.

The organisation of local authorities is defined in Act No. 2018-003, amending Act No. 2007-011 of 13 March 2007 on decentralization and local freedoms. The law stipulates that the national territory is divided into local authorities with legal personality and financial autonomy. These local authorities are the commune, the prefecture and the region.

REGIONS. The bodies of the region are the Regional Council and the Executive Office of the Regional Council headed by a President elected by the Regional Council from among its members. The prefecture is a territorial community composed of municipalities. The organs of the prefecture are the prefecture council and the executive board of the prefecture council headed by a president elected by the prefecture council from among its members. The organs of the municipality are the municipal council and the executive board of the municipal council composed of the mayor and deputies. The City Council has the obligation to set up the following standing committees: (i) the Economic and Financial Affairs Committee, (ii) the State, Environmental and Technical Affairs

Committee, (iii) the Social and Cultural Affairs Committee. The municipal council may set up special committees to study and monitor the issues submitted to them. Two types of municipalities exist: the urban municipality located in the chief town of the prefecture, it includes one or more cantons; the rural municipality, located outside the urban municipality, it corresponds to a canton.

MUNICIPALITIES. The law of 23 June 2017 creating municipalities proposes a new division of Togo into 116 municipalities on the basis of a grouping of cantons or districts in certain large cantons. It defines the distribution of the 116 municipalities in the five regions of Togo. Thus, the Savannah region has 16 municipalities, the Kara region 21, the Central region 15, the Plateaux region 32, and the Maritime region 32.

INTER-MUNICIPAL COOPERATION. Law 2018-003 introduces inter-municipal cooperation as a compulsory mode of cooperation between municipalities within the same prefecture, as well as for the municipalities of Grand Lomé (composed of the prefectures of Agoenyivé and Golfe). It also provides, in Articles 323 to 325, for the creation of the autonomous district, recognised as a territorial authority, for which a law must determine the powers, organisation and functioning (this is the case for the city of Lomé, the capital).

SUBNATIONAL GOVERNMENT RESPONSIBILITIES

Act No. 2018-003 of 31 January 2018 establishes the new division of powers between the State and local authorities. The powers exercised by local authorities are of three types: i) the specific powers of local authorities; ii) the powers shared between the State and local authorities; iii) the powers transferred by the State to local authorities.

The main competences transferred to local authorities are in the following areas: local development and spatial planning; urban planning and housing; infrastructure, equipment, transport and roads; energy and water; sanitation, natural resource management and environmental protection; trade and crafts; education and vocational training; health, population, social action and civil protection; sports, leisure, tourism and cultural action.

The transfer of competences is carried out according to the principle of progressiveness, taking into account each level of decentralisation and the capacity of local authorities to assume them. The law provides that any transfer of powers to a local authority is accompanied by a concomitant transfer by the State to the latter of the corresponding resources and charges, as well as by the transfer of services, movable and immovable property and personnel necessary for the normal exercise of powers.

MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	REGIONS	PREFECTURES	MUNICIPALITIES
1. General public services			Administrative services (marriages, births, etc.); Public buildings and equipment
2. Public order and safety	Civil protection	Civil protection	Municipal police; Urban signage
3. Economic affairs / transports	Local and regional development; Infrastructure; Equipment, transport and communication routes; Trade and crafts	Local and regional development; Infrastructure; Equipment, transport and communication routes; Trade and crafts	Urban roads; Public parks; Urban transport; Local tourism
4. Environmental protection	Management of natural resources; Environmental protection		Parks and green spaces; Waste management; Street cleaning
5. Housing and community amenities	Urban planning and housing; Energy and hydraulics; Sanitation	Urban planning and housing; Energy and hydraulics; Sanitation	Construction and renovation; Drinking water supply; Street lighting; Urban planning; Waste management; Sanitation
6. Health	Health	Health	Primary health care (health centres); Preventive health
7. Recreation, culture & religion	Sports; Leisure; Tourism; Cultural action	Sports; Leisure; Tourism; Cultural action	Sports; Libraries; Local museums
8. Education	Education and vocational training	Education and vocational training	Pre-primary and primary education
9. Social protection	Population and social action	Population and social action	Social protection of children and youth; Family support services

SUBNATIONAL GOVERNMENT FINANCE

Scope of fiscal data: municipalities, prefectures and regions.	Report on the execution of the State budget 2017	Availability of fiscal data: Low	Quality/reliability of fiscal data : Low
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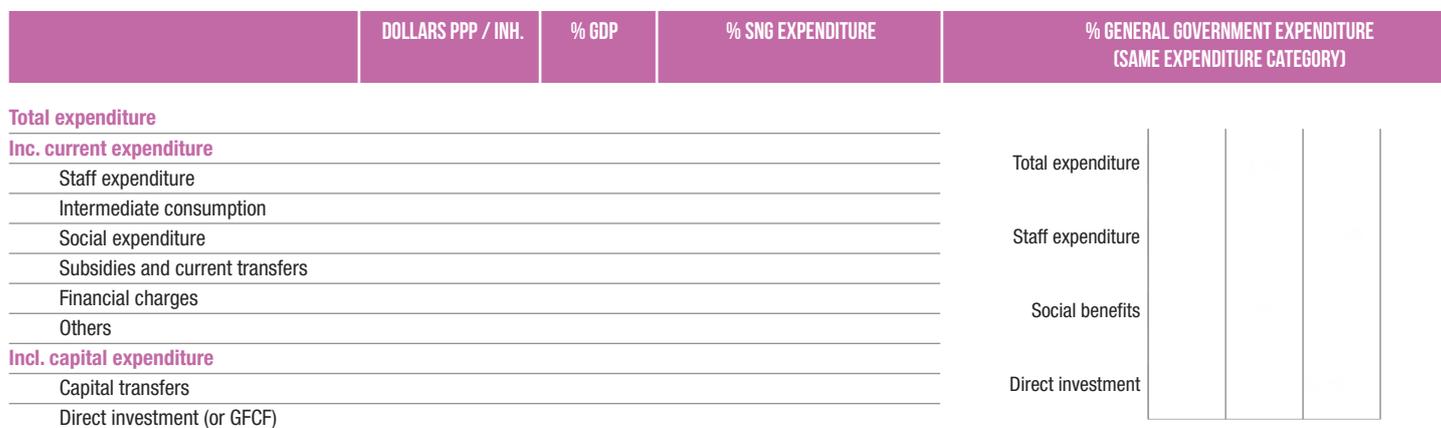
GENERAL INTRODUCTION. The general framework for the organization of local finances is set out in Act No. 2007-011 of 13 March 2007 on decentralization and local freedoms. This was amended by Act No. 2018-003, which updated the provisions relating to the transfer of State resources linked to the reorganization of the division of competences between the State and local authorities.

The current overall picture is one of a high dependence of local authorities on state structures in charge of managing their resources and the lack of collaboration and communication that characterizes their relations; insufficient resources relating to the competences transferred to local authorities by the state; and a weak control by local authorities of the fiscal chain and financial transfer mechanisms.

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SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION



EXPENDITURE. No data available.

The bulk of local expenditure is allocated to operating costs, although local public investment should theoretically be set at 20% of local budgets. In order to increase accountability for local expenditures, efforts have been made to increase community participation at the municipal level. Budget decisions on expenditures are now made public and open meetings of local councils are held to discuss budget issues.

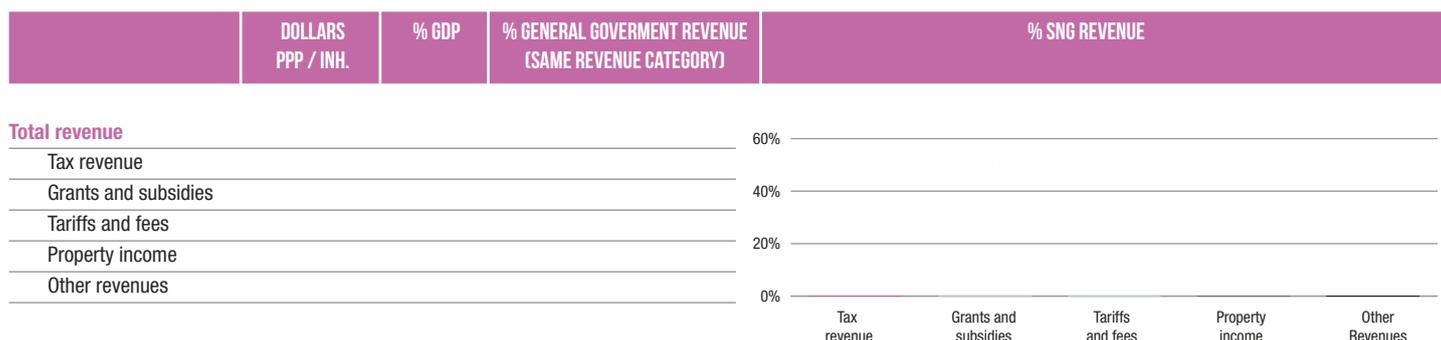
DIRECT INVESTMENT. No data available.

SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG

Low levels of competence and scarce financial resources have led to a downward trend in local spending over the past decade, and a corresponding decline in the quality of delivery of basic services, such as waste disposal. Municipalities give priority, according to their available resources, to waste and sanitation, street lighting, infrastructure and roads. Public intervention in the urban planning, education and health sectors remains highly centralized.



SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY



OVERALL DESCRIPTION. According to Act No. 2007-011 amended by Act 2018-003, local authorities are governed by a financial regime defined by decree of the Council of Ministers. They have their own resources.

The creation of taxes and fees is a matter of law. The local council by deliberation sets the rate up to the cap set by the finance law. In the municipality, prefecture or region, where specific activities are carried out that may be subject to taxation, the local council may, by deliberation, create corresponding non-fiscal taxes, subject to the approval of the supervisory authority and the Minister in charge of Finance.

Act No. 2007-011 provides for the creation of a Local Government Support Fund (FACT), the organisation and functioning of which are defined by decree of the Council of Ministers.

TAX REVENUE. The General Tax Code defines the taxes to be paid to local authorities for local and regional development. The taxes concerned are collected by the Office of the Commissioner of Taxes and refunded in whole or in part to the benefit of the municipalities or prefectures of the place where the taxable property is located. The main taxes are as follows: the Property Tax on Built Property (TF), the Special Tax on the Manufacture and Trade of Beverages (TSFCB), the Professional Tax (TP), the Single Business Tax (TPU), the Gambling Levy (PJH), the Registration Fees (DE), the Housing Tax (TH). In addition, there is the Toll Tax (TP) and the Infrastructure Protection Tax (TPI).

On the basis of the tax allocation keys as provided by the Office of the Commissioner of Taxes, apart from the housing tax which is 100% due to them, local authorities share the rest of the taxes with the State and the tax administration. They receive on average 50% of the various taxes, with the exception of the Gambling Levy (PJH), for which they receive 20%.

In 2016, the Office of the Commissioner of Taxes allocated a total amount of XOF 11.6 billion (about \$50 million PPP) in tax refunds to local and regional authorities.

According to the law, local and regional authorities may levy a certain number of taxes and set their rates within the limits defined by the law. But the tax chain, controlled by the central administration, leaves little autonomy to local authorities. Recently, some cities have set up their own tax registers and have been able to double or even triple their tax revenues.

GRANTS AND SUBSIDIES. Due to the downward trend in the State's financial resources, subsidies have practically disappeared since 1998. The State has created (Act No. 2007-011 of 13 March 2007 on decentralization and local freedoms), the Local Government Support Fund (FACT), whose mission is to mobilize financial resources to strengthen the management capacities of local authorities, financially compensate for the transfer of competences, and support their development work. FACT is a public financial institution with legal personality and financial autonomy.

The fund is intended to mobilise two main allocations, the decentralisation allocation and the investment support allocation, which are managed by two separate windows: the decentralisation window allocates a general operating allocation and a general decentralisation allocation; the investment support window provides a general investment allocation, a specific investment allocation and a guarantee for loans contracted by local authorities from public and private financial institutions recognised by the Ministry of Economy and Finance.

The finance law sets each year the amount that the State allocates to the FACT as well as the percentage to be allocated to each of the two windows.

The criteria for calculating the allocations granted to local authorities, the criteria and procedures for examining specific allocations and the operating rules of the guarantee fund shall be laid down each financial year by joint order of the Minister responsible for decentralisation and the Minister responsible for finance, after consulting the Council of Ministers.

The effective operationalization of the Local Government Support Fund (which is not yet functional) was called for by local authorities at the 14th Togolese Municipalities Day organized by the Union of Togolese Municipalities (UCT) in October 2018.

OTHER REVENUES. Municipalities have the authority to collect fees and charges for public services.

■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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Total outstanding debt

Financial debt*

* Currency and deposits, loans and bonds

FISCAL RULES. The budget of local authorities is subject to prior approval by the supervisory authority, which is the Ministry in charge of finance.

DEBT. As part of the implementation of their development programme, local and regional authorities may conclude loan agreements at national level, in accordance with the conditions laid down by decree of the Council of Ministers. Local authorities may under no circumstances borrow for operating expenses.



World Observatory on Subnational Government Finance and Investment

Lead responsible: UCLG

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www.sng-wofi.org

Socio-economic indicators: World Bank // UNDP // UN DESA // ILO.

Fiscal information: Rapport d'exécution du budget de l'Etat à fin décembre 2017.

Other sources of information: Bernard Daflon, Guy Gilbert (2018) La décentralisation au Togo : analyse économique et institutionnelle // IMF (2018) Perspectives économiques régionales. Afrique subsaharienne. Mobilisation des recettes fiscales et investissement privé // UCLGA & Cities Alliance (2018) Assessing the institutional environment of local governments in Africa // African Development Bank (2016) Document de stratégie pays 2016-2020 Togo.