

SU/20/42

April 3, 2020

**The Acting Chair's Summing Up
Togo—Sixth Review Under the Extended Credit Facility
and Request for Augmentation of Access
Executive Board Meeting 20/35
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Executive Directors welcomed Togo's significant progress under the Fund-supported program. However, the country's economic recovery is now being impacted by the spread of COVID-19. In addition, the outlook is subject to potential risks arising from local socio-political uncertainty, regional security threats, and weak global growth. Directors welcomed the authorities' plan to address the human and economic implications of the COVID-19 pandemic and commitment to build on the hard-won fiscal achievements. They also commended Togo's compliance with the WAEMU convergence criterion of a fiscal deficit not exceeding 3 percent of GDP.

Directors appreciated the authorities' commitment to pursue revenue administration and public financial management reforms. They noted the progress in collection of tax arrears, online submission of customs declarations, and steps toward program-based budgeting. Directors encouraged the revenue authority to design and implement measures identified in a recent Tax Administration Diagnostic Assessment Tool. They also underscored the importance of addressing remaining deficiencies in essential customs functions and bolstering voluntary compliance to ensure strong permanent revenue. Directors recommended implementation of measures suggested by the 2016 and 2019 Public Investment Management Assessments. Going forward, pursuing a prudent borrowing policy and strengthening debt management capacity will be important to safeguard debt sustainability.

Directors emphasized the need for decisive action to accelerate reforms in the financial sector. They noted that completing the delayed reforms of the two state-owned banks would help safeguard financial stability and prevent risks to the state budget.

Directors encouraged the authorities to build on the significant improvement of the business environment, strengthen governance and fight corruption, as well as implement reforms outlined in the National Development Plan.