



Amendment to
Project Proposal for
TOGO

June 2025

Component: Revenue

Module: RM-I: Tax Policy (FAD)
RM-II: Revenue Administration (FAD)
SM-IV: Fiscal and Macroeconomic Tools,
Research, and Analytical Work (ICD)



PROJECT SUMMARY		
COUNTRY:	Togo	
DEPARTMENT:	FAD, ICD	
REGION:	AFR	
PLANNED DATES:	FY26-27	
PROJECT MANAGERS:	Florent Barrois (Tax Policy, FADT1, Lead) Marco Borges de Siqueira (Revenue Administration, FADR2) José Federico Geli Manzano (General Macro and Fiscal, ICDMF)	
ESTIMATED BUDGET	\$433,350 (FAD); \$256,190 (ICD)	
BUDGET FOR ENDORSEMENT:	\$689,540	
PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for RM-I: Tax Policy module (FAD)	January 2024
AMENDMENT 1	Part I: Update of RM-I: Tax Policy module; addition of RM-II: Revenue Administration module (both FAD) Part II: Addition of SM-IV module (ICD)	June 2025

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ACRONYMS

AFW	IMF's Regional Technical Assistance Center in West Africa
AI	Artificial intelligence
CD	Capacity development
ECF	IMF's Extended Credit Facility
FAD	IMF's Fiscal Affairs Department
Govtech	Government technology (digitalization of public services)
ICD	IMF's Institute for Capacity Development
MoEF	Ministry of Economy and Finance, Togo
NTF	Near-term forecasting
OTR	Togolese Revenue Office (<i>Office Togolais des Recettes</i>)
PFM	Public financial management
STX	Short-term expert

I. PART I: PROJECT AMENDMENT PURPOSE (FAD)

Country request and relevance/importance

The country's authorities expressed interest, to the IMF's Fiscal Affairs Department (FAD), in new capacity development (CD) activities to strengthen revenue mobilization. The overall tax-to-GDP ratio is estimated at 14.6 percent in 2024, well below the West African Economic and Monetary Union (WAEMU) convergence criteria of 20 percent. Tax revenue appears to suffer from tax policy challenges such as weak capacity to tax property, the granting of exemptions leading to large tax expenditures, loopholes in the personal income tax (PIT), and international tax issues. A general diagnostic of tax policy was delivered in April 2024, seven years after a similar diagnostic. The diagnostic identified several key tax policy reforms and made several recommendations to modernize the tax policy in Togo, increase tax revenue and improve the tax-to-GDP ratio. The authorities emphasized that some recommendations of this diagnostic have been considered in the revenue mobilization strategy aimed at increasing tax revenue by 0.5 percent of GDP. However, the authorities believe that some analyses and recommendations should be reexamined and adapted with a view to further improving tax revenue in specific sectors.

In this context, this module aims to strengthen domestic revenue mobilization through enhanced risk management and operational efficiency to improve macro-fiscal stability—creating fiscal space for priority spending and reducing reliance on external financing. The Togolese authorities have formally requested IMF technical assistance to support the mobilization of data for customs and tax risk analysis and customs investigation and audit within the Office Togolais des Recettes (OTR). The CD project aligns with commitments under the IMF-supported program by advancing revenue administration reforms that are essential to Togo's long-term fiscal sustainability. The project concretely supports the OTR's digital transformation to become a data-driven administration.

Description of Modules

The project will reexamine the tax legislation and recommend adaptations in two areas: international taxation and property taxation. The taxation rules for multinational companies operating in the digital economy will be reassessed with a view to strengthening the legislation and broadening the tax base. Regarding property taxation, the CD project will assess existing property tax systems and recommend effective reforms to enhance tax revenue generation, improve equity, and align practices with international standards. A support to analyze the legal framework and evaluate tax expenditures will

be provided, and measures will be recommended with a view to rationalizing tax exemptions, in particular value-added tax (VAT) exemptions, and designing a fairer tax system.

Moreover, this CD project will support the OTR in strengthening its data utilization/mobilization and analytical capacity to enhance revenue collection. Assistance will focus on improving data quality and availability, providing strategic advice on production deployment of data tools and methods, including AI systems already developed by the OTR, for risk analysis and investigation, and guiding necessary organizational and cultural changes to effectively implement and leverage data-driven technologies for revenue.

The estimated budget for this Togo FAD project is \$433,350 covered within the total budget endorsement request for Togo of \$587,630 through FY27.

II. BACKGROUND

Macro-fiscal situation

Following the shocks of recent years, fiscal expansion helped preserve robust growth but also pushed up Togo's public debt. In this context, the IMF approved a new Extended Credit Facility (ECF) arrangement in March 2024 to support the authorities' efforts to (1) make growth more inclusive while strengthening debt sustainability, and (2) conduct structural reforms to support growth and limit fiscal and financial sector risks. The first review was completed in December 2024, assessing implementation as strong.

In line with weaker growth and imports, tax revenue mobilization has progressed only slowly: preliminary data suggest that tax revenue may stand at approximately 14.6 percent of GDP, down from 14.8 percent in 2023. The fiscal deficit is estimated at 5.8 percent of GDP in 2024, down from 8.3 percent in 2022. The risk of external debt distress is moderate with limited space to absorb shocks, and the risk of overall public debt distress high.

Country engagement and alignment to reform priorities

As mentioned above, the authorities have an ongoing ECF program with the IMF which aimed to anchor the fiscal consolidation and accelerate fiscal structural reforms. Tax policy measures for 2025 include introducing or increasing various excise duties and reducing tax exemptions, for an

expected yield of 0.4 percent of GDP. To accelerate revenue mobilization, staff recommends that the authorities also aim to scale back VAT exemptions, broaden the base of the personal income tax (PIT), align corporate taxation with the Global Minimum Tax, and require companies that receive tax advantages related to special economic regimes to move to a special economic zone over time.

Besides, the Togolese authorities have shown strong engagement and clear alignment with reform priorities by actively advancing the OTR's transition to a data-driven organization. The OTR digitalization strategy is aligned with the major guidelines of the Togolese government in terms of digitizing public administration, notably through the national digital transformation strategy. The strategy promotes the use of artificial intelligence (AI), the dematerialization of procedures, the interoperability of information systems, and the valorization of data as a lever for modernizing public action. Since 2023, the OTR has established a dedicated data analysis unit, recruited data engineers and scientists,¹ implemented a data governance framework based on a data mapping exercise within the OTR, initiated the revision of its business intelligence tools, and begun developing machine learning systems to support risk analysis. These efforts reflect a firm commitment from the OTR leadership to modernizing revenue administration through evidence-based decision making, supported by technology and data utilization. Recent missions by the IMF's Fiscal Affairs Department (FAD) and the IMF's Regional Technical Assistance Center in West Africa (AFW) confirmed the relevance of these reforms and identified priority use cases, reinforcing the need for continued support through a follow-up project focused on strengthening data quality and analytics capabilities.

IMF priority areas / cross-cutting themes

The OTR's ongoing digital transformation demonstrates clear alignment with GovTech priorities. By investing in data infrastructure, specialized human resources and AI development, during the last two years, the authorities are advancing key GovTech elements such as business process modernization, data-driven decision-making, and the integration of advanced technologies. This project will contribute to and benefit from the inputs of other FAD initiatives related to GovTech in tax and customs administration; these include the CD already delivered on mirror analysis and data matching in many countries, the ongoing CD in the field of data and AI in Africa and Latin America, and the analytical work done by FAD on data analytics and AI in tax and customs.

¹ The IT department of the OTR has 83 staff. The section in charge of applications development and data analytics is composed of 22 staff.

III. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes CD support to Togo in the areas of tax policy and revenue administration. FAD CD will support improvements within the strategic objectives presented in Table 1.

Table 1. Summary of Objectives covered by the Proposal

Component	Module	Objective
Revenue	RM I / Tax Policy	Improve tax policy design
Revenue	RM II / Revenue Administration	- Strengthened revenue administration management and governance arrangements. - Improved customs administration functions.

A. RM I – Tax Policy

Scope

This project is aligned with the authorities' tax revenue mobilization strategy for 2025-26 that aims at raising tax revenue by 0.5 percent of GDP per year and supports the requested IMF program which envisages a revenue-led consolidation. The authorities requested tax policy support during the Spring Meetings in 2023 and 2025. FAD already actively supports the ECF program implementation, but the authorities need substantial support to define and implement a credible revenue mobilization agenda.

Program Objectives

The objective of the CD project is to improve tax policy design by:

- Adapting the taxation rules for companies operating in the digital economy to increase the tax base.
- Supporting the authorities in the design of a modern property tax legislation to expand the tax base and improve distributional fairness.
- Supporting the analysis of the legal framework, the estimation and rationalization of tax expenditures and helping design specific measures consistent with the overall tax revenue mobilization strategy of the authorities.

Expected Results (outcomes)

At the conclusion of the project, CD support is expected to contribute to the broadening of the tax base, the improvement in tax revenue, and an increase in the tax-to-GDP ratio.

B. RM II - Revenue Administration

Scope

This project aims to support the OTR in addressing key challenges that hinder its transition to a fully data-driven administration capable of enhancing revenue collection. Despite the OTR's ongoing efforts—such as establishing a data analysis unit and initiating AI-related projects—several critical issues remain. These include limited data quality for AI uses, limited availability and reuse of data across departments, weak data literacy in middle management, and the concentration of data use within a small group of specialists. Additionally, there has been insufficient preparation for the organizational changes required to support digital transformation and benefit from the positive impacts of data tools.

To address these challenges, the project will focus on three core areas: (1) improving data quality and availability; (2) accompanying the deployment of existing AI tools for risk analysis, selectivity and investigation; and (3) assisting with organizational reforms needed to fully leverage data and digital tools. Specifically, the project will help the OTR assess its initial AI initiatives, develop a strategy for moving from proofs of concept to production deployment, implement framework to monitor the impact of these tools, and reform procedures based on data-driven decision. It will also promote the reallocation of staff to analytical and post-clearance functions, enhance enforcement against fraud and unethical practices, and ensure that all relevant units—not just data specialists—can access and use data effectively, including through emerging technologies such as generative AI.

Program Objectives

The overall objective of this CD project is to enhance the revenue mobilization capabilities of the OTR by supporting its transformation into a data-driven organization. Through targeted support in three interrelated areas—improving data quality and availability, accompanying the strategy of deployment of sustainable data analysis tools and AI systems, and facilitating organizational change—the project aims to embed data-driven decision-making into the core functions of revenue administration.

By achieving this objective, the project is expected to generate significant impact: higher quality and more accessible data will enable more accurate risk profiling and improved investigations; the operational use of AI and analytical tools will strengthen internal audit, post-clearance controls, and fraud detection; and organizational reforms will ensure that analytical capabilities are mainstreamed across departments. Ultimately, the project will contribute to more effective, transparent, and accountable revenue administration, supporting Togo's broader macro-fiscal stability and public financial management goals.

Expected Results (outcomes)

At the conclusion of the project, CD support is expected to contribute to:

- A higher level of digitalization and improved quality of data collected through routine administrative processes,
- An operational data governance framework that ensures data availability and reusability for analytical tasks, enforcement, internal control, and performance monitoring,
- The deployment of data analytics that foster a data-driven, evidence-based decision-making culture within OTR,
- Strengthened internal capacity to design and manage projects until production deployment of AI systems and use them for policy development, risk profiling, investigations, and post-clearance controls,
- Organizational changes that enhance the benefits of data use, including the shift of customs controls from frontline to post-clearance,
- The dissemination of lessons learned and proof-of-concept results in applying GovTech and AI to revenue administration.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

The Tax Policy Unit (TPU) is expected to be the key counterpart. In 2017, the authorities created a TPU that reports directly to the Minister of Economy and Finance and is responsible for all tax policy aspects, including the development of legislative proposals and the evaluation of tax expenditures. The project will closely coordinate with the OTR.

Moreover, FAD has maintained a strong and sustained engagement with Togo around customs reform and revenue mobilization, particularly through technical assistance focused on strengthening customs core functions. Since 2020, this support has included missions focused on mirror data analysis, control of exemptions and suspended regimes, customs valuation, and rules of origin.

Building on this solid foundation, the proposed project introduces a new area of engagement—supporting the operational use of data analytics and AI. It responds to the authorities’ request to advance their digital transformation and marks an important step in deepening FAD support for modernizing revenue administration in Togo.

B. Delivery Modalities

Regarding tax policy, as for the initial diagnostic, the project will be delivered via HQ-led in-person missions.

CD will also comprise of a mix of remote and in-person activities. Virtual deliveries will be used to provide efficiencies to in-person support, including pre-engagement meetings and post-follow-up meetings. The following CD activities will be delivered as a package:

- **Headquarters-led (HQ) support.** FAD staff will assist OTR in its transition to data through the implementation of this project. They will provide recommendations, conduct regular reviews of the progress of the project, and coordinate with other CD providers. FAD staff will deliver its support through a blend of HQ-led missions, staff visits, and HQ-based desk advice.
- **Short-term expert (STX) assistance.** FAD will provide support through STX visits and remote assignments, focusing on highly technological components like data governance and industrialization of data analytics and AI systems. Specific attention will be dedicated to transferring knowledge to and appropriation by OTR data specialists and managers.
- **Workshops.** FAD staff will organize workshops that ensure the general appropriation of methods and tools, evaluate the impact of the transition to data on the organization, and are open to peers and experts from other administrations (self-funded), during HQ missions.

C. Coordination / Cooperation

Partner	Coordination Type	Coordination Area	Frequency
World Bank	Sharing of information, and insights	Workplan, priorities, and recommendations for Tax Policy	Regular, during missions
European Commission	Sharing of information, and insights	Workplan, priorities, and recommendations for Tax Policy	Regular, during missions
German Agency for International Cooperation (GIZ)	Sharing of information, and insights	Workplan, priorities, and recommendations for Tax Policy	Regular, during missions
United Nations Development Program (UNDP)	Sharing of information, and insights	Workplan, priorities, and recommendations for Tax Policy	Regular, during missions
AFW	Joint CD	The first assessment mission will be conducted by AFW. AFW will provide support to engagement with peers (workshops, visits to peer administrations).	As needed

V. RISK ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
RM I - Tax Policy	Resurgence of pandemics hinders CD delivery and changes priorities.	Low	Build on progress achieved with remote delivery of CD.
POLITICAL SUPPORT			
RM I - Tax Policy	Political instability may slow down and even stop implementation of reforms.	Medium	Focus on strategic advice. Close consultation with relevant internal and external stakeholders to help ensure consensus across government.
RM II - Revenue Administration	Change in political priorities or leadership could deprioritize customs digitalization or shift focus to other reforms.	Medium	Engage key stakeholders early; align project with national development and digital transformation strategies; ensure visible results in the short term to maintain interest.
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
RM I - Tax Policy	Close coordination across senior staff in relevant counterpart agencies (Ministry of Finance, Economy, Tax administration) is crucial for delivery.	Low	Organize consultations across government agencies to ensure close coordination.
RM II - Revenue Administration	Limited familiarity with data governance and AI tools among mid- and senior-level managers could slow adoption and implementation.	Medium	Include awareness-raising and capacity-building activities targeted at managers from the beginning of the project; conduct workshops on the benefits and use cases of AI in customs.
RM II - Revenue Administration	Inadequate internal coordination between departments (e.g., IT, risk management, operations) may impede project execution.	Medium	Establish a dedicated Data Governance and Processing Committee to centralize the management of customs data, facilitate coordination across departments, and ensure the application of consistent governance standards and procedures.
RESOURCE ADEQUACY			
RM I - Tax Policy	Resources are misused, not properly accounted for, or do not achieve value for money.	Low	Project resources will be employed in accordance with the IMF policies and procedures, including its travel agency.
RM II - Revenue Administration	Insufficient funding for necessary IT infrastructure.	Medium	Engage early with technical and financial partners to mobilize financial and technical resources; explore phased implementation options to align with available funding and prioritize high-impact, cost-effective components.

VI. PART II: PROJECT AMENDMENT PURPOSE (ICD)

Country request and relevance/importance

During the IMF-World Bank 2025 Spring Meetings, the authorities of Togo formally requested technical assistance from the IMF's Institute for Capacity Development (ICD) to enhance their macroeconomic forecasting capabilities and support sound policy decisions. By improving their analytical tools, the authorities aim to increase their capacity to analyze and quantify the impacts of various economic risks and policy measures, ultimately fostering greater resilience in the economic framework.

The estimated budget for this Togo ICD project is \$256,190 and endorsement is requested for the full amount through FY27. Costs in FY26 may require adjustments if, after the project inception, ICD and the authorities identify a need for increased in-person missions or scope of the technical assistance (i.e., improvements to the current macroeconomic framework, additional tools, etc.). Future endorsements will be sought, as needed.

Description of Modules

The proposed technical assistance also supports the IMF's program commitments. The proposal includes a tailored module "SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work" addressing both immediate and long-term analytical needs. Key focuses are on developing a nowcasting and near-term forecasting (NTF) toolkit, including the integration of quarterly data into the forecast and policy analysis system. These areas are critical for strengthening Togo's economic resilience while adhering to international best practices.

The project's action plan will be discussed in detail with the authorities. Technical assistance initiatives will align closely with Togo's reform priorities. These initiatives aim to strengthen the analytical framework and promote effective data utilization. Enhanced macroeconomic forecasting will enable the government to make informed decisions based on an accurate analysis of the latest economic developments.

VII. BACKGROUND

Macroeconomic situation

Togo faces significant internal and external imbalances despite recent economic growth. The country is grappling with large fiscal deficits and rising public debt, which present key domestic

challenges. Authorities aim to reduce the debt-to-GDP ratio below 60 percent by 2028. Although poverty has decreased to 25.8 percent of the overall population, ongoing challenges persist. The external accounts are stable, yet debt sustainability remains critical. Inflation rates have successfully moderated, reflecting improved economic conditions.

Country engagement and alignment to reform priorities

Addressing Togo's challenges requires further reforms and dedicated support. Achieving macroeconomic stability will reduce uncertainty and facilitate investment planning. Enhanced forecasting will improve fiscal management and enable timely adjustments. Structural reforms are vital for boosting domestic revenue and enhancing spending efficiency. Strengthening governance and the business environment is essential for sustainable growth. The IMF's Extended Credit Facility (ECF), approved in March 2024, is a key support mechanism for these policies. This program targets a fiscal deficit of 3 percent of GDP, fostering inclusive growth and resilience. Moreover, the agreement will catalyze essential external financing.

IMF priority areas / cross-cutting themes

Current priorities do not encompass climate, gender/inclusion, or GovTech (digitalization of public services). These areas remain outside the immediate focus of this engagement with Togo, although they may be considered in future work.

VIII. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes support to Togo in the area of Fiscal and Macroeconomic Tools, Research, and Analytical Work. ICD technical assistance will support improvements within the strategic objectives presented in Table 2.

Table 2. Summary of Objectives covered by the Proposal

Component	Module	Objective
Spending	SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work	Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications

A. SM-IV: Training and Peer Learning

Scope

The project aims to enhance the Togo Ministry of Economy and Finance's (MoEF) macroeconomic forecasting capabilities through targeted technical assistance from ICD. This support is vital for achieving macroeconomic stability and resilience. Improved analytical tools, including the development of a nowcasting and NTF tools, will empower authorities to analyze macroeconomic situation and support the design of economic policy measures. Capacity development initiatives will align with Togo's reform priorities and strengthen the existing analytical framework and capacity of the MoEF. Training on enhanced forecasting methodologies to staff will support fiscal policy formulation. The project will also promote the effective use of data in decision-making processes.

Program Objectives

The tailored module includes the development and integration of a nowcasting and NTF toolkit to their macroeconomic framework. The project aims to improve the forecast and policy analysis system at Togo's MoEF. It will contribute to foster the production and use of consistent macroeconomic projections and enhance overall fiscal policy formulation.

Expected Results (outcomes)

At the end of the project, the MoEF is expected to achieve two key objectives:

- **Developing a nowcasting and NTF toolkit at the MoEF.** This will help anchor current-year macroeconomic projections and will be integrated into the macroeconomic framework.
- **Integrating the nowcasting and NTF tools into the MoEF's forecast and policy analysis system.** These tools will integrate information from quarterly accounts and utilize nowcasting and NTF techniques to produce regular reports to inform macroeconomic policymaking.

Project proposals typically cover only one to two years of technical assistance activities, which are expected to contribute to the achievement of the objectives outlined in the sections above. The objectives of these FAD and ICD Global Public Finance Partnership (GPFP) projects for Togo may require extended and ongoing support to be fully and sustainably realized. Therefore, progress reports will serve to monitor advancement towards these objectives, and it may be necessary to adjust or broaden project workplans to better facilitate the achievement of these goals.

IX. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

Over the last decade the IMF, particularly through FAD, has provided extensive CD to Togo in fiscal policy. This assistance supports public financial management (PFM), often linked to IMF Extended Credit Facility (ECF) programs. Key areas include strengthening PFM (like budget execution, accounting, treasury, and procurement), improving tax policy and administration, enhancing debt management, and conducting assessments such as the Public Investment Management Assessment (PIMA) and Climate PIMA to boost investment efficiency and climate resilience.

B. Delivery Modalities

The approach integrates remote and in-person support. For the first year of the project, in-person engagements will be the delivery modality to strengthen the commitment and focus of technical assistance recipients, followed by a virtual engagement on the second year of the project. Headquarters (HQ) staff will lead all technical assistance missions, overseeing strategic direction, monitoring progress, coordinating with FAD (HQ and AFW) and other CD providers, and ensuring implementation plans remain adaptable.

C. Coordination / Cooperation

Partner	Coordination Type	Coordination Area	Frequency
IMF's African Department (AFR)	Sharing information / Activity planning	Macroeconomic Frameworks technical assistance	Ad-hoc, continuous
FAD	Sharing information / Activity planning/outputs	Coordination of Macroeconomic Frameworks and PFM technical assistance activities	Ad-hoc, continuous

X. RISK ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work	Risk that climate-related events (e.g., floods, droughts) or regional instability (e.g., security issues in neighboring areas) disrupt project activities or the operating environment.	High	Accommodate hybrid & virtual delivery and flexible technical assistance delivery dates.
POLITICAL SUPPORT			
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work	Risk that high-level political will for the project's objectives or the broader reform agenda weakens during the 2-year period due to changing government priorities or political dynamics.	High	Constant communication with senior management about technical assistance work and achievements.
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work	Risk that counterparts within the MoEF lack sufficient time, capacity, or sustained focus to effectively engage with and support the technical assistance activities.	Medium	Secure high-level project support. Align core team members incentives with objectives, including possibility of participating in courses organized by regional TA centers or even the possibility to have reverse missions, budget permitting.
RESOURCE ADEQUACY			
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work	Risk that the project does not have sufficient financial, human, or logistical resources allocated or readily available throughout the 2-year duration to achieve its planned outcomes effectively.	Medium	Align technical assistance objectives and instruments to diagnosed capacity.
OTHER RISKS			
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work	Risk that key personnel on your technical assistance team change during the project, leading to delays, loss of institutional knowledge, or onboarding challenges for new staff.	Medium	Constant and detailed documentation on the use of the nowcasting toolkit, recording of technical assistance activities and access to relevant IMF online courses. Documented, structured procedures and manuals for new hires to speed up onboarding use of the toolkit.

XI. CD DELIVERY PLANS: FAD AND ICD

Table 3. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY26	FY27	FY28	FY29	Grand Total
RM-I: Tax Policy (FAD)					
HQ led CD mission	1	1	-	-	2
STX visits	-	1	-	-	1
Staff visits	-	-	-	-	-
Workshops (inc. during HQ and remote CD)	-	-	-	-	-
RM-II: Revenue Administration (FAD)					
HQ led CD mission	1	1	-	-	2
STX visits	3	1	-	-	4
Staff visits	-	-	-	-	-
Workshops (inc. during HQ and remote CD)	1	-	-	-	1
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work (ICD)					
HQ led CD mission	2	1	-	-	3
STX visits	-	-	-	-	-
Staff visits	-	-	-	-	-
Workshops (inc. during HQ and remote CD)	-	-	-	-	-
Total	8	5	-	-	13

Note:

- Regarding FAD activities:
 - Tax policy: in-person delivery was chosen in two instances because of the need to exchange on site with the authorities to provide tailored recommendations; remote delivery was chosen in one instance because this format is adapted to the purpose of the mission.
 - Revenue administration: in-person delivery was chosen in some instances to allow for hands-on support, direct collaboration and practical training; remote delivery was chosen in several instances to ensure continuity, provide ongoing technical guidance, and reduce costs.
- Regarding ICD activities:
 - In-person delivery was chosen in over half of the instances to strengthen the commitment and focus of technical assistance recipients and to minimize distractions commonly associated with virtual delivery (e.g., multi-tasking). For scoping missions, in-person delivery was preferred to allow greater flexibility in scheduling activities and meetings.
 - Remote delivery was chosen mostly due to resource considerations.
 - Hybrid delivery was not chosen, but technical assistance missions might contain specific hybrid activities if the participation of additional HQ-based colleagues is beneficial
 - Collectively, the blend of technical assistance delivery proposed over the duration of this project reflects the optimal balance of in-person, remote, and potential hybrid activities needed to achieve the project outcomes taking into account the needs of the country and the resources available.

Table 4. First Year Workplan

Timing	CD Modality	Proposed Topics of CD
RM-I: Tax Policy (FAD)		
Q3/FY26	Field-Based work	Improving the taxation rules for companies operating in the digital economy to increase the tax base
Q1/FY27	Field-Based work	Designing a modern property tax legislation to expand the tax base and improve distributional fairness
Q4/FY27	Duty station-based work	Support to analyze the legal framework and evaluate tax expenditures.
RM-II: Revenue Administration (FAD)		
Q2/FY26	1 remote HQ	Preparation of and online participation to the assessment mission conducted by AFW on (1) data quality and collection of anonymized datasets, (2) IT policy and assets, ii) existing Machine Learning tools, (3), and iv) technical and organizational constraints for production deployment.
Q2/FY26	Field-based work (2 STX)	Design of use cases and path to production. Definition of impact indicators. Support to proofs of concept. Training on Machine Learning applied to customs fraud detection and Generative AI as assistant for investigation and policy. Definition of a 3-month activity plan for the OTR.
Q1/FY26	1 remote STX	Follow-up online support. Improvement of data quality.
Q3/FY26	Field-based work (2 STX)	Assessment of systems developed by the OTR. Support to the strategy of deployment. Training on AI-related projects and tools for production. Definition of a 3-month activity plan for the OTR.
Q4/FY26	Field-based work (1 HQ + 2 STX)	Assessment and support for production deployment. Assessment of potential organizational impacts and proposals for a strategy to reorganize customs procedures and organization. Definition of a 3-month activity plan for the OTR.
Q2/FY27	1 remote STX	Follow-up online support. Improvement of data quality.
Q1/FY27	Field-based work (1 HQ + 1 STX)	Design of a data and AI strategy, based on lessons learnt.
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work (ICD)		
Q2/FY26	Field-Based work	Scoping and training
Q4/FY26	Field-Based work	Start developing nowcasting and NTF toolkit, including its database.

XII. PROGRAM FINANCIALS: FAD AND ICD

Module	FY26	FY27	TOTAL (USD)
Direct Delivery			
RM-I: Tax Policy (FAD)	\$75,000	-	\$75,000
RM-II: Revenue Administration (FAD)	\$257,400	\$72,600	\$330,000
SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work (ICD)	\$159,362	\$80,067	\$239,429
Subtotal	\$491,762	\$152,667	\$644,429
Trust Fund Management Fee (7%)	\$34,423	\$10,687	\$45,111
TOTAL	\$526,185	\$163,354	\$689,540

Note: The estimated budget for these projects for Togo is \$689,540 and endorsement is requested for the full amount through FY27. Future endorsement will be requested, as needed.

XIII. TARGETED LOGICAL FRAMEWORK: FAD AND ICD

A. RM-I: Tax Policy (FAD)

RM-I: Objective - Improved Tax Policy Design - TPD	
Outcome(s)	Indicator(s)
Improved distributional fairness across taxpayers due to amended tax rates or base.	Laws implementing amendments aimed at greater vertical equity are passed.
Increased/decreased revenue quantity	Laws implementing amendments to raise revenues are passed

B. RM-II: Revenue Administration (FAD)

RM-II: Objective - Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	
Outcome(s)	Indicator(s)
Digital technologies are better aligned with strategic objectives.	Improved ICT strategies and systems to support the customs administration.
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized.	Key performance indicators established, regularly reported and monitored.

RM-II: Objective - Improved customs administration functions (SDG 17.1) - CAD	
Outcome(s)	Indicator(s)
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws.	Effectiveness of the fight against fraud and smuggling increased.
Customs control during the clearance process more effectively ensures accuracy of declarations.	Risk-based control selectivity applied more consistently.
Foreign trade operators better comply with their reporting and payment obligations.	Traceability of goods and customs actions in the customs systems strengthened.

C. SM-IV: Fiscal and Macroeconomic Tools, Research, and Analytical Work (ICD)

SM IV: Objective - Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - MFR	
Outcome(s)	Indicator(s)
Authorities have a baseline understanding of their existing forecasting and analytical capabilities and opportunities for improvement	Diagnostic/scoping produced an overview of existing (baseline) capacities and opportunities for improvement supported by an action plan and agreed upon key outcomes and deliverables
Analytical models and forecasting tools are developed and operational	Centralized forecasting database is established and is linked to the forecasting system. Fully operational NTF models and tools are developed. Fully operational nowcasting models and tools are developed.
Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity	Relevant staff have successfully completed agreed training delivered via various modalities (online, classroom courses, workshops).
Decision-making process is well-structured, streamlined, and documented, and associated roles and responsibilities are well-defined	A Forecasting Team is created and institutionalized, with Modeling Unit at the core. Forecast Calendar is officially adopted and followed.