Board Meeting of December 11, 1997
Statement by Mihai Tanasescu

**Togo: Country Assistance Strategy - Progress Report**

We welcome the opportunity to discuss CAS--Progress report for Togo and would like to commend staff for progress made on the 1995 CAS in addressing both the country’s short-term emergency needs and the long-term development objectives.

It is very good to see improvement in the area of internal revenue mobilization although there is still very slow progress in the area of expenditure management -- a clear expenditure procedure is established but, in spite of significant progress, bypassing the formal approval process is not yet completely eliminated. However, this chair is very pleased with the fact that the Bank and major donors are willing to help the Government with substantial technical assistance in order to make further progress. We hope that staff will take into considerations this observation in the context of a planned Financial Sector Adjustment Credit.

We are very pleased to see improvement in creation of an overall favorable environment for private sector activity by (i) strengthening the legal and regulatory framework (ii) improving economy-wide structure of incentives (iii) implementing major reforms under the Bank financed ERAC (iv) completing price and trade liberalization.

With respect to development of human resources and reduction of poverty, as one of the most important country’s long-term objectives, we are very sorry to see that among few projects in Togo’s portfolio the Education project is also rated, from the point of implementation, as unsatisfactory. We are recommending to staff to make an additional effort in order to improve implementation in this sector.

This chair is also pleased to see that the Government has recently approved a draft law regarding gender issues. This is very good improvement and can represent incentive to other governments in the region to follow Togo’s example. As high population growth is still the case in Togo (3 percent per year) we would like to recommend to staff to formulate a family planning project and open a dialogue with the Government on that.
This chair welcomes the fact that external payment arrears to official creditors at end-1996 were cleared in 1997. Thus, we fully support a program which is underway for the reduction of the external commercial debt supported by the IDA Debt Reduction Facility.

Finally, this chair hopes that the next electoral year will provide additional political stability in the country which will decrease the risk of social and political detonations and contribute to the resumption of operations of major donors in the country.