

Fourth structural adjustment program

Report No. ; Type: Report/Evaluation Memorandum ; Country: Togo; Region: Africa; Sector: Economic Management; Major Sector: Multisector; ProjectID: P002871

December 29, 1995

Togo: Fourth Structural Adjustment Credit (Credit 2194- TO)

The Implementation Completion Report (ICR) for the Togo Fourth Structural Adjustment Credit (Credit 2194-TO, approved in FY91) was prepared by the Africa Regional Office. The Borrower's contribution to the ICR has not been received.

The main objectives of the credit were to increase economic growth, limit inflation, reduce external trade and government budget deficits, and improve social services. The reform program, supported by this credit of US\$55 million equivalent, included fiscal measures, civil service reforms, and public enterprise divestiture. It also comprised initiatives to encourage private sector development and rationalize delivery systems for social services.

Implementation of the program was poor. The public finance and public sector reforms were interrupted and reforms in the public enterprise sector, agriculture and human resources were only partially implemented. As a result, the macroeconomic objectives were not met. The release of the second tranche was delayed by more than two years and the third tranche was canceled. A major factor for poor program implementation was the political turmoil that affected the country from the first quarter of 1991 to the end of 1993. In addition, the reform program in the public sector relied too much on studies, as opposed to effective measures regarding the budget and major public enterprises.

The ICR rates the program outcome as unsatisfactory and institutional development as moderate but does not provide an overall sustainability rating. The Operations Evaluation Department (OED) agrees with the ratings and rates overall sustainability as unlikely. Incomplete institutional reforms had already been a major factor in OED's unsatisfactory outcome rating for the previous adjustment operation in Togo (SAC III, approved in FY88). OED also rates Bank performance as satisfactory.

Major lessons drawn by the ICR include: (i) that willingness to undertake studies is no guarantee of commitment to reforms, and that studies are no substitute for action; (ii) that SALs are not well suited to support implementation of institutional reforms; and (iii) that public sector resource management reforms require a more comprehensive approach than the one adopted in this operation. The ICR is of satisfactory quality.

No audit is planned.