

**Discussion Forum on  
« Why Trade Matters in Development Strategies »  
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**Presentation on Togo  
By  
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# INTEGRATING TRADE IN THE NATIONAL DEVELOPMENT STRATEGIES IN TOGO

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# Plan

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## 0. Introduction

Trade and the private sector play an essential role in the economic and social development of Togo. Commercial enterprises, whether big or small and whether or not they are part of a structure, are essentially the start of trade, the possibility of job creation and the improvement of the means of living. Commercial prospects offered to women contribute to their professional development, the reinforcement of their economic role and the transformation of current social systems.

## 0. Introduction

For that purpose, the government has put together a Strategy for Accelerated Growth and the creation of Jobs (Strategie de Croissance Acceleree et de Promotion de l'Emploi - SCAPE) for the 2013-2017 period. The implementation of SCAPE is defined as a program of priority of actions (PAP) which delineate all of the steps of implementation in terms of measurable projects or of ideas to achieve.

## 0. Introduction

The implementation of the PAPs will be carried out through the Budget Program (BP) and the Mid Term Expense Framework (Cadre de Depense a Moyen Terme – (CDMT). In order to propose a better explanation of the law on financial administration in 2014 along with defining the priorities within the program SCAPE/PAP, the government has initiated a shortcut which consists of setting more synthetic sectorial notes of budgetary framework or "priority strategic elemental notes for the implementation of SCAPE (NEPS)."

In agreement with the national and sectorial strategies on

## 0. Introduction

trade development, the NESPS 2013-2017

for the implementation of the SCAPE program of the ministry of trade and for the promotion of the Private Sector (MCPSP) has reconsidered the elements of the institutional framework by diagnosing the sector and identifying the bottlenecks and the major challenges that the administration will have to face between 2013 and 2017, this in order to help the commerce department become a tool for development notably through a competitive private sector

## 1. General overview of the sector

Commercial activities which are less diversified, are characterized by the overwhelming presence of informal operators. National trade is generally composed of imported products and foreign trade is dominated by the export of mining, manufactured and agricultural products. Transit trade also exists within non-coastal nations as well as re-exporting through land or sea. Women play a key role in trade and are present in import-export, most notably in clothing, the sale of clothing material, food and cosmetics. They are very active in commercial exchanges between urban and rural areas.



## 1. General overview of the sector

However, given that trade is not well organized, it does not efficiently contribute to the national economic development.

Furthermore, the recent fires of the Lome and Kara markets have had a great impact on the economy. the government aims at stimulating the Togolese private sector in order to make it more competitive on the local, regional and international markets in view of becoming a real catalyst in creating wealth and jobs y, weakening it.

The political will of the government to promote trade has taken these various aspects:

## 1. General overview of the sector

- the setting of rules of autonomous liberalization on the sector and organization of trade jobs;
- the existence of administrative structures in charge of promoting trade,
- the existence of support structures for trade,
- the creation of a multisectoral Committee for trade negotiations;

the existence of professional organizations which mission is to promote the internal and external trade of their members,

## 1. General overview of the sector

- the participation in trade fairs organized by Togolese exporters,
- the organization of trade fairs in Togo attracting the nation's existing and potential trade partners,
- the multiple forms of functional assistance of the Chamber of Commerce and Industry of Togo;
- the organization of workshops on awareness on EPA ;
- existence of a unit to implement the Aid for Trade activities(SMOCIR) since May 2011

## 1. General overview of the sector

Two components will allow 2000 micro and small "traditional" businesses to benefit from training in accounting, management, marketing and in financing. 1000 of those enterprises will benefit from an assistance to help them practice the content of the trainings and 1000 formal micro and small businesses will receive specific training for their needs along with subsidies.

The improvement of the business climate, the restructuring of the Center for business creation (CFE) is tending to become a one-stop-shop.

The Government has taken incentive measures to reduce the procedures, time and costs for the creation of enterprises (March 7th 2012 decree).

## 1. General overview of the sector

The adoption of the SMEs Charter since 2011 and its effective implementation will allow SMEs to develop in an encouraging and coherent global environment.

In spite of the obvious progress, trade and the private sector are confronted with weaknesses that shadow the results of all actions:

- Insufficient judicial, legal and institutional components;
- Weak publicity around commercial information;
- The low level of commercial exchanges;

# 1. General overview of the sector

- Judicial and institutional dispositions that are not encouraging for business;
- Insufficiency in mechanisms of promoting and supporting the private sector.

On top of those difficulties, there is also the low level of education in many of these tradeswomen, they have in obtaining credit, and having access to information and training.

## 2. Trade sector operating strategies in accordance with the SCAPE

### A- Missions

The mission of the Ministry of trade and for the Promotion of the Private Sector (MCPSP) for the 2013-2017 period, is to set up an efficient organization capable of responding, through quality services delivery, to the consumers and economic operators' expectations.

## 2. Trade sector operating strategies in accordance with the SCAPE

### B- Objectives

The general objective set by the department is to help trade and the private sector to durably contribute to the accelerated economic growth and the creation of jobs.

The objective for development given to trade department is as follows:

- (i) to develop trade;
- (ii) improve the climate for business by bringing competitive support to the economic growth sectors ;
- (iii) to make the private sector more dynamic and wealth and jobs creating.



## 2. Trade sector operating strategies in accordance with the SCAPE

To the above mentioned objectives, we have to add the following specific ones:

a – trade sector is better structured and performs better by 2017 through promoting exchange internationally, increasing competitiveness, commercial enterprises, commercial exchanges, regional and international integration;

## 2. Trade sector operating strategies in accordance with the SCAPE

b - making the private sector more dynamic and competitive by 2017 by improving the climate of business and also by promoting the Private Sector.

To reach these goals, the Ministry of trade and for the Promotion of the Private Sector (MCPSP) has set up programs and other projects to be carried out in the next four years (2013-2017).

## 2. Trade sector operating strategies in accordance with the SCAPE

### Main programs and other projects

#### A- Main programs

The programs are comprised of three components:

- (i) promoting national trade, competitiveness and commercial entrepreneurship;
- (ii) promoting commercial exchanges along with regional and international trade,
- (iii) improving business climate and promoting the private sector.

## 2. Trade sector operating strategies in accordance with the SCAPE

### B- The projects are defined:

- (i) improving commercial exchanges by 2017;
- (ii) reinforcing judicial, legal and institutional mechanisms by 2015,
- (iii) improving the informational system on and for trade by 2017;
- (iv) ensuring the existence of an institutional judicial support system by 2017;
- (v) reinforcing the promotion and support system for the private sector by 2017.

## 3. Strategic partnership

### 3-1 Financial and technical Partners for Development

During the next four years (2013-2017), the MCPSP will be partnering among others with: the African Development Bank, the West African Development Bank; the Investment and Development Bank, the International Monetary Fund, the International Trade Center, the United Nations Conference on Trade and Development, the United Nations Development Program, the World Bank and the World Trade Organization.

## 3. Strategic partnership

### 3-2 Coordination mechanism

The MCPSP is the most competent to implement the primary strategic elements of SCAPE (NESPS). Its tasks will consist of:

- (i) accelerating and facilitating the implementation of the action plan;
- (ii) ensuring the coherence of the structure of the state budget and the SCAPE/PAP;
- (iii) helping in the budgetary arbitration between the Ministry's various departments;
- (iv) facilitating discussions with the partners for development.

## 3. Strategic partnership

### 3-3 Risk factors

The successful implementation of budgetary support of the ministry might come accross some obstacles which could lessen its effects.

The various risks that it might face are:

- (i) Political and administrative risks,
- (ii) financial and technical risks,
- (iii) external factors.

## 4. Follow-up mechanisms and evaluation

There will be an implementation of follow-up mechanism and of evaluating the impact of the NESPS programs. It will be monitored by the General Secretariat of the MCPSP. It will consist of :

- (i) ensuring that all activities, indicators, impacts and results are followed up, in accordance with the set up framework;
- (ii) proposing appropriate corrective measures;
- (iii) proposing a regular updating of the NESPS.



## 4. Follow-up mechanisms and evaluation

The follow-up mechanism is as follows:

- a - weekly meeting to coordinate activities within the Ministry
  - b - trimestrial or semestrial follow-ups (for the current year)
  - c - portfolio review (for year n-1)
  - d - evaluations ( from year n-3 and n-4)
- impact study of the sectorial policies development policies.

## 5. 2014 budget elements

The 2014 projected budget is set up on the basis of the 2013 budget resources with 4.363 billions FCFA as external resources. For 2014 fiscal year, the budget in its main compartments will target :

- 1 – the organization of the informal trade sector;
- 2 – the usage of the International Measuring System (SI) to the commercial transactions and periodical controls.
- 3 - ensuring the functioning of the National Committee on International Commercial Negotiation (CNCI);
- 4 - the rehabilitation fo the Togolese Expo and fair center of Lome (CETEF).
- 5 - the support for the operating of the CIR;

## 5. 2014 budget elements

- 6 – the participation of Togo in the 2015 Universal Expo;
- 7 – the Validation of the National plan for the improvement of the Business climate (PNACA);
- 8 – the elaboration of a Policy for the Promotion of the Private Sector and its Implementation Plan;
- 9 – the implementation of the One Stop foreign Trade Counter(GUCE);
- 10 – the capacity building for the employees of the ministry of trade.

**THANK YOU.**