



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

The Millennium Challenge Corporation intends to provide assistance to the Government of Togo to facilitate the development and implementation of a Millennium Challenge Compact.

If you or your staff would like to arrange a meeting to discuss this assistance, please contact Brian Forni at ForniBJ@mcc.gov.

The attached notification is being sent to the Congress on March 2, 2023. The assistance may be provided, and funds obligated, on or after 15 days from the date of this notification.

In addition to the enclosed notification, we have attached supplemental information regarding the planned assistance.

Sincerely,

/s/
Aysha House
Vice President
Congressional and Public Affairs

Enclosure: As stated

UNCLASSIFIED

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

March 2, 2023

PROGRAM:	Eligible Countries
APPROPRIATIONS CATEGORY:	Fiscal Year 2023 Program Funds
OBLIGATION AMOUNT:	\$12,000,000

Pursuant to Division K, Title III under the heading “Millennium Challenge Corporation” of the Consolidated Appropriations Act, 2023 (P.L. 117-328) and section 610(a) of the Millennium Challenge Act of 2003, as amended (the “Act”), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to \$12,000,000 under section 609(g) of the Act for the purpose of facilitating the development and implementation of a Millennium Challenge Compact with the Government of Togo.

The funds are expected to finance activities necessary for MCC to assess the expected impact of the proposed investments, further design activities, and develop implementation strategies.

SUPPLEMENTAL INFORMATION

Background

Togo is a coastal, West African country with an estimated population of 8.6 million people, with over 70% under the age of 24. Togo held its first relatively free and fair legislative elections in October 2007, and since then it has continued along a gradual path to democratic reform, while also attempting to modernize Togo's commercial infrastructure. Under President Gnassingbe, Togo has built new principal roads, a new airport terminal and a new seaport. Although Togo remains a low-income country with a GDP per capita of \$973 in 2021, GDP per capita has nearly doubled over the past decade.

Compact Eligibility

In December 2022, MCC's Board selected Togo as eligible to develop a compact in recognition of its consistent passage of the MCC scorecard, the economic reforms the Government of Togo has undertaken, and the partnership MCC and Togo have built through the \$35 million threshold program signed in 2019. The Government of Togo has accelerated implementation of the threshold program over the past year. Togo has worked to strengthen its policy performance on the MCC scorecard, improving from passing 5 of 20 indicators overall in Fiscal Year ("FY") 2014 to 15 of 20 in FY 2022. In FY 2023, Togo passes the scorecard, passing 14 of 20 indicators overall, with strong performance on the Control of Corruption "hard hurdle."

Assistance to Develop the Compact Proposal

Funds will be used for the development and design of a compact that will address the root causes of binding constraints to economic growth, as agreed upon by the Government of Togo and MCC. These funds are expected to finance the development of projects and activities that will be defined through the compact development stages of preliminary analysis, problem diagnosis, and project definition. Compact development activities include costs related to, but not limited to, root cause analysis, feasibility studies, social and environmental assessments, baseline surveys, economic impact assessments, design activities, public consultations, and compact development team staffing, as well as the establishment of the structures necessary for compact implementation. Funding these activities reflects MCC's commitment to preparing projects in a comprehensive manner to reduce implementation risk and increase confidence in the economic justification and technical feasibility of the proposed projects.

Update on and Sustainability of the 2019 Togo Threshold Program

The \$35 million MCC Togo Threshold Program was signed in 2019 by MCC and the Government of Togo. This program was designed to improve citizens' access to high quality and affordable Information and Communications Technology (ICT) services—both mobile phone services and internet—by encouraging private sector investment, developing an independent regulatory regime, expanding service to underserved areas, and increasing the use of ICT among women and small businesses. The threshold program also seeks to expand formalized access to land through the recognition and protection of legitimate land rights in five pilot areas across the

country and to develop a regulatory framework to implement the proposed new land code. The projects under the threshold program are:

1. **ICT. Increased Competition, Independent Regulation, and Expanded Access in the Information and Communication Technology (ICT) Sector Project :** The objectives of this project are to improve access to high-quality, reasonably-priced ICT services in Togo via the following: (1) increased competition among ICT service providers in the sector; (2) effective and independent regulation; (3) targeted investments and incentives, where necessary, to increase service in otherwise unprofitable areas; and (4) support for greater ICT utilization.
2. **Agriculture. Land Reform to Accelerate Agricultural Productivity Project:** The objective of this project is to improve land tenure security for increased investment in the agricultural sector.

The threshold program entered into force in November 2020 and is projected to end in November 2024. The technical assistance contract for the land reform project was signed in July 2022 and the contractor quickly initiated preparatory studies and started the foundational work for testing new methodologies at the selected pilot sites. Following mutual updates between MCC and the Government of Togo to account for advances in the ICT sector since the program was developed, the technical assistance contract for the ICT project was signed in December 2022 and the contractor has launched preliminary studies.

The threshold program looks to support development priorities through both projects, which place the Togolese community and private sector at the heart of Togo's growth strategy. Investments in these audiences are critical to supporting democratic governance, creating foundations for IT-based responsive community services in the country, and spurring economic growth to reduce poverty for the benefit of the people of Togo.