

DEMOCRATIC REPUBLIC OF



SAO TOME AND PRINCIPE

MINISTRY OF PLANNING, FINANCE AND BLUE ECONOMY

Planning Directorate

**NATIONAL PLAN FOR SUSTAINABLE DEVELOPMENT OF SÃO
TOMÉ AND PRÍNCIPE 2020-2024**

Produced by:

José Maria Coelho de Carvalho

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ACRONYMS

ACD	Community Development Associations
ACDEG	African Charter on Democracy Elections and Governance
NAME	Independent Democratic Action
AGER	General Regulatory Authority
AfCFTA	African Continental Free Trade Agreement
APD	Public Development Aid
APEUE	Economic Partnership Agreement with the European Union
AT	Transformation Agenda
AYC	African Charter on Youth
BAD	African Development Bank
SMELL	<i>Business as usual</i> (usual management practices)
BCG	<i>Boston Consulting Group</i>
BCSTP	Central Bank of São Tomé and Príncipe
BM	world Bank
BREXIT	Exit of the United Kingdom from the European Union
CACVD	Domestic Violence Counseling Center
CDSA	District Monitoring and Evaluation Committees
CDP	United Nations Development Policy Committee
THIS	Business Confederation
ECOWAS	Economic Community of West African States
ECCAS	Economic Community of Central African States
CEMAC	Central African Economic and Monetary Community
CESA	Continental Education Strategy for Africa 2016-2025
CGV	Global Value Chains
CIT	International Conference of Labor Statisticians
CIN	International Business Center
CNEST	National Statistics Council
CPLP	Community of Portuguese Speaking Countries
CRSA	Regional Monitoring and Evaluation Committee
CTS	Technical Monitoring Committee
VILLAGE	UN Department of Economic and Social Affairs
DGP	General Directorate of Fisheries
DGS	General Directorate of Health
SOME	Institutional Monitoring and Assessment Device
DP	Planning Directorate
DSP	Sectoral Planning Directorates
DTF	Distance to the Border
EDB	Ease of Doing Business
ECF	Extended Credit Facility Agreement
EMAE	Water and Electricity Company
TALL	Emerging and Developing Economies
ENASA	National Airports and Air Security Company
END	National Statistical Development Strategy
ENIEG	National Strategy for Gender Equality and Equity
ENRP	National Poverty Reduction Strategy
USA	USA
FED	<i>Federal Reserve System</i> (US Central Bank)

FMI	International Monetary Fund
FEC	Extended Credit Facility
UNFPA	United Nations Population Fund
GCF	Green Climate Fund
GIVE	Greenhouse Gases
GEP	Studies and Planning Office
GTD	Thematic Dialogue Groups
HIPC	Debt Relief Initiative for Heavily Indebted Poor Countries
IAH	Human Asset Index
GOES	Foreign Direct Investment
IDH	Human development Index
IES	Information and Safe School
INDC	Nationally Determined Contribution Intentions
INPG	National Institute for the Promotion of Gender Equality and Equity
I HAVE	National Statistics Institute
INSS	National Social Security Institute
IOF	Family Budget Survey
IVE	Economic Vulnerability Index
JON	Young Man in New Opportunity
LDCF	Fund for Least Developed Countries
MDFM	Democratic Movement of the Forces of Change-Liberal Party
MAN	Ministry of Education and Higher Education
MECCC	Ministry of Education, Culture, Science and Communication
MLSTP/PSD	Liberation Movement of São Tomé and Príncipe-Social Democratic Party
MSA	Monitoring and Evaluation Module
NAFTA	North American Free Trade Agreement
NDC	Nationally Determined Contributions
OECD	Organization for Economic Co-operation and Development
ODM	Millennium Development Goals
ODS	Sustainable Development Goals
TIME	General State Budget
OIM	International Organization for Migration
OMC	World Trade Organization
OMT	World Tourism Organization
NGO	Non-governmental Organizations
HIM	United Nations Organization
OSC	Civil Society Organizations
PCD	Democratic Convergence Party
DON'T	Small Island Developing States
PG	Government program
PGRSU	Urban Solid Waste Management Plan
GDP	Gross Domestic Product
BLIND	Entrepreneurial Minds Incubator Program
SMEs	Small and Medium Businesses
PIP	Public Investment Program
PMD	Least Developed Countries
PNB	Gross National Product
PND	National Sustainable Development Plan

PNE	National Entrepreneurship Program
UNDP	United Nations Development Program
PPOSA	Planning Programming Budgeting Monitoring and Evaluation
PPP	Public-private partnership
PTF	Technical and Financial Partners
QCC	Concertation and Coordination Board
QDMP	Medium-Term Expenditure Framework
QOMP	Medium Term Budgetary Framework
QL	Logical Framework
RAP	Autonomous Region of Príncipe
RDP	Public Expenditure Review
RDSTP	Democratic Republic of São Tomé and Príncipe
RGPH	General Population and Housing Census
RH	Human Resources
RIL	Net International Reserves
RMIS	Minimum Income for Social Inclusion
RS	Samoa itinerary
SAFE	State Financial Administration System
S&A	Follow-up and Assessment
SAMOA Accelerated	Modalities of Action in SIDS
SCCF	Special Fund for Climate Change
WHICH	World Economic System
ITS	National Statistical System
SIS	Health Information System
SNP	National Planning System
ST	Technical Secretariat
STD	Dobra Santomense
STISA	Science Technology and Innovation Strategy for Africa 2014-2024
STP	Sao Tome and Principe
TIC	Information and Communication Technologies
TTT	<i>Training The Trainees</i> (training of interns/trainees)
TVETCS	Continental Strategy for Education and Technical and Vocational Training
UA	African Union
UDD	Union of Democrats for Citizenship and Development Change
UE	European Union
UEMOA West African	Economic and Monetary Union
water	Union of Young Entrepreneurs
FIRST	United Nations Framework Plan for Development Assistance
UNDESA United Nations	Department for Economic and Social Affairs
UNESCO United Nations	Educational, Scientific and Cultural Organization
UNFCCC United Nations	Framework Convention on Climate Change
USD	<i>United States Dollar</i>
VBG	Gender-Based Violence
HIV-AIDS Acquired	Immunodeficiency Syndrome
ZEE	Exclusive economic zone
ZLC	Free Trade Zone

PREFACE

If possible, it will be prepared by His Excellency the Prime Minister of STP or whoever he designates.

...

DRAFT

EXECUTIVE SUMMARY

The São Tomé and Príncipe National Sustainable Development Plan 2020-2024 is an instrument for implementing the Government Program and international sustainable development agendas. The PNDS's primary mission is to operationalize the vision for the sustainable development of STP, based on the assumption that it is the model with the greatest potential to produce robust, sustainable and inclusive economic growth and, thus, accelerate the creation of jobs and construction of a future of prosperity for all São Toméans.

The PNDS is characterized by being the first development plan drawn up in accordance with Law No. 6/2017, of March 2017, the Basic Law of the National Planning System; inaugurates a new cycle and model for planning and managing national development, replacing the previous ENRP II 2012-2016; incorporates the gains resulting from the experience of implementing ENRP II, seeking to improve on the shortcomings of this instrument.

With the PNDS as the Government Program as the basis for its conception and preparation, it aligns with the Government's priorities and their planning cycles. Furthermore, it has the particularity of being the first operational Plan for harmonization, integration and implementation of the 2030 Vision for STP and its Transformation Agenda; the 2030 Agenda for Sustainable Development; of the Accelerated Modalities for Implementation of the Samoa Roadmap and Agenda 2063 Africa We Want.

As a planning tool that implements the Government Program in programmatic and operational terms, PNDS focuses on its four strategic axes of intervention:

1. Deepening the democratic rule of law;
2. Robust economic growth and accelerated job creation;
3. Improving the quality of health and social protection;
4. Foreign policy at the service of development.

The Government's Program is a manifesto of deep concern about the deterioration of the country's socioeconomic situation and the human condition of the people of São Tomé, with around two thirds of its population living in poverty. Likewise, it highlights the deterioration of the democratic rule of law with serious implications for individual freedoms; degradation of health care; low level of economic activity resulting from dysfunction of the energy sector; degradation of main macroeconomic indicators; erosion of individual and company incomes, caused by abrupt increases in commissions, fees and the introduction of new taxes.

The PNDS is structured into eight main chapters, which can be divided into two parts. In the first part, consisting of the first 4 chapters, the PNDS defines and describes the essence of its strategic framework for sustainable development, based on the country's diagnosis and its main development challenges.

The second part, chapters 5, 6 and 7, deals with issues relating to its implementation. O 8th chapter lists the main bibliographic references.

The PNDS Chapters are as follows:

1. Country Diagnosis;
2. Strategic Framework for the Sustainable Development of STP;
3. The Vision for São Tomé and Príncipe;
4. 4. The Strategic Objectives of the PNDS;
5. PNDS Operational Framework;
6. PNDS Financing and Implementation Modality

7. Risk Analysis;
8. Bibliographic References.

The diagnosis illustrates the country's situation and its context in the global context, based on which the main challenges for the sustainable development of São Tomé and Príncipe were identified. Subsequently, in conjunction with the Government's future vision for the Country, embodied in its Program, the PNDS defined the strategies relating to overcoming these challenges within the horizon of 2020 to 2024, formulating the objectives and the respective implementation plan, with a view to materialization of the Government's vision and Program, and international agendas during this period.

Chapter 1. Country Diagnosis: International context the average growth of world economy went from 3.7%, between 2007-2011, to 3.4%, in the period 2012-2016. In 2017, the world economy had the highest growth since 2011 of more than 3%, which remained stable in 2018, a situation that is expected to continue until 2020, according to the UN Department of Economic and Social Affairs (DESA).

Given the drop in global demand for *commodities* and internal conflicts, the average growth rate of the Sub-Saharan African economy fell from 5.8% between 2007-2011 to 3.9% between 2012-2016, having reached the growth of 1.4%, the lowest value recorded since 1994. However, the resumption of economic recovery in sub-Saharan Africa is underway. Growth in the region is estimated to have increased from 2.6% in 2017 to 2.7% in 2018, more slowly than expected, in part due to weaknesses in Nigeria, South Africa and Angola.

The economies of the Central African Economic and Monetary Community (CEMAC) benefited from an increase in oil production and prices for most of 2018.

Despite the weak dynamics of the global economy, world tourism continued to grow at a stable pace, with its future prospects and contribution to economic and social development becoming increasingly important. The flow of tourists increased by 3.9% in 2016, reaching a total of 1.2 billion arrivals worldwide. The African market was one of the most dynamic, registering growth of 8% in 2016, reaching 58 million tourists. The biggest growth occurred in Sub-Saharan Africa, 11%, while North Africa once again showed signs of recovery, with growth of 3% in the period.

Long-term forecasts published by the World Tourism Organization (UNWTO) indicate that the number of international tourists will be 1.6 billion in 2020, which implies an annual growth rate of around 4%. The forecast indicates that destinations in Africa, Asia and the Middle East will grow at higher than average rates.

International tourism is thus one of the main export sectors globally, representing around 30% of world exports of services, even reaching percentages above 50% in countries where tourism plays a much more important economic role, such as islands. .

National Context: according to INE (2015) the population of São Tomé and Príncipe is quite young. A The age group between 0 and 25 years of age represents over 62% of the population, whose natural growth rate was 2.76% in 2014. The population has grown considerably in recent decades, which could imply, in the long term, major problems at the level of the country's development, mainly with regard to access to employment, housing, education, health, transport, etc. Therefore, taking advantage of the **demographic dividend** constitutes a strategic opportunity to achieve the aspirations and goals set out in Agenda 2063 and Agenda 2030, a privileged instrument to accelerate economic growth and increase the development of human capital. The dividend can especially create a basis for increasing retirement savings as more workers

they will be earning, saving and investing their income, thus contributing to the promotion of a more dynamic, inclusive and sustainable economy.

Social Situation and Poverty Profile: the country's populations still suffer a lot due to a limited internal island market, weak purchasing power and weak economic diversification. The public sector is the main economic entity with more than 80% participation in the formation of capital and GDP. The national **unemployment** rate stands at 13.6%, with a higher incidence in women, 19.7%, while in men, 9.3%, (CENSO, 2012). According to the Family Budget Survey (IOF, 2010), 60% of the unemployed were under 34 years old, which makes the phenomenon predominantly young.

In return, the Government, with the support of its international partners, continues to guarantee free and universal primary **education**, basic health care and the right to social security benefits. Secondary education lacks establishments for the complete cycle in all Districts; has a weak capacity to retain students: 86% of young people who start the cycle, only 15.2% reach the final year. Higher education is very selective, predominantly private, with courses that are inadequate to the needs of the country's economy. Authorities need to focus on the quality of education, at all levels, with a view to adapting training and the job market.

The Family Budget Surveys, IOF (2010) found that 66.2% of the São Tomé population is **poor**; that poverty predominantly affects families headed by 71.3% women, 63.4% men and affects rural populations more, being therefore the main cause of rural exodus.

In the field of **health**, it is highlighted that the number of health agents, doctors, nurses, midwives is deficient due to lack of training, aggravated by brain drain, which has a direct consequence in generating a vicious circle of constant deterioration of economic conditions in general and the professional qualifications of the rest of the population that remains in the country. There are no specialist doctors in the districts. At São Tomé level, there are few national medical specialists, to which it is necessary to add Cuban and Chinese specialists, assigned to the São Tomé Central Hospital. Despite this, there was a good performance in the areas of combating malaria and HIV-AIDS, maternal health, family planning and child survival, with significant access to the vaccination program, with public development assistance playing a very important role.

In 2016, 95% of the population had access to **water**, 47% of which through connection to the water distribution network, and around 45% to a basic sanitation system. In the same year, 81% of the country's locations were connected to the public **electricity network**.

Economy: Santomean's economy is highly vulnerable to exogenous shocks and dependent on Public Development Assistance (APD), which financed 97.3% of the 2019 State Budget. The economic sector is still fragile and poorly diversified, and essentially consists of the production and export of cocoa, which represents around 90% of government revenues. total exports. The tertiary sector, largely informal, represents around 60% of GDP, employing 60% of the active population, while the primary and secondary sectors each contribute 20% of GDP.

In the period 2012-2016, growth was relatively strong, with an average annual rate of 4.2%. However, the Santomean economy grew 3.9% and 2.7% in 2017 and 2018 respectively, contrary to IMF projections that GDP would fluctuate between 5% and 9% in the period from 2015 to 2020.

São Tomé and Príncipe in the Context of Small Island States in

Development: as SIDS, the challenge of development is one of the biggest challenges with which the country is faced and imposes a double-digit annual GDP growth rate, under penalty of never achieving convergence between the Santomean economy and the economies of the More dynamic and developed Small Island States and the promotion of growth

accelerated, sustainable, inclusive and resilient economic development, within the framework of the implementation of the 2030 Agenda and the respective SDGs.

Chapter 2 - Strategic Framework for the Sustainable Development of

STP highlights that the country's biggest challenge, as a candidate for graduation, is the construction of an economy with a high level of sustainable and inclusive economic growth, aiming to overcome key constraints; structural vulnerabilities; the weak diversification of the economy; the weak competitiveness of the workforce; external dependence; unemployment; the poor; gender and income distribution inequalities; the recurrent political and governmental instability; the weakness, inefficiency and ineffectiveness of central, regional and local public institutions; reduced opportunities for emigration and the consequent reduction in emigrants' remittances. Other important challenges are:

Political and Governmental Instability: constant political-governmental instability has contributed to blocking the country's development process. The need to generate consensus that guarantees government stability as an essential factor in promoting sustainable development, social peace, cohesion and well-being of the population is considered imperative. Weaknesses in the implementation of anti-corruption measures mean that this phenomenon becomes increasingly rampant; while the deficit in public administration capabilities influences the quality in the formulation of economic, social and environmental development policies; slows down its pace and level of execution, preventing follow-up and evaluation; and negatively affects the business environment.

Vulnerabilities and Resilience: São Tomé and Príncipe faces vulnerabilities natural resources, related to its volcanic origin, its island and archipelagic nature, and the lack of mineral resources. Furthermore, its reduced territorial, demographic and economic dimension; its isolation from the African continent and major international financial and commercial centers; Its small and fragmented internal market are characteristics that limit its real development possibilities. Therefore, its vulnerability to external shocks constitutes an aggravating circumstance combined with the trap that results from the fact that the economy's performance, assessed through national income, generally hides the country's economic vulnerability.

Agricultural production: São Tomé and Príncipe imports around 15% of the food it needs. However, it is faced with rural exodus, the abandonment of the fields and the prevalence of traditional cultural and subsistence practices.

Exports of goods: exports from São Tomé and Príncipe are limited to a very small number of products, covering only around 7.2% of imports.

Imports: local production is small, which makes São Tomé and Príncipe dependent of imports to supply most of the domestic demand. Dependence is particularly high with regard to strategic goods, such as energy and food products.

High national and international transport costs: the costs of the insularity of São Tomé and Príncipe constitute a considerable obstacle to its development, being even more serious for the island of Príncipe, which suffers from double insularity.

Environment: abusive sand extraction has already destroyed dozens of beaches in the archipelago. Illegal cutting of trees for civil construction and charcoal production began to show worrying signs, with devastating effects on coastal erosion, changes in climate patterns and river flows.

Climate change: as a small island country, the effects and impact of climate changes are more intense. They manifest themselves mainly in coastal erosion, in changes in precipitation patterns that can result in floods or prolonged droughts.

Geographic dispersion: the insularity fragmented into two islands, with an orography Very steep and hilly has an extremely heavy impact on the costs of basic infrastructure, services and essential goods.

Security: taking into account the abundance of natural resources, namely oil and gas, the Gulf of Guinea is not free from sub-regional or internal conflicts in neighboring states, which could have harmful repercussions on the stability of other states, including São Tomé and Príncipe.

Energy: energy dependence from abroad is around 25%, which highlights the need to invest in energy efficiency, alternative sources and renewable energy.

Economic vulnerability: consists mainly of the fact that it is limited to the base production of the country's economy. The biggest challenge will necessarily involve expanding the productive base and diversifying the sources that generate growth, employment and income to reabsorb the high unemployment rate, particularly among young people and women and replace imports with local products and, thus, , alleviate the strong external constraint on the São Tomé economy.

Local Development and Endogenous Resources: falls within the process of democratization of the State and politicization of society. Highlights the need to establish public policies that enable decentralization that provides greater autonomy, particularly financial autonomy, as well as better training of regional and district authorities in terms of management and development planning, in other words, a commitment to the territorialization of management instruments of development.

Agenda 2030 and the Sustainable Development Goals: being a universal agenda, based on 17 Sustainable Development Goals and 169 targets to be implemented by all countries, presupposes the integration of the SDGs into policies, processes and actions developed at national, regional and global levels. This challenge is consistently incorporated into the Government Program and, consequently, assumed by the National Development Plan 2020-2024, through its strategies, programs and projects.

Chapter 3 - The Vision for São Tomé and Príncipe: it is the legitimate aspiration of all Santomeans live with dignity in a stable, democratic, inclusive, modern country, providing quality services to the country, the region and the world. The Government Program incorporates the São Tomé and Príncipe 2030 Vision, and is also consistent with the determination to build a new development model based on the provision of services and, therefore, transform São Tomé and Príncipe into a **dynamic service provision economy for the Gulf of Guinea and for the world, in the 2030 time horizon.**

Located in the Gulf of Guinea, São Tomé and Príncipe is a country with a privileged geostrategic and geoeconomic position to become a service provision platform, leveraged on excellent tourism, learning and adapting excellent practices experienced at international and regional levels, namely, in the most developed Small Island States: tourist, financial, technological, logistical services associated with the digital economy, entertainment, health services, and others.

This is the model with the greatest potential, within the PNDS horizon, to relaunch average annual economic growth above 7%; add value, increase income and accelerate job creation, above all, from a strong private sector and supported by a framework of appropriate incentives. The Government also intends for STP to be in fact a country with medium/high development within the horizon of three legislatures.

However, a first immediate challenge, as a matter of urgency, that the Government needs to face is the creation of conditions that ensure the balance of the current account structure to guarantee the survival of its resident population, given the continued reduction in Public Aid to Development of the Country.

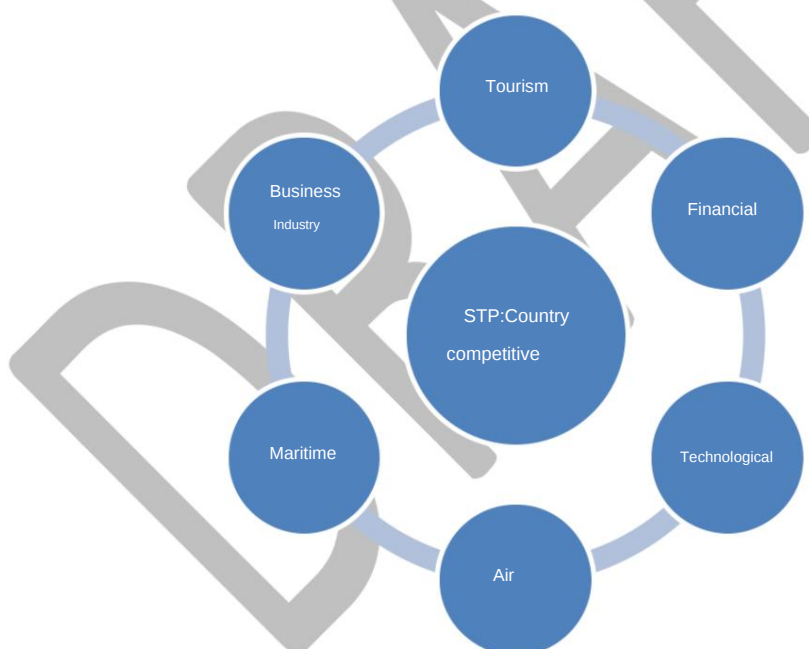
The second medium-term challenge is to ensure the conditions that allow the country, within the PNDS horizon, to minimize the complex problem of the Current Account deficit, without endangering the population's normal survival conditions.

The third challenge is to guarantee the accelerated, self-sustained and sustainable development of São Tomé and Príncipe, based on the concept of a dynamic service provision economy, aiming to achieve a position among the SIDS with the best economic and social performance, namely in the regarding GDP *per capita* and HDI.

Achieving these challenges is essential for the future considering that the active integration of São Tomé and Príncipe into the world economic system requires a true change in the development paradigm, which must guide and shape the entire process of planning and managing national, regional and district, with broad mobilization and participation of the private sector, civil society and communities.

Due to its scale, and the fact that it is faced with additional costs, which result from its insularity and its archipelagic nature, São Tomé and Príncipe, from the outset, cannot achieve economic success outside of a context of great economic openness and deep relations with the global economic system. It follows that the country's economic performance and success necessarily depend on its integration, which presupposes an assertive and consistent policy of international and regional cooperation, both in bilateral and multilateral dimensions, based on a foreign policy at the service of development.

Graph 7: STP a dynamic economy in the center of the Atlantic



Furthermore, STP, like other Small Island Developing States, experiences a huge shortage of capital; technology; human resources (especially highly qualified HR); superior organizational capacity; and markets.

Chapter 4 - The Strategic Objectives of the PNDS: this chapter is based on the strategy of active integration of STP into the global economic system, in close coordination with the Government Program and the commitments made by it, aiming at the integration and implementation of international sustainable development agendas, at national, regional, district and community levels. For each objective, the particular sectoral strategies that will be implemented by the Government to achieve it are described.

The first two objectives deal specifically with development issues in the economic and environmental areas; the third objective focuses on the issue of social development and the fourth objective privileges issues of sovereignty, democracy and diplomacy.

Objective 1 - Transform São Tomé and Príncipe into a Dynamic Service Provision

Economy, that is, make STP an excellent service economy for

African region and the world, particularly the Atlantic countries. With this, the foundations are created for the implementation and development of six specialized services, as strategic solutions for the integration and sustainable and inclusive development of the country.

1. Tourism Sector: everything indicates that São Tomé and Príncipe, like almost all Small island states that are successful in their development efforts do not escape the destiny of being a tourist country. The development of tourism involves, in particular, the consolidation and improvement of existing tourism and the diversification of internal destinations and products, on the two islands, looking for the main ingredients in the formation of products in the environment, culture and history.

2. Maritime Sector: with the construction of the port, creation and development of a service supply logistics for ships from the international fleet that pass through or approach STP on their routes, including ships that circulate in the sub-region of Central Africa and the Gulf of Guinea.

3. Airline Sector: through the expansion and modernization of São Paulo International Airport Tomé and Príncipe, creation of a logistics airport for regional and international distribution of passengers and cargo, considering that the country has a privileged location, at the crossroads of important air routes that link the countries and continents of the Atlantic.

4. Commercial and Industrial Sector: São Tomé and Príncipe has potential for transform itself into a regional and international business hub, highly competitive, and a privileged space for locating companies, attracting FDI and promoting endogenous business initiatives, given that the country has an excellent location, in the center of the Atlantic, has good standards of security, stability and social peace.

5. Financial Sector the opportunity and relevance of creating a financial center regional and international in STP constitutes an increased opportunity for international banks and companies to carry out their international financial operations from São Tomé and Príncipe, assuming the country's competitiveness and the need to support companies that come to establish themselves there, within the scope of the project to develop a regional and international business square.

6. Digital Technology and Innovation Sector: geographic isolation, on the one hand, and the São Tomé and Príncipe's geostrategic location, on the other, makes connectivity a priority issue. To make the economy more competitive and improve the quality of life of its inhabitants, the Government must absolutely invest in transforming STP into a country of excellence in matters of Information and Communication Technologies (ICT).

However, to guarantee the success of the active integration strategy of STP into the global economic system, it is essential to adapt the operating conditions of the Santomean economy to the demands of the external environment, which include, in particular:

- Economic reform program, with a view to creating a highly competitive business environment, based on trust, minimizing context costs and reinforcing sustainability;
- Reform of the human capital formation system, one of the most important, if not the most important, from a medium and long-term perspective;
- **Foreign Direct Investment:** the strategy of active integration of STP into the system global economy emphasizes the importance of FDI. Thus, the attraction of FDI in the

The creation of a regional and international hub for business and finance and beyond is absolutely vital. In fact, this need is not exclusive to STP and less developed countries. On the contrary, it is a condition of all dynamic economies, regardless of their size and level of development.

Objective 2 - Promote Inclusive Economic Growth and Environmental Sustainability: the Government acknowledges having found STP in a serious socioeconomic situation, being its main concern is the rescue and return of dignity and well-being to all Santomeans. This aim will be materialized with the implementation of the new development model based on a service provision economy, anchored to a strong and supported private sector, in the conviction that this is the model that offers greater potential and guarantee for the achievement, within the horizon of PNDS, of average annual economic growth exceeding 7%. From this perspective, tourism is chosen as a driver of transformation and value creation, adding resources from the agriculture, livestock, creative and maritime industries, among others.

Development of Tourism and Sustaining its Growth: as mentioned in the first chapter, despite the weak dynamism of the global economy, world tourism continued to grow at a stable pace, with its future prospects, including its contribution to economic and social development, becoming increasingly important. Between 2010 and 2016 the number of tourists visiting the country increased from 8 to 29 thousand, an increase of 263%. However, exploring the tourist potential of São Tomé and Príncipe's natural, historical and cultural resources is still at an embryonic stage.

It should be noted that, given the potential volatility of this market segment, caution should be taken regarding the assumption of this variable (tourism) as a structural element of response to tensions in the Balance of Payments, in the absence of appropriate policies capable of making this segment resilient to external and internal determinants. The variable that could play an important role in balancing the Balance of Payments and which has maintained a decreasing flow in recent years are transfers from emigrants. Therefore, it is urgent to implement a consistent policy to attract and promote the participation of the diaspora in the development of STP.

Promote the Diversification of Production and Exports, with emphasis on following sectors:

Fisheries: considering that the blue economy constitutes a new approach to development for the maritime sector; given that it represents an enormous potential for creating numerous jobs and added value for the development of STP, it is recommended that efforts be concentrated in order to make the most of marine natural resources, as a basis for expanding the activity economic, simultaneously with the training and qualification of national staff in this field, safeguarding that the sustainable use of these resources is relevant from an economic, social and environmental point of view.

Agriculture is a strategic sector for the economic development of São Tomé and Príncipe, representing more than 70% of employment in the rural world and generating 80% of income from export. It is proposed to transform it into a sector that generates employment and income; bringer of prosperity and social recognition; respectful and protective of the environment. Furthermore, the focus is on changing from a subsistence logic to one of entrepreneurialization and creating mechanisms to make the sector attractive to young people and current employees, implementing the following strategic measures: agricultural and livestock transformation; investigation and development; rural extension; agricultural planning; agricultural credit; resolving land issues; agricultural logistics and marketing assistance; assistance to the organization of the productive class; promotion of income-generating activities; gradual deconcentration of competencies to

the RAP and Districts; environmental protection, no longer seen as just a cost to society, ensuring sustainability and environmental quality; preserve and value marine and terrestrial biodiversity, water resources and sanitation.

Light Industry: this is effectively a product of the implementation of the Program Commercial and Industrial Sector of Objective 1 of the PNDS. It fits into the strategy of transforming STP into a dynamic service-providing economy for the region and the world, taking full advantage of its excellent location in the center of the Atlantic, good security standards, stability and social peace. Therefore, light industry is mainly anchored in the country's cultural matrix, namely, agriculture, livestock, fisheries, culture, creative industries and light industry for export.

The main priorities aim to create conditions, particularly in terms of the business environment and the attraction and retention of FDI, that drive accelerated economic growth and job creation in different sectors of the economy; that promote the diversification of the production base, increasing productivity and competitiveness of the economy; as well as the change from the subsistence logic to the business logic, taking into account both the internal market and regional and international market niches.

Entrepreneurship and employability: the biggest obstacle to entrepreneurship business and social situation in the country is the difficulty of financing and training instruments for young entrepreneurs, coupled with the fragility or lack of appropriate public policies, namely the adoption of a package of specific incentives to boost the sector. Furthermore, the need to promote conditions that stimulate and develop an entrepreneurial attitude, particularly aimed at young people, stands out. This mentality is essential not only for those who want to set up a new business, but also for those who want to grow quickly in their professional career, that is, to have the courage to take risks and great responsibilities.

Culture and Creative Industries: the privileged geographical location, associated with historical process of the social formation of São Tomé and Príncipe, gave the country significant cultural diversity. Cultural life, creativity and innovation must be preserved and developed, through coherent and efficient cultural policies, in harmony with the development of the country's islands, region and districts.

Strengthening PNDS Planning and Regionalization: planning, in addition to being a privileged instrument for political and technical dialogue, and development management, also functions as a fundamental mechanism for the efficiency of the State and public administration; signaling economic opportunities; targeting State interventions; correction of distortions, dysfunctions and asymmetries. Furthermore, there is the possibility of promoting better ownership by development actors, at all levels, better social and institutional mobilization, better commitment and participation, and better governance.

Business Environment: reform of the business environment aims to provide companies adequate conditions for the free development of its activities, which does not mean the absence of rules. However, these must be clear, fair, limited to what is strictly necessary, and applied in a transparent and effective manner, and must not constitute unnecessary obstacles to the creation of wealth by companies.

Good Governance: to transform São Tomé and Príncipe into a credible, attractive and highly competitive. The goal is to ensure that the STP rating for each good governance indicator is equal to or greater than 80.

Economic freedom: to strengthen confidence and make the country competitive, namely, with regard to attracting FDI and building the six specialized service sectors to transform STP into a dynamic economy in the Gulf of Guinea, the objective is to improve the following variables/indicators of economic freedom: protection of

property right; efficiency of justice; government integrity and fiscal health; freedom to conduct business; freedom of trade and financial transactions; labor law. The goal, within the PNDS horizon, is to make STP transition from a predominantly non-free country to a moderately free country, with a coefficient equal to or greater than 60.

Modernization and tax competitiveness: the constant concern that crosses the Executive's tax reform proposal is the challenge of having a simple, modern, fair and efficient tax system, competitive on a global scale (promoting FDI); the assumption of corporate and family-friendly taxation, in order to attract investment and ensure a business environment conducive to business and private sector development and that effectively improves the population's living conditions.

Improving the quality of budget expenditure: by improving procedures, improvements in legislation and standards, commitment to reducing bureaucracy and accountability, in a computerized and integrated approach to the State's financial administration.

Financing the economy: it is proposed to define and implement a new strategy aimed at financing the economy, looking for alternative forms and sources of financing to promote investment in both the public and private sectors.

Alternative sources of financing for the economy: the Government has the challenge of significantly reduce dependence on debt to finance public expenditure, one of which is to restructure tax administration to raise more domestic revenue. It is also necessary to work to increase the formalization of the economy and reduce tax fraud and evasion. It is also recommended: the adoption of an agenda of privatizations, concessions and Public-Private Partnerships within the scope of economic reform; implementation of a strong program to attract and retain Foreign Direct Investment; reform of the state business sector; promotion of micro-finance as a privileged instrument for combating poverty.

Infrastructures, Transition, Energy Efficiency and Water: highlights the recognition of the important and decisive role that infrastructure plays in the inclusive and sustained development process of any country, and is therefore an essential asset, without which the production sectors, namely the primary, secondary and tertiary sectors, would not find their support base to leverage economic, social and environmental development.

Spatial planning and urbanization: territory is one of the main assets strategic assets that São Tomé and Príncipe has. Thus, territorial planning becomes a privileged instrument for the organization and sustainable management of national space and its ecosystems, allowing sustainable use of soil, territorial waters and natural resources.

Transition and energy efficiency: the energy sector is characterized by a weak production capacity, poor energy stability, aggravated by the company's operational conditions and the chronic deficit in internal capabilities to maintain and recover generators. Therefore, the Government is determined to reverse this situation, laying the foundations for the "sustainable and clean electrification of the country", with resources from water, wind and solar sources.

Oil: the exploration of hydrocarbons will play a central role in financing the economy and the country's economic growth.

Water: focus on improving water quality and environmental sanitation, in order to contribute to a higher level of population health quality, thus promoting the elimination of water-borne diseases and other social constraints.

Protection of the Environment and National Ecosystems: with the aim of ensure sustainable management of environmental resources, it is proposed to implement a set of integrated policies for the sector, imbued with the concern to guarantee São Tomé society the

enjoyment of environmental quality, as well as enhancing the appreciation of the environment as an asset and factor in the country's economic competitiveness, safeguarding the balance between satisfying current needs and those of future generations.

Objective 3 - Ensure Social Inclusion and Protection, Reduce Social Inequalities and Regional Asymmetries, aiming to improve living conditions and social inclusion, objective which substantiates and develops the Government's second major challenge, that of reinforcing social cohesion, through improving the effectiveness and operability of State action in order to rescue and restore dignity to the human condition of São Toméans, with relevance for greater equity, more social justice and more social reintegration programs.

It also includes the integration of the diaspora in the country's development process, intensive diplomacy to promote and give credibility to the State and transform STP into a great space for attracting tourists and doing business.

Elderly: proposal for transformation in the health system that replaces models disease-based cures by providing integrated care focused on the needs of the elderly, given that a longer and healthier life is an incredibly valuable resource, both from an economic and social point of view.

Excellent Education and Vocational Training: the education sector is the Government's main budget priority. Investing in an excellent education and training program is a fundamental instrument for valuing and transforming human capital; an essential condition for the employability, competitiveness and development of people of working age; an essential resource at this crucial stage in the country's sustainable and inclusive development. The strategy for promoting excellent education prioritizes reforms in all key areas of the education sector, including the elimination of problems that hamper the system, such as: school failure; preschool education; basic education; secondary education, quality of teaching; school management; decent work and professional training (employment and training are strongly linked); lifelong education for young people and adults; University education.

Youth: having a society that is mostly young is not a problem, but rather a great opportunity and perspective for the future. In this context, it is essential to promote innovative measures that meet their needs and expectations, namely in the areas of employment, self-employment, entrepreneurship, housing, training, recreation, sport, associations and volunteering.

Sport: is a powerful tool for sustainable youth development, to the major social problems that affect youth, being also a factor of mobilization, social and community cohesion, and an important industry that drives the national, regional and global economy. In this sense, sport is a development factor, due to its transversality and interaction with education, health and well-being, tourism, the country's international projection, sports industry and talent export. It also plays an important role, as a mechanism for social inclusion and civic participation of young people.

Culture: the Government, within the framework of the PND, intends to implement a cultural policy bringing together desires, capabilities and experiences for the promotion and development of national culture, involving and involving public and private actors, in close collaboration and articulation of initiatives, in order to create an effective communication and dissemination strategy and visibility for Santomean culture.

The Integrated Health and Social Protection System: the right to health is a mechanism which allows poverty or its worsening to be avoided, promotes peace and social inclusion, and enhances the country's economic growth and development. This is a right enshrined in the Constitution of the RDSTP, comprising the principles of universal coverage; equity of access to services; and solidarity in financing. Reforms will focus on

following areas/problems: provision of care; human Resources; governance, financing and management of the sector; provisioning; infrastructures.

In the field of **Social Protection and Inclusion**, the reform of the national social security system is considered to be of capital importance, through the implementation of a policy aimed at greater social cohesion, increasing the minimum survival pension and system sustainability. Therefore, it is intended, even in the first year of government, to include in the Public Investment Program (PIP), the Minimum Income for Social Inclusion Program (RMIS) to combat precariousness and extreme poverty.

Gender Equality and Inclusive Development: the country continues to register important challenges to achieving full gender equality, with emphasis on women's economic autonomy, their participation in politics and decision-making, and gender-based violence. In terms of institutional policies, programs and practices, despite some progress, weaknesses persist in the mainstreaming of the gender approach at sectoral, regional and district levels, and in the empowerment of women.

Objective 4 - Strengthen Sovereignty, Deepen Democracy and Renew Diplomacy for Development addresses the strategy for deepening and consolidation democracy, strengthening sovereignty and adopting a new diplomacy focused on sustainable development.

With regard to **Democracy**, the challenge challenges the Government to the urgent need to refund and consolidate the pillars of the democratic rule of law, aiming to reorganize the State as a whole; strengthen democracy and institutions at national, regional and district levels; safeguard the fundamental rights, freedoms and guarantees of the human person enshrined in the constitution and Laws of the Republic.

Thus, **State Reform** encompasses and prioritizes the following areas and themes: reform and modernization of the judicial system; ensure the neutrality and independence of public media; ensure mechanisms for greater involvement and participation of civil society and its organizations; combating corruption and impunity; construction of a new prison establishment; adoption of a policy for social reintegration; creation of arbitration-reset centers; modernization of registries and notaries; installation of IT and reprography services; reform and modernization of public administration;

In the **Sovereignty** dimension, the reform focuses on National Defense, through redefinition and better adaptation of the role of the **Armed Forces**; creation of policy services and processing of geopolitical information of a strategic nature; **Internal Security** as a founding pillar in the construction of democratic societies, an unquestionable development factor and a vital political, social and economic asset from a strategic point of view; strengthening the civil protection system; combating road accidents.

In the field of **Diplomacy**: in essence, national diplomacy continues to ensure the preservation of national sovereignty, the defense and promotion of the country's interests, but based on a new paradigm that pursues the strategic objectives of economic development, through the safe and advantageous insertion of the country in the world. Thus, the focus is on strengthening diplomacy, international cooperation and regional and international integration of São Tomé and Príncipe.

Furthermore, the Government and all sectors of Santomean society must commit to strongly in building and consolidating the image of STP as a credible and respectable country in the world, where the culture of good governance prevails; transparency; accountability and careful management of resources generated internally and those raised through international cooperation. In fact, management oriented towards objectives, whether in terms of development or in meeting the pressing needs of its population, namely the poorest and most vulnerable groups in the country.

Inclusion of the Diaspora in the Development Process: aims in particular at a better safeguard the interests of Santomean citizens in their respective host countries, strengthening their ties with the country of origin and promoting their contribution and commitment to the country's development.

Chapter 5 - PNDS Operational Framework: the PNDS logical framework, objectives, impact indicators and goals, seeks to highlight, in a synthetic and coherent way, the conceptual and methodological framework of the process of elaboration and systematization of the PNDS 2020-2024.

The PNDS will be implemented through a programmatic approach. The design and planning of sectoral and transversal programs are intended to achieve the Government's Program and Vision, as well as the 2030 Agenda for the Sustainable Development of São Tomé and Príncipe, within the scope of the implementation of the PNDS.

The aforementioned programs are arranged in a matrix, according to their nature and the objectives to which they contribute, grouped into three pillars: Sustainable Economy, Social Development and Sovereignty and Democracy.

The PNDS matrix presents a set of 34 Programs, to which is added the Management and General Administration Program, transversal to the 3 Pillars, with 19 Programs of the Sustainable Economy Pillar, 8 Programs of the Social Development Pillar and 7 Programs of the Sovereignty and Democracy Pillar, identifying the objectives to which they contribute.

The PNDS has an estimated budget of 48,280,767,563 Dobras (equivalent to 1,970,643,574 Euros) destined to the materialization of its four macro objectives, with the following distribution:

Objective 1: 22.5%;

Objective 2: 35.0%;

Objective 3: 27.5%;

Objective 4: 15.0%.

It is important to remember that the PNDS is linked to the Government Program, aiming for its operationalization, on the one hand and, on the other, the PNDS Pillars and Programs are linked to the Sustainable Development Goals (SDGs) to which they contribute.

Pillar 1 - Sustainable Economy consists of 19 programs, with sectors of It oversees Finance, Infrastructure, Agriculture, Education, Tourism, Culture and Youth, contributing predominantly to objectives 1, 2 and 3 of the PNDS and only marginally to objective 4. Its indicative budget, for the PND period, is 27,761. 441,348.73 Doubles. Contributes to SDGs 1,2,4,5,6,7,8,9,10,11,12,13,14,15,16,17.

Social Development Pillar consists of 8 programs, supervised by the sectors of Education, Health, Work and Youth. Its programs contribute directly to objectives 1, 2 and 3 of the PNDS, with an indicative budget estimated at 13,277,211,079.82 Dobras. Contributes to SDGs 1,3,4,5,8,10,16.

Pilar Soberania is made up of 7 programs, which are responsible for the sectors of Defense and Internal Affairs, Justice, Finance, Youth, Labor and Foreign Affairs. The pillar's contribution covers all four macro objectives of the PNDS (1,2,3 and 4), contributes to SDGs 1,3,4,5,8,10,13,16,17, having an indicative budget in amount of 7,242,115,134.45 Dobras.

Management and General Administration Program, transversal to all Ministries, has with the objective of managing and supporting all Ministries, including Regional Delegations, Regional Government and District Chambers, with a budget of 9,656,153,512.60 Dobras.

Regionalization of the PNDS: São Tomé and Príncipe is a country with regional asymmetries resulting from its insularity and public policies that did not seek to reduce the costs of insularity. Young people on the island of Príncipe do not have the same opportunities as those on São Tomé, in terms of access to training, knowledge, employment, healthcare, tourism services,

etc. Therefore, the regionalization of the PNDS represents a greater commitment by the central, regional and district Governments to the quality and transparency of public expenditure, financial decentralization, which will result in more resources and better intervention by local authorities in promoting the local economy, serving the social demand. In this process, the General State Budget plays the role of the main instrument for implementing development plans and management.

Chapter 6 - Financing and Implementation Modality of the PNDS: the PNDS will be financed 31.25% by the General State Budget and 40% by the private sector, through the Public-Private Partnership. However, there will still be a need to finance 28.75% of the total PNDS budget, in the amount of 13,880,720,674.29 Dobras (equivalent to 566,560,027.52 Euros). The State's contribution, through the OGE, will be 15,087,739,862.82 Dobras (equivalent to 615,826,116.85 Euros).

Actors and Implementation Instruments: these are the State, through its administrations central and deconcentrated, the Regional Government, the District Chambers, the private sector, civil society organizations and technical and financial partners.

Operationalization of the Planning System: the operationalization of the PNDS it will be processed through an integrated approach and aligned with the medium and short-term planning instruments defined by the National Planning System.

Roles and Responsibilities: at the central administration level, monitoring the physical and financial execution of programs, projects and units and performance evaluation will be ensured by the Ministry of Finance, with monitoring of physical execution and performance evaluation carried out by the Planning Department (DP). Financial execution will be carried out by the Administration and Finance Directorates (DAF), budget supervision and control will be the responsibility of the General Inspectorate of Finance, the Court of Auditors and the National Assembly.

At the level of each sector, the responsibility will be the Sectoral Planning Directorate (DSP) or equivalent body, supported by a Program Manager, who will be technically supported by a Monitoring and Evaluation Agent.

Monitoring and Evaluation Mechanism: this will be carried out through the performance, technical monitoring component, technical evaluation component, performance supports, performance monitoring documents, information system for performance monitoring and performance reviews.

Follow-up Plan: it is recommended to use the Logical Framework (QL), while programming instrument.

Assessment Plan: will focus on the long-term planning instrument and the systematic sectoral and global assessment.

Institutional Monitoring and Evaluation Device: the main mission of the device institutional monitoring and evaluation (DISA) is the formalization and facilitation of dialogue between all interested parties in the performance of PNDS development actions, in accordance with the Plan's guiding principles such as: national leadership; solidarity and partnership; results-based management; proactive coordination; equity and reduction of inequalities.

Thus, two objectives are attributed to this device: i) reporting to interested parties on the implementation of the PNDS; and ii) recommend readjustments, revisions and updates to the Plan.

The bodies:

1. Concertation and Coordination Framework (QCC) (existing or to be created by the Prime Minister) between the Government and Development Partners;

2. Technical Monitoring Committee (CTS), composed of the competent structures of the economic-financial administration (from the Ministry of Planning, Finance and Blue Economy);

3. Thematic Dialogue Groups;

4. Ministry Studies and Planning Office (or equivalent structure);

5. Regional and District Monitoring and Evaluation Committees.

National Statistical System: the SEN must provide information through a previously established schedule, which meets the needs of producers and users of official statistics for the monitoring and evaluation of strategic-sectoral plans and PNDS programs.

Therefore, the data production capacity of the government administration sectors and the National Statistical System needs to develop substantially to respond to the needs for producing specific statistical data for the S&A of the implementation of the SDGs and Samoa Roadmap, namely, in the areas of quality; amount; frequency; disaggregation; distribution; availability; accessibility; systematic integration of data into policies; implementation and systematization of S&A throughout public administration; and systematic use of S&A to evaluate performance and impacts.

Chapter 7 - Risk Analysis: developing economies have been characterized due to cyclical instabilities in their economic growth process, especially in Small Island Developing States (SIDS). Therefore, effectiveness in the management of economic policies depends on understanding the nature of the shocks that affect the economy and their economic interactions, as is the case in the external sector, mainly for SIDS such as STP, characterized by a high degree of economic openness and financial integration, derived from the existing exchange rate regime and other national particularities.

Regarding the PNDS, its successful implementation may be frustrated by the occurrence of these and other endogenous or exogenous risk factors, which include: sociopolitical instability; weak national leadership; weak mobilization of endogenous resources; persistent capacity deficit; unfavorable sub-regional and/or international situation; climate risks and humanitarian emergencies resulting from epidemic outbreaks.

INTRODUCTION

In 2012, according to data from the Family Budget Survey, poverty affected 66.2% of the population. The Government Program highlights that the retraction in economic growth in 2017, a trend that prevails and is accentuated in 2018, with a 2.7% growth in GDP, the country's socioeconomic situation, as well as the living conditions of São Toméans, have deteriorated significantly.

Furthermore, there was a deterioration in the democratic rule of law, with serious implications for individual freedoms, the degradation of healthcare, a low level of economic activity resulting from the dysfunction of the energy sector, degradation of the main macroeconomic indicators, erosion of income individuals and companies, caused by abrupt increases in commissions, fees and the introduction of new taxes. Energy production has reached minimum levels, affecting business activities and productivity, in general, relegating the population to darkness. The inflation rate of 6.4 in 2014 increased to 9.04 in 2018.

Aiming to reverse the aforementioned situation, the Government Program, through the National Sustainable Development Plan of São Tomé and Príncipe 2020-2024, identifies the main challenges of the country's sustainable and inclusive development, presents the vision of the Government and the Country to be materialized in the current legislature and in the 2030 horizon, aligning with international agendas, namely, the United Nations 2030 Agenda and the SAMOA Roadmap.

At the same time, the Government describes and justifies its strategic responses with a view to implementing the New Development Model Based on Service Provision, specialized in six priority economic sectors: Tourism, Finance, ICT, Maritime, Air, Commerce and Industry.

The National Sustainable Development Plan of São Tomé and Príncipe for 2020-2024 (PNDS) is the first development plan drawn up in accordance with Law No. 6/2017, of March 2017, the Basic Law of the National Planning.

PNDS inaugurates a new cycle and model for planning and managing national development, replacing the previous ENRP II 2012-2016, implemented and completed in 2016, incorporating the gains resulting from the experience of implementing ENRP II, seeking to improve with the shortcomings and ineffectiveness of this instrument.

To this end, it is intended, from the outset, to highlight the need and importance of implementing a PNDS review program, namely its programs and projects, adapting and adjusting them to the circumstances and dynamic realities of the recipients who the Plan aims to transform. In this specific context, the main objective is to adopt an instrument, a type of checklist for reviewing projects that effectively contribute to improving the final result and, thus, guaranteeing quality in the implementation of the development process.

The PNDS is based on the Government Program for its preparation but, above all, it is the first operational plan for harmonization, integration and implementation of the 2030 Vision for Transformation of STP and its Transformation Agenda (TA),

on the horizon 2030; the UN 2030 Agenda and the Sustainable Development Goals (SDGs); of the Accelerated Implementation Modalities of the Samoa Roadmap.

PNDS is also a planning tool that implements, in programmatic and operational terms, the Government Program, focused on its four strategic axes of intervention:

- Deepening the democratic rule of law;
- Robust economic growth and accelerated job creation;
- Improving the quality of health and social protection;
- External policy at the service of development.

Furthermore, the PNDS aims to ensure intergenerational equity through the sustainable management of natural resources, the fight against climate change and the eradication of poverty.

DRAFT

1. COUNTRY DIAGNOSIS

1.1. International Context

The average growth of the world economy went from 3.7%, between 2007-2011, to 3.4%, in the period 2012-2016. The slowdown in the main emerging economies justified the global macroeconomic performance in this period. Advanced economies, despite the constraints, experienced an acceleration in economic activity of 0.7%. In the particular case of the Euro Zone, the increase was just 0.2%.

In 2017, the world economy gained strength with the reduction of weaknesses associated to the global financial crisis and had the highest growth since 2011, of more than 3%, which remained stable in 2018, according to the UN Department of Economic and Social Affairs (DESA).

The study highlights that the improvement in the global economic situation offers an opportunity for countries to focus on creating policies on long-term issues. Among them, low-carbon economic growth, the reduction of inequalities, diversification economy and the elimination of profound barriers that hinder development¹.

In contrast, global growth in 2019 is expected to fall to 2.6%, reflecting a greater reduction in trade and investment than expected at the beginning of the year. The recovery in growth is expected to occur gradually, in 2020 and 2021, to 2.7% and 2.8%, respectively, based on continued good global financing conditions and a modest recovery in emerging and developing economies, whose growth continues limited by moderate investments. Therefore, risks remain firm, partly reflecting the possibility of a further escalation of trade tensions, and it is urgent that these

economies reinforce political reserves² and implement reforms that boost growth prospects³.

However, EMDE growth is expected to increase from 4% in 2019 to 4.6% in 2020-2021. This recovery results from the diminishing impact of previous financial pressures on some large emerging and developing economies.

In the period 2012-2016, international *commodity* and fuel prices reversed the growing trend seen between 2007 and 2011. Given the drop in global demand for *commodities* and internal conflicts, the average growth rate of the Sub-Saharan African economy fell from 5.8%, between 2007-2011 to 3.9%, between 2012-2016. In 2016, growth reached 1.4%, the lowest value recorded since 1994.

However, the resumption of economic recovery in sub-Saharan Africa is underway, albeit at a slower pace. Growth in the region is estimated to have increased from 2.6% in 2017 to 2.7% in 2018, more slowly than expected, in part due to weaknesses in Nigeria, South Africa and Angola. The region faced a more difficult external environment in 2018 due to slowing global trade, tighter financial conditions and a stronger US dollar.

Nigeria grew by 1.9% in 2018, but oil production declined in mid-2019. Non-oil activity also declined, due to weak consumer demand and conflicts that disrupted agricultural production. In Angola, the region's second largest oil exporter, the economy contracted by 1.8% as oil production declined.

South Africa's economy grew by 0.9 percent in 2018, as it emerged from a technical recession in the second half of the year, in part due to greater activity in

¹ Available at: <<http://agenciabrasil.ebc.com.br/internacional/noticia/2017-12/economia-mundial-teve-em-2017-biggest-growth-in-six-years-says-un>>. Accessed on April 10, 2019.

² In the field of international economics, political reserves refer to international capital stored by States (Euro and Dollar) to cover future emergencies and economic instabilities caused by external crises.

³ Available at: <https://www.worldbank.org/pt/publication/global-economic-prospects>. Accessed on October 10, 2019.

agriculture and manufacturing industry. However, growth remained moderate as problems in the mining sector and weak construction activity worsened due to political uncertainty and low business confidence.

The economies of the Central African Economic and Monetary Community (CEMAC) benefited from an increase in oil production and prices for most of 2018. Economic activity in resource-friendly countries was robust, supported by agricultural production and services, in domestic consumption and public investment.

Many countries in the West African Economic and Monetary Union (WAEMU) grew by 6% or more, including Benin, Burkina Faso, Ivory Coast and Senegal⁴.

Despite the weak dynamics of the global economy, world tourism continued to grow at a stable pace. The future prospects of global tourism, including its contribution to economic and social development, are increasingly important. International tourism moved almost 900 million tourists in 2007 and generated revenue of 733 billion dollars in 2006. The flow of tourists increased by 3.9% in 2016, reaching a total of 1.2 billion arrivals throughout the world.

The African market was one of the most dynamic, having registered an 8% growth in 2016, reaching 58 million tourists, recovering from the declines that occurred in the previous two years. The biggest growth occurred in Sub-Saharan Africa, 11%, while North Africa once again showed signs of recovery, with growth of 3% in the period.

Long-term forecasts published by the World Tourism Organization (UNWTO) indicate that the number of international tourists will be 1.6 billion in 2020, which implies an annual growth rate of around 4%. The forecast indicates that destinations in Africa, Asia and the Middle East will grow at higher-than-average rates, while forecasts for the more mature destinations in Europe and America are for lower-than-average growth.

International tourism is, therefore, one of the main export sectors globally, representing around 30% of world exports of services, even reaching percentages above 50% in countries where tourism plays a much greater economic role. important as the islands⁵ are.

1.2. National Context

1.2.1. Geography

The discovery of the island of São Tomé dates back to December 21, 1470, by two Portuguese navigators, Pedro Escobar and João de Santarém, who were in the service of a wealthy mercantilist João Gomes.

With a surface area of 1001km², the Democratic Republic of São Tomé and Príncipe (RDSTP) is a small archipelagic state, of volcanic origin, located in the Gulf of Guinea, 300 km west of Gabon and 240 km from Central Africa. With an Exclusive Economic Zone (EEZ) of 160,000 km², it is one of the smallest states in the world and the second smallest in Africa after the Seychelles Islands. The islands that make up the archipelago are of volcanic origin, with very rugged terrain, high rainfall and very fertile soil.

The country is the closest to the center of the world, the point of intersection between the equator and the Greenwich meridian, a point of latitude and longitude 0.0:0.0, which gives it a privileged geostrategic position, namely, in view of the new challenges facing the Central African sub-region.

⁴ Available at <file:///C:/Users/jose/Documents/Backup1Zema/STP.GEconomicAfricaSubsariana2019.pdf>. Accessed on April 10, 2019.

⁵ Available at <<http://www.exedrajournal.com/docs/S-tur/02-Sandra-Carvao-32.pdf>>. Accessed on April 11, 2019.

1.2.2. Population

Demographic dividend: the population of São Tomé and Príncipe is quite young and has been growing considerably in recent decades, a fact that could imply, in the long term, major problems in terms of the country's development, mainly with regard to access to employment, housing, education, health, transport, etc.

Therefore, taking advantage of the demographic dividend in São Tomé and Príncipe constitutes a strategic opportunity to achieve the aspirations and goals set out in Agenda 2063 and Agenda 2030.

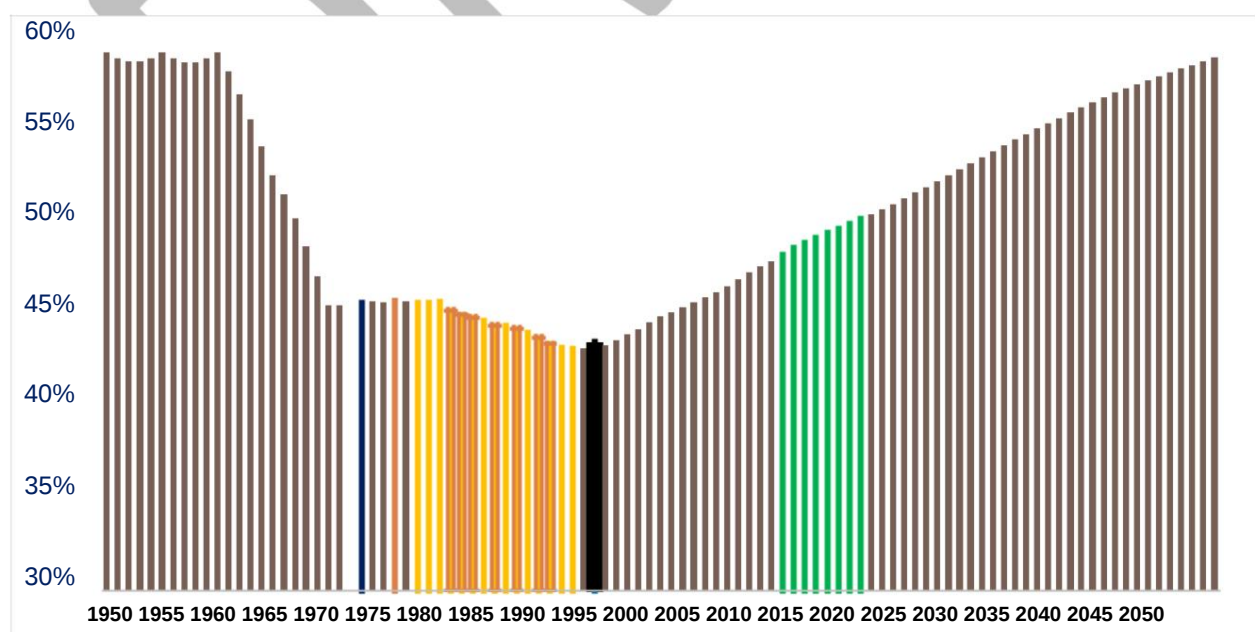
Therefore, STP must engage in the transformation of its enormous young population into an asset for development, constituting a privileged instrument to accelerate economic growth and increase the development of human capital.

In the period 1975-1994, the country experienced a negative evolution in the economic sustainability ratio, which went from 46% in 1975 to 43% in 1994. However, 1994 marks the turning point and the threshold for the beginning of growth in the economic sustainability ratio (CSR), which corresponds to the opening date of the demographic dividend window (or demographic window of opportunity) of São Tomé and Príncipe. There is a growing trend in CSR, which rose from 43% to 50% in 2016, meaning one effective producer for two effective consumers, according to the graph below.

The economic sustainability ratio measures the effect of age structure on the population's ability to contribute to current production. The ESI is calculated based on the profile of consumption expenditure and labor income, the analysis of which allows political decision-makers to make decisions for the effective implementation of economic policies suitable for productivity growth, in order to adapt training and employment, efficiency in the health system and sustainability in reforms for good governance.

The country has seen the opening of the window of opportunity since 1994, probably as a result of the opening to multipartyism; distribution of agricultural land, creation of private and public companies; construction and rehabilitation of primary and secondary schools in country; announcement of the existence of the possibility of oil exploration, and other factors.

Graph 1: Evolution of São Tomé and Príncipe's economic sustainability ratio

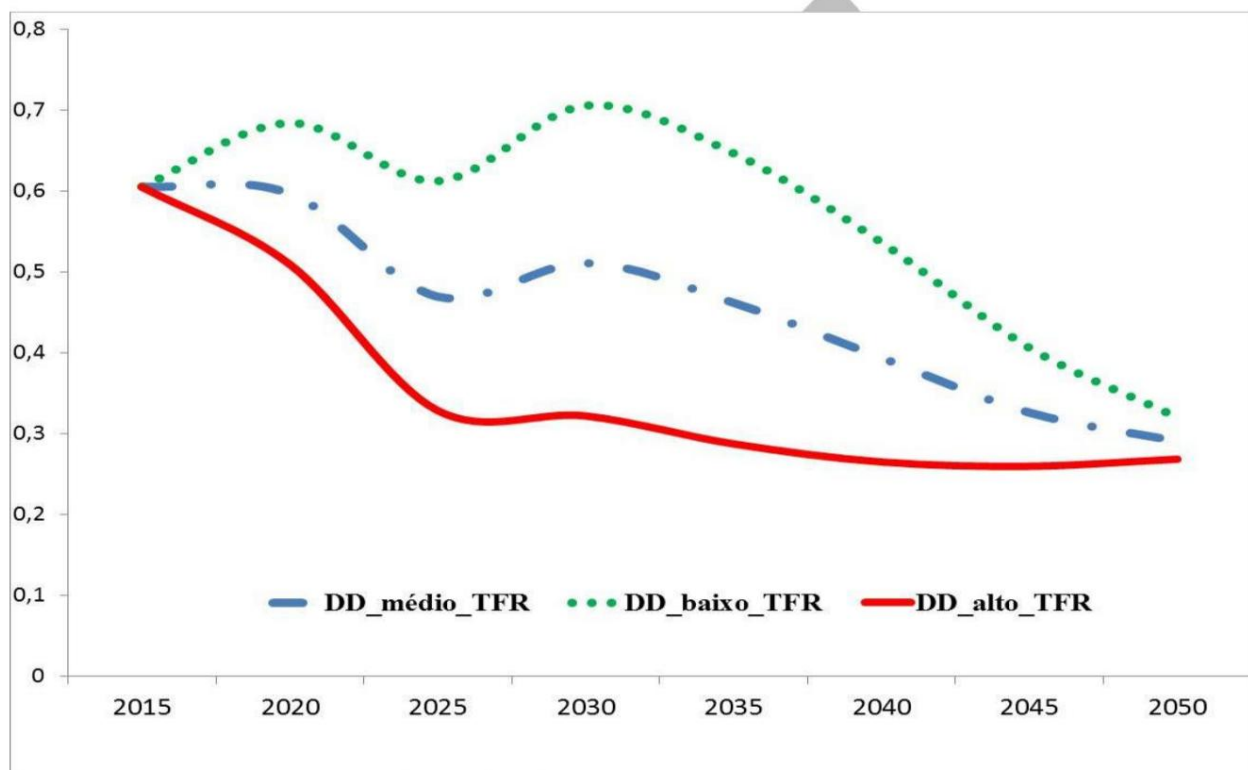


Source: NTA calculations, CREFAT 2016: demographic dividend in São Tomé and Príncipe

This graph indicates that, if all variables remain constant, the economic sustainability ratio could continue to increase from 2015 to 2050, the date on which it will reach its ideal situation.

In effect, the potentially active Santomean population has been growing progressively in relation to the inactive population, due to the high percentage of the youth population, thus constituting the period in which the demographic bonus began. This period indicates at the same time that policy measures to create and promote mass jobs should be encouraged. Therefore, São Tomé and Príncipe should favor sustainable employment policies for young people.

Graph 2: Projection of the demographic dividend of São Tomé and Príncipe



Source: NTA calculations, CREFAT 2016: demographic dividend in São Tomé and Príncipe

The demographic dividend can, in particular, create a basis for increasing retirement savings, as more workers will be earning, saving and investing their income, thus contributing to the promotion of a more dynamic, inclusive and sustainable economy.

Therefore, taking advantage of the demographic dividend, through investments in youth, has the potential to result in lasting solutions to the key issues that the challenges of development and meeting the needs of populations have posed to successive Governments and change the course of the Country for a new development paradigm, within the framework of the integration and implementation of the 2030 Agenda.

Table 1: Population growth projection 2012-2035

	2012	2015	2020	2025	2030	2035
Total population	178739	189819	210240	233090	258184	284293
of	0,8	0,8	0,7	0,6	0,6	0,56
Dependency ratio						
Population 15-64	64,6	54,6	56,5	59,9	62,9	63,8

Source: own elaboration based on the summary of demographic indicators 2012-2035 INE

According to official data from the National Institute of Statistics (INE), the country's total **population** in 2015 reached 194,006 inhabitants, of which just over 50% are women and those under 25 years of age represent over 62 %. The natural population growth rate was 2.76% in 2014.

1.2.3. Policy

During the fifteen years that followed the independence of São Tomé and Príncipe (from 1975 to 1990), the country experienced a one-party political system with a Marxist orientation, whose legitimacy came from the struggle for national independence.

According to the **Constitution of September 10, 1990**, revised in 2003, and in force since 2006, the country is a parliamentary democracy, with a semi-presidential regime, in which executive power is exercised by the Prime Minister, Head of Government, granting the President of the Republic the representation of the State in international relations and the sharing of some competences in matters of diplomacy and national defense.

The President is elected for a 5-year term and is re-electable once. The Prime Minister is proposed by the majority party and appointed by the President of the Republic. Legislative power is exercised by the National Assembly, of which 55 members are elected by universal suffrage for a 4-year term.

Since the advent of multipartyism in 1991, the prevailing political culture has been causing political instability until 2014, with the corollary of numerous changes of governments. On October 12, 2014, the country organized free and transparent legislative and municipal elections, which allowed the Independent Democratic Action (ADI) party to obtain a large majority in Parliament and, for the first time, govern with stability and end a complete cycle of a four-year legislature in 2018.

The presidential elections were held in 2016, with the victory of the candidate supported by the ruling party. In the October 2018 legislative elections, ADI won the elections with a simple majority, which did not allow it to form the Government, since the second most voted party, the MLSTP-PSD, made a parliamentary influence agreement with the PCD- coalition. MDFM-UDD that made the current Government led by MLSTP-PSD viable for the next four years.

It is noteworthy that political participation of women holding mandates in the National Parliament increased from 3.6% in 2006 to 18.1% in 2010. However, in the current legislature, participation was reduced to 12.72%, a figure that is even further away of the 30% set by the Resolution adopted by the National Assembly in 2009. At the Executive level, of the 13 Ministries and State Secretariats, only 4 women are members of the Government.

This post-1990 political context, despite the political and governmental instability mentioned above, allowed the country to accelerate the pace of implementation of the necessary reforms to leverage its transformation process towards sustainable development.

However, despite São Tomé and Príncipe having recorded some progress in terms of human development indicators (HDI), its vulnerabilities to external shocks, its great dependence on public development assistance and the fragility

of its environment and its economic fabric constitute serious threats to its status as an intermediate-income country.

Thus, committed to taking control of the country's development risks, the Government joined, in 2014, the G7+, an association of "fragile states", which approved a New Deal, as a commitment of these states aimed at building *peaceful* nations, the fight to eradicate poverty and promote sustainable development.

In terms of democratic governance, the trend is generally positive, but it is necessary to improve and deepen the inclusion and participation of citizens, especially women. According to the 2015 Mo Ibrahim Index for assessing governance in Africa, the Democratic Republic of São Tomé and Príncipe was in 13th place among the 54 countries on the continent. However, STP improved its position to 12th, being the 2nd best-ranked Portuguese-speaking country, according to Mo Ibrahim in 2018. Regarding Transparency International's corruption perception index, STP was in 66th position, among 174 countries, in 2015. In 2018, the country improved its ranking to 64th, with a score of 46, among 183 countries.

At an administrative level, STP is divided into two territorial administrations, corresponding to the two main islands: the island of São Tomé and the island of Príncipe, the latter having the status of an Autonomous Region. The island of São Tomé has an area of 850 km² divided into six districts: Caué, Lembá, Lobata, Mé-Zóchi, Água Grande and Cantagalo, with more than 90% of the country's total population and a population density higher than the estimated national density. In 2018 at 197.70 inhabitants/km².

The island of Príncipe has a surface area of 142 km² and a population of around 7,000 inhabitants, which corresponds to less than 10% of the country's total population. The Autonomous Region of Príncipe is made up of a single district called Pagué; a single urban center, the city of Santo António; and has a regional Assembly and Government, elected for a four-year term.

It is important to highlight the existence of political will to implement and deepen the country's political-administrative decentralization process, but this reform has been postponed due to the challenges posed by the scarcity of resources, namely financial, technical and human, whether in quantity or quality.

Within the framework of public service reform, one of the Government's greatest challenges is the taking and implementation of measures aimed at improving electronic governance, namely reinforcing the transparency and effectiveness of the Government, both at national and local level. However, the ambition to move to electronic governance requires the country to meet some fundamental prerequisites, such as:

- Adoption of a strategic framework and financial mechanism, allowing the transition is outlined in a coherent and consistent manner;
- Adaptation of the legal environment, particularly in terms of regulating electronic transactions and signatures, cybercrime and the protection of private data and beyond;
- Improvement of infrastructure, allowing access to electronic communications networks (telecommunications, IT equipment) throughout the country and at reasonable prices;
- Adoption of a harmonization and synergy policy between the different administrations' IT systems, hence the need for interoperability to be developed;
- Development of a security device for electronic infrastructures and networks;
- Assessment of the aptitude of State agents and citizens, training them, if necessary, to use Information and Communication Technologies (UNDAF 2017-2021).

1.2.4. Social Situation and Poverty Profile

The country's populations still suffer greatly due to a limited internal island market, weak purchasing power and weak economic diversification. The public sector is the main economic entity with more than 80% participation in the formation of capital and GDP. The Government's weak capacity to mobilize internal resources has hampered the provision of services, while the low level of salaries encourages the best employees to seek paid jobs outside the public sector and even abroad. Unemployment, estimated at around 13.6%, mainly affects young people and women. In return, the Government continues to guarantee free primary education, basic health care and the right to social security benefits.

São Tomé and Príncipe ranks higher than the sub-Saharan African average on the Human Development Index (HDI) and has made progress in improving other social indicators. Despite STP occupying the 143rd position, among 187 countries, in the Human Development Index (HDI), it is noted that the HDI has evolved positively at an average annual variation rate of 0.68%.

Gross schooling in primary education is 118%, with 114% being the gross female schooling rate and 122% the gross male schooling rate, according to the 2017 MECCC Statistical Bulletin; life expectancy is 68.6 years for women and 64.5 years for men, according to the 2017 UNDP Human Development Report; the infant mortality rate for children under five is 51 per 1,000 live births.

According to the 3rd National Report on the Millennium Development Goals, STP has achieved at least three of the eight MDGs:

- Universal Primary Education, with a net enrollment rate of 98% in 2015 against 80% in 1990;
- Reduction in infant mortality to 38 per 1000 live births in 2015 against 89 per 1000 live births in 1990;
- Reduction of maternal mortality to 76 per 100,000 births in 2015 against 151.3 per 100,000 live births in 2005.

The Report also highlights that the trend towards MDG 6 is equally positive, with an HIV/AIDS prevalence rate of 0.5% in 2015 against 1.5% in 2009, as well as 0 deaths from malaria in 2014, across the island of São Tomé, with the island of Príncipe being in the eradication phase (UNDAF 2017-2021).

Family Budget Surveys, IOF (2010) reveal that since 2001 the main poverty indicators have remained high at the national, district and Autonomous Region of Príncipe levels. The aforementioned survey finds that 66.2% of the São Tomé population is poor; that poverty predominantly affects families headed by women 71.3%, compared to 63.4% of men and affects rural populations more, and is therefore the main cause of rural exodus.

Table 2: Poverty ratio by sex and by District

	Poverty ratio		
	Men 65.8	Women	Total
Big Water	52.2	71.7	68,3
Me-Zochi	65.4	63.9	56,6
Cantagalo	84.7	67.0	65,9
Caué	72.2	83.7	84,5
Write	59.9	77.4	73,7
Lobata	68.6	83.2	67,8
Prince	63.4	77.7	71,4
Total		71.3	66,2

Source: IOF 2010, INE STP

It is important to highlight that the update of the last **Poverty Profile** published in December 2012, by the United Nations Development Program (UNDP) and INE⁶ keeps the main poverty indicators high and sets the absolute poverty threshold at a expenditure less than 30,071 STD per day per person⁷ (IOF, 2010). Furthermore, poverty appears negatively correlated with the level of education; strongly correlated with employment status; much less predominant among active workers than among inactive and unemployed people, who constitute the poorest socioeconomic group. The average size of poor families was 5.3 individuals, while that of non-poor families was 3.3 people.

The analysis of **inequality indices** showed that the poorest 20% earned only 7.9% of the total national income, while the richest 20% earned 41% of that income.

The main barrier to female participation in decision-making proved to be the large burden of domestic tasks borne by women, especially among the economically disadvantaged population.

Regarding employment, the national **unemployment rate** stands at 13.6%, with a higher incidence in women, 19.7%, while in men, 9.3%, (CENSO, 2012). This significant unemployment rate, combined with an inflation rate of 9.04 in 2018, constitutes a factor of imbalance and deterioration in families' purchasing power and the consequent worsening of the poverty rate.

According to data from the OIF (2010), unemployment also affected girls aged 15-24 years more, 25.3%, than boys aged 15-24 years, 21.4%. Unemployment was higher, 32.7%, among individuals under 24 years old and 60% of the unemployed were under 34 years old, which makes the phenomenon predominantly young.

Women constitute the bulk of agents in the informal economy, mainly in commerce and services, and are therefore more exposed to precarious jobs with low pay and without social protection (UNDAF 2017-2021), while men are likely to be employed as workers employees in the public or private sector. Consequently, women's access to the labor market is limited, constituting the largest segment of the economically inactive population.

With regard to the **minimum wage**, in the amount equivalent to 45 dollars, 30.1% of income received by the worker is paid below the minimum wage, with 44.5% for

⁶ Prepared based on the 2010 Family Living Conditions Survey (IOF), a reference survey last.

⁷ New approach based on the cost of basic needs (CBE) method, which are vital food and non-food needs.

women and 20.8% for men. The vulnerable employment rate is estimated at 40.1%, with a higher incidence in women, 50.8%, and in men, 33.5% (IOF 2010).

In 2014, the country achieved the goal of **universal schooling** for all children of both sexes, with a net primary school enrollment rate (TNS) of 97.9%. However, the quality of basic education is quite modest, with a failure rate of 12% in 2010, and 57.5% of the teaching staff made up of non-professionals in 2010.

At secondary education level, the weakness in retention is alarming. According to data from 2011, of the 86% of young people, only 15.2% reach the last year of the cycle. The gross enrollment rate in secondary education is 89% for boys and 101% for girls, according to MECCC data for 2017. It is observed that in São Tomé and Príncipe the rate is slightly higher for girls in this level of education. Even so, in the second cycle of secondary education these rates decrease both for boys, 58% and for girls, 71%.

Technical and professional education is poorly developed and accommodates only 2% of young people who leave school (2011 data). This strong limitation in reception capacities also applies to higher education, aggravated by an inadequacy of training to the needs of the employment market, due to the predominance of private establishments; and a very high cost of public higher education equivalent to 45% of current expenditure in the education sector in 2010. The IOF (2010) estimates the rate of the population with secondary education or higher at 6%; estimates the literacy rate of people aged 15 and over at 87.7%, with 93.8% men and 82.1% women.

The percentage of the population aged between 15 and 24 who were neither in the education system nor in employment is estimated at 29.10%, with 45.8% being women and 18% men, which reflects the difficult situation in which this population group lives, mainly women and young people (IOF, 2010).

The incidence of **early pregnancy** in STP is very high, with the adolescent birth rate being 37.5%, that is, an incidence in more than a third of adolescents nationally, according to the Demographic and Health Survey carried out in 2008/09. In the districts of Água Grande and Lembá the accumulated incidence of early pregnancy exceeds half of girls between 12 and 18 years old.

Information on **violence against women** is limited in STP, but some evidence indicates that the most common type of violence in the country is physical violence in the family, with women and children being frequent victims. It is important to note that although the law protects all citizens against any type of violence, law enforcement is weak given the limited capacity of the police force in terms of training, equipment and facilities (vehicles, radios, etc.). Furthermore, cultural behaviors of male dominance are often cited as root causes that explain this type of violence. It is socioculturally constructed through tastes, attitudes and prohibitions, and is also cultivated and encouraged within the contemporary São Tomé family.

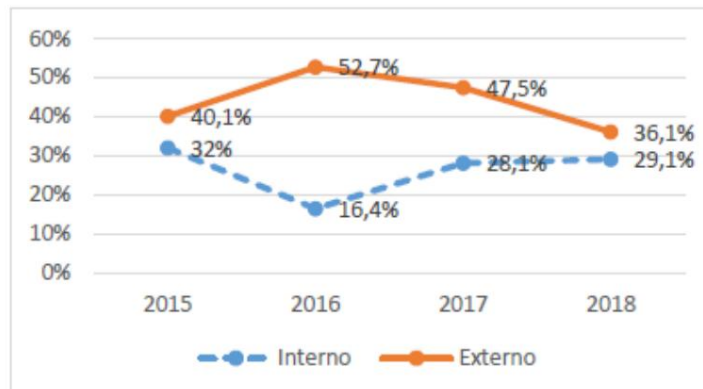
According to data available in 2016, 95% of the population had access to water, 47% of which through connection to the water distribution network, and around 45% to a basic sanitation system. In the same year, 81% of the country's locations were connected to the public electricity network.

In terms of **access to electricity and water**, there has been notable progress in recent years resulting from the Government's efforts, with the support of development partners. Thus, the number of customers of the Water and Electricity Company (EMAE) has doubled in the last 10 years, from 21544 to 40775. It is estimated that more than 80% of the population of São Tomé and Príncipe today has access to energy, with 97% of the population has access to an improved water source.

The HDI of São Tomé and Príncipe over the last 10 years went from 0.52 in 2006 to 0.56 in 2016, which reveals the positive impact of different public policies on the population's quality of life. Likewise, the incidence of malaria has reduced significantly in the last 10 years, falling from 48.0 to 11.6 in 2016.

With regard to social expenditure, whether spending as a percentage of GDP or as a percentage of the General State Budget (OGE), it appears that expenditure on internal resources has been decreasing slightly in recent years, while expenditure on using external resources has been increasing, according to the table below:

Graph 3: Weight of internal and external resources allocated to poverty programs



Fonte/ Source: SAFE e OGE-

Em 2015, o peso dos recursos internos alocados pelo governo aos programas de pobreza foi de 32 % e os recursos externos foi de 40,1%. Em 2018, houve uma diminuição tanto na alocação dos recursos internos (29,1%) como nos recursos externos (36,1%).

Source: INE

São Tomé and Príncipe has a well-structured **social security system**, which provides civil servants, private sector employees and self-employed workers with a certain number of health, education and social assistance benefits, guaranteed by tax resources. . Introduced in 2004, this system has been facing a major challenge in terms of sustainability, due to the uncertainties surrounding its financing, both at public and private levels.

The country must continue to improve its labor code to meet the demands of a more flexible employment market to better adapt to a world undergoing permanent technological change. There is a need for the country to create a labor court, thus offering better guarantees and greater speed in resolving labor disputes. On the other hand, it is necessary to create regulatory frameworks in the field of protection and combating child labor.

Inequality and gender disparity: gender issues are stated in development plans and strategies, including the National Poverty Reduction Strategy II 2012-2016. Since 2007, the Government has adopted a National Strategy for Gender Equality and Equity (ENIEG) and created a National Institute for the Promotion of Gender Equality and Equity (INPG) to implement this strategy. However, the stated objectives, results and targets are not translated into policy measures or concrete programs that could mitigate disparities between the sexes.

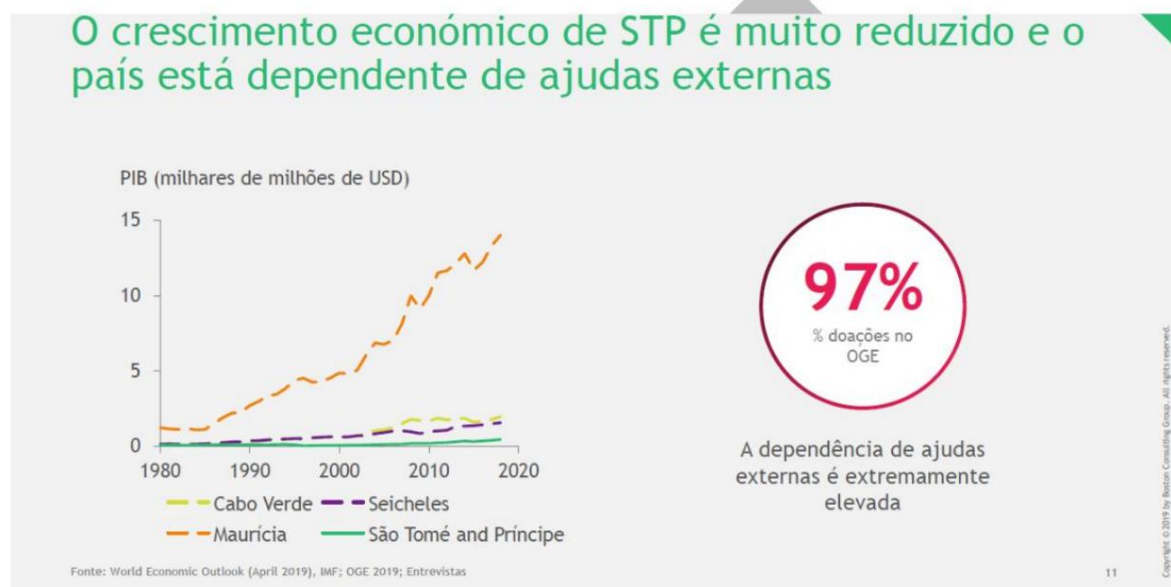
More than 50% of the country's population is female and 1/3 of families are headed by women, single mothers or living with a partner in a "free union". The participation of women in Parliament, in the Government and in diplomatic missions, in decision-making bodies of

political parties, in the direction of companies continues to be of little significance, if we consider their weight in the population, their education levels and their contribution to the economy.

1.2.5. Economy

The Santomean economy, like that of the Small Island Developing States (SIDS), is heavily penalized by the country's fragmented insularity, scarcity of natural resources and weak absorption capacity. Thus, the country is highly vulnerable to exogenous shocks and dependent on Public Development Assistance (ODA), which finances more than 90% of investment expenditure, on average, 93.6% during the period 2012-2015 and 97.3% of the 2019 State Budget.

Graph 4: STP's Dependence on Public Development Aid



Fonte: BCG-Boston Consulting Group

The economic sector is still vulnerable and poorly diversified, and essentially consists of the production and export of cocoa, which represents around 90% of total export revenue, thus constituting the main source of foreign exchange for the country.

The services sector is the most dynamic and generates the most employment, although not enough to meet the growing demand for employment. According to official data, the commerce sector is the one that has the greatest weight in the Gross Domestic Product (GDP), and it is also in this sector that the private sector has its greatest expression.

Tourism is the main component of service exports, and currently, its contribution as a source of foreign exchange is greater than that of product exports. However, the contribution of tourism to GDP remains deficient, despite the country's natural potential and cultural diversity.

The tertiary sector, largely informal, represents around 60% of GDP, employing 60% of the active population, while the primary and secondary sectors each contribute 20% of GDP, according to more recent data.

The high level of external vulnerability of the São Tomé economy results from the combination of several factors, such as:

- High external public debt (270 million US dollars, corresponding to 63% of GDP, in 2018)⁸, its sustainability risk is also high;
- Very small export base and concentrated in a very limited number of agricultural products. Cocoa, the main export product, has been decreasing considerably;
- Dependence on Foreign Direct Investment (FDI) and foreign aid and loans;
- High degree of openness to the outside, essentially due to the high rate of import.

ODA fluctuated from 2010 to 2014. In 2011, the country received a total of aid estimated at 72.4 million dollars. After a drop in 2012, the level increased slightly, rising to US\$52 million in 2013, and then falling to US\$38.6 million in 2014.

Table 3: Type of aid disbursed 2011-2016, in millions of dollars

Again	2011	2012	2013	2014	2015	2016
APD	91.102.754	63.545.047	53.267.810	66.617.527	92.020.461	70.262.494
Donation	44,136,788	40,759,571	40,089,857	49,023,374	56,593,125	60,474,275
Credit	46,965,967	22,785,476	13,177,953	17,594,152	35,427,337	9,788,218

Source: Planning Department

São Tomé and Príncipe has satisfactorily reached the **Completion Point of the Debt Reduction** for countries belonging to HIPC9 in 2007, condition for authorities Santomeans program, with the support of their development partners, policies aimed at stabilizing the macroeconomic framework, aiming to promote equitable growth and reduce poverty. These policies had good results and allowed the country to graduate from the group of least developed countries, with a *per capita* income of 2026.97 dollars (INE, 2018). The same period, the Gross Domestic Product was 422 million dollars¹⁰.

Regarding the implementation of the program under the IMF's Extended Credit Facility (ECF) Agreement with São Tomé and Príncipe, after having missed the end-2016 targets, the Government adopted corrective measures and met all five performance criteria (CD) for the end of June 2017. An IMF financing program worth US\$6.2 million, covering the period 2015-2018, ended at the end of 2018. However, in 2019 the IMF considered that Santomean's public debt was out of control, having reached such a serious level that it required the taking and implementation of three very difficult and urgent measures. According to the IMF, the solution to controlling the country's public debt involves i) increasing revenue to cover expenses; ii) cut in fuel subsidies; and iii) balancing the accounts of the Water and Electricity Company, EMAE, whose revenues pay for only 50% of the supply, with the aggravating factor being technical and commercial losses (theft of energy and water). The country's debt level is currently 90% of GDP.

In the period 2012-2016, growth was relatively strong, with an average annual rate of 4.2%, supported in particular by the increase in foreign direct investment, the launch of new donor-funded projects and the improvement in tax revenues and

⁸In December 2017 this indicator reached the amount of 292.2 million dollars, equivalent to 71% of GDP. Available at: <http://www.bcstp.st/Banco-Central-STome-Principe?y=er3XsfhwD%2Bbaw7zrGqewmQ==>. Accessed on September 19, 2019.

⁹ Highly Indebted Poor Country Initiative (HIPC).

¹⁰ Available at: <https://data.worldbank.org/country/sao-tome-and-principe?locale=pt>. Accessed on: October 17, 2019.

of tourism. However, in 2017 the Santomean economy grew 3.9% and 2.7% in 2018. The lower performance of the national economy compared to 2016 is due to the difficulties in attracting external resources to implement investment programs. Public investment fell from 15.5% of GDP in 2015 to 10.1% in 2017, while current expenditure fell from 18.2% of GDP to 16.2% in the same period.

In terms of the **business environment**, São Tomé and Príncipe ranked 166th among 183 countries, according to *Doing Business* 2016. According to *Doing Business* 2019, STP dropped to 170th position, among 190 countries, with its score being ease of doing business of 45,1411.

Having registered a positive trend, in relation to its economic growth, the average rate of GDP evolution is 4%, during the period from 2010 to 2014, being 4.2% in 2016. IMF projections pointed out that the growth of GDP would fluctuate between 5% and 9% in the period 2015-2020, which is already being contradicted by the decreasing trend of this indicator to 3.9% in 2017 and 2.7% in 2018, respectively.

With the implementation of the **Economic Cooperation Agreement** between Portugal and São Tomé and Príncipe in 2010, which supports the fixed exchange rate parity between the national currency and the euro, inflation has been progressively controlled, with a reduction of 13% in 2010. to 6.4% in 2014 and 3.96 in 2015, its lowest value. However, 2016 marks a turning point in this trend, with significant and continued increases in inflation to 5.12%, 7.69% and 9.04 for 2016, 2017 and 2018 respectively, contrary to IMF projections for the period under analysis.

Efforts to improve **tax revenues** and control public expenditure allowed the **global deficit** to be reduced from 11% of GDP in 2012 to less than 3% in 2016.

However, the weak diversification of the Santomean economy and its strong sensitivity to demand and world prices for cocoa, the main export product, meant that the **balance of the current account**, with the exception of official transfers, is structurally in deficit, even though there has been a progressive improvement since 2012. Thus, it went from 39.4% of GDP in 2012 to 36.6% in 2014, followed by 25.2% in 2015 and 20.5% in 2016.

Capital expenditure, limited by structural weaknesses in resource mobilization and absorption capabilities, averaged approximately 12.2% of GDP in the period 2012-2016.

Foreign direct investments (FDI), which reduced significantly after the record levels of 2008 and 2010 (79 and 51 million dollars respectively), registered a certain recovery, going from 11.3 million dollars in 2013 to 23.2 million dollars in 2014, followed by 25.9 million dollars in 2015 and 21.2 million dollars in 2016, 34.2 in 2017 and 30.8 in 2018.

The net present value of the country's **external debt** increased from 30.7% of GDP in 2012 to almost 40% in 2015, and fell to 36.2% in 2016, according to estimates from the Ministry of Finance and the IMF. At the same time, services were reduced from 9.5% of exports of non-factor goods and services in 2013 to 5% in 2014, followed by 3.8%

11Available at: <<https://www.doingbusiness.org/en/rankings>>. Accessed on September 19, 2019.

in 2015 to 3.2% in 2016. In September 2016 the nominal **stock of external debt** it represented 80.7% of GDP whereas in 2014 it was 72.5%.

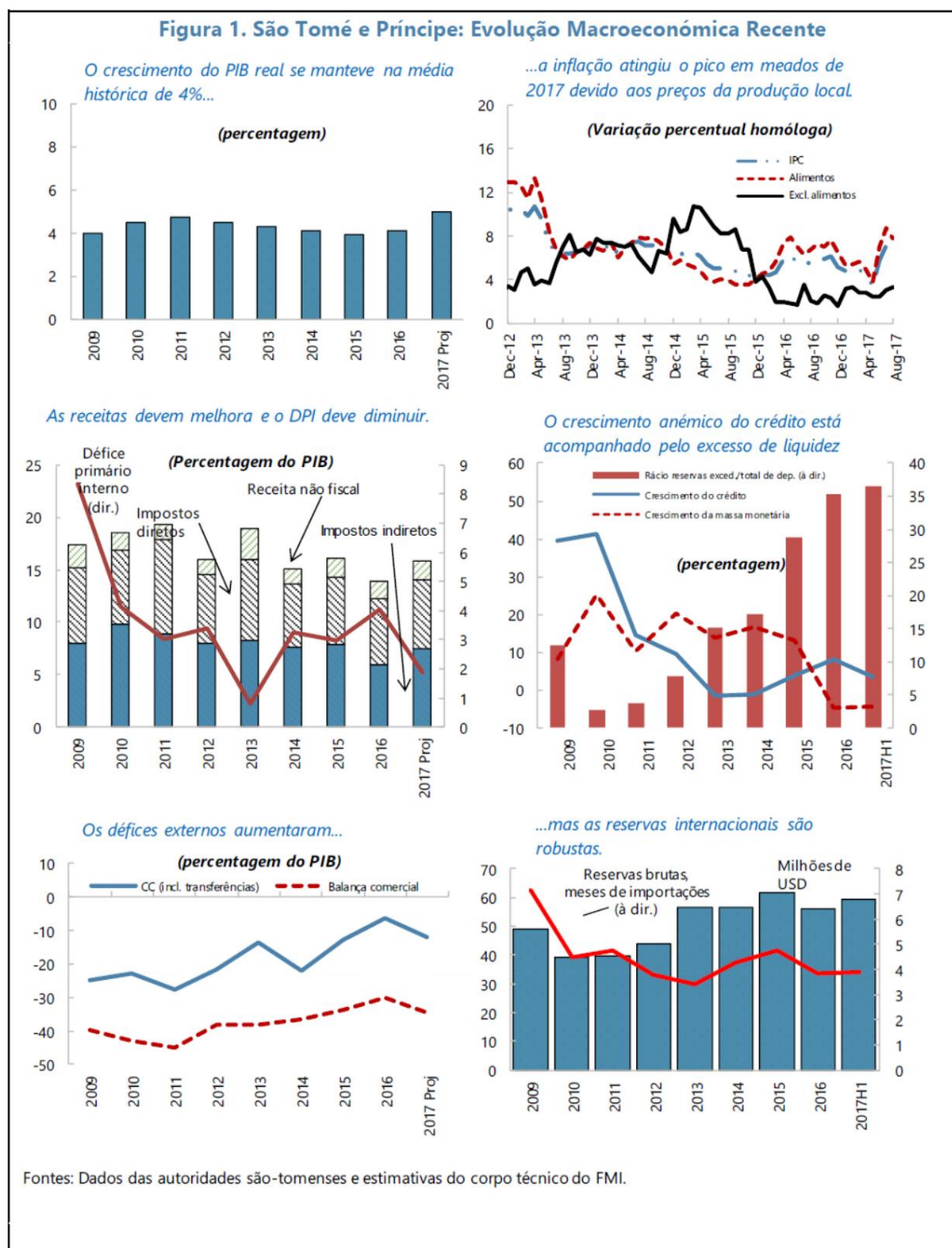
In September 2018, the **stock of public debt**, valued at the average exchange rate for the period, amounted to around 309 million USD, which represents an increase of 5.7% compared to the same period in 2017. In terms structure , 84.6% of the public debt *stock* refers to external debt, while internal debt represents 15.4% (BCSTP, 2018).

Gross international exchange reserves , although relatively modest, have increased steadily since 2013, rising from the equivalent of 3.4 months of imports of non-factor goods and services to 3.9 months in 2014, then 5.2 months in 2015, standing at in 4.2 months in 2016. Net international reserves were US\$46.53 million in December 2017, having significantly reduced in September 2018 to US\$34.26 million.

However, according to the Central Bank, in June 2019, gross international reserves stood at 70.3 million USD, which represents an increase of 11.2% and 1%, respectively, in relation to December 2018 and the previous month. Consequently, net international reserves (NIR) increased to 40.3 million USD, due to the inflow of resources from the European Union of around 3.4 million USD. This result translates into an increase in NIR of 3.6% per month and 41.1% in relation to December 2018.

The table below shows the evolution of the main macroeconomic indicators, implementation period of the National Poverty Reduction Strategy II (ENRP) to 2017.

Graph 5: Evolution of the main macroeconomic indicators



Source: IMF

1.3. São Tomé and Príncipe in the Context of SIDS

The Small Island Developing States (SIDS) are a group of 38 States, members of the United Nations, located in the Caribbean, Pacific, Atlantic and Indian Oceans, Mediterranean and South China Seas (AIMS).

The United Nations Department for Economic and Social Affairs (UNDESA) currently recognizes 51 Small States and island developing territories, in monitoring the sustainable development of SIDS, that is, in addition to the 38 States mentioned above, it monitors a further 13 non-UN member territories. , belonging to the Regional Commissions.

Regardless of whether SIDS differ in terms of territorial and population size, as well as in terms of political orientation, they are fundamentally characterized by being island, archipelagic, vulnerable territories and, therefore, continue to be considered a special case for sustainable development , given their unique and particular vulnerabilities that keep them limited in meeting their objectives in the three dimensions of sustainable development: economic, social and environmental.

In addition to the reduced population and territorial size, there is relative isolation or remote location; small domestic market; limited resources and export base and susceptible to external economic shocks; vulnerability to environmental threats and the effects of climate change; exposure to frequent natural disasters caused by extreme natural phenomena; scarcity of natural resources; excessive dependence on international trade; lack of economies of scale and high transport and administration infrastructure costs.

However, this recognition of specific constraints and challenges in the development of SIDS must be coherent and consistent with the fact that, for SIDS to overcome some of these challenges, ownership and leadership of the process in the respective countries, at national and regional levels is crucial. and local, with an active and committed presence of international cooperation for the sustainable development of SIDS being equally essential.

These constraints and vulnerabilities require redoubled efforts, particularly in terms of investment in infrastructure, communication, transport, energy, water and sanitation. Furthermore, the resolution capacity of existing institutions must also be developed and strengthened.

In the specific case of São Tomé and Príncipe, the challenge of development is one of the biggest challenges facing the country and imposes a double-digit annual GDP growth rate, under penalty of never achieving convergence between the São Tomé and Príncipe economy. and the economies of the most dynamic and developed Small Island States and the promotion of accelerated, sustainable, inclusive and resilient economic growth, within the framework of the implementation of the 2030 Agenda and the respective SDGs. This can only be achieved with a broad alliance of people, governments, civil society and the private sector, working together so that the country achieves the future it desires for present and future generations.

Table 4: Comparison of HDI and GDP pc of STP with medium and high level SIDS

COUNTRY	PIB p. c.	IDH	Level Development
São Tomé and Príncipe	US\$ 1,715 (est 0.574 (PNUD 2015) Average 2016)		
Cape Verde	US\$6,940 (est 0.654 (UNDP 2017) Average 2018)		
Mauritius	US\$18,950 (est 0.790 (2017 UNDP) High 2018)		
Seicheles	US\$27,640 (est 0.772 (2014 UNDP) High 2016)		
Singapore	US\$ 90,500 (2017) 0.932 (2017 UNDP		Very high
Cyprus	US\$23,352 (est 0.869 (2017 UNDP) High 2016)		
Barbados	US\$ 16,500 (est 2018)	0.800 (undp, 2017) High	
Malta	US\$ 33,215 (est 2014)	0.839 (UNDP 2014) High	
Trinidad and Tobago	US\$32,520 (2017) 0.784 (UNDP 2017) High		
Bahamas	US\$ 25,175 (est 2018)	0.807 (undp 2017) High	
S. Cristóvão and Neves	US\$ 23,240 (est 0.752 (PNUD 2014) High 2014)		

Source: own elaboration, from <https://www.suapesquisa.com/paises/>

The country has its own vulnerabilities arising from its small population and market, the high cost of international transport, the lack of diversification of its economic activity, the concentration of its exports in a single product, cocoa, and its dependence on imports.

Furthermore, this situation is aggravated by the fact that STP has a weak planning and management capacity for its public administration, at central, regional and local levels; weak institutional capacity for management and use of available resources; weak qualification of its human resources worsened by brain drain; absence of a global development strategy associated with the poor application of external aid in the creation and modernization of infrastructure and the technical inability to create a favorable environment for private sector investment.

2. STRATEGIC FRAMEWORK FOR THE SUSTAINABLE DEVELOPMENT OF SÃO TOMÉ AND PRÍNCIPE

2.1. The Big Challenges

As a Small Island Developing State, on the list for graduation to the category of low-middle income economy, São Tomé and Príncipe's biggest challenge is to build an economy with a high level of sustainable and inclusive economic growth, aiming to overcome the constraints -key; structural vulnerabilities; external dependence; unemployment; the poor; gender and income distribution inequalities; the recurrent political and governmental instability; the weakness, inefficiency and ineffectiveness of central, regional and local public institutions; reduced opportunities for emigration and the consequent reduction in emigrants' remittances.

2.2. Political and Governing Instability

Despite the substantial progress made with the establishment of a democratic political system over recent years, much remains to be done in the field of good governance in the country.

The constant political-governmental instability has also contributed to blocking its development process, which is why the need to generate consensus around this major challenge is considered imperative, considering that guaranteeing government stability is an essential factor in promoting development sustainability of this archipelago and the well-being of its population.

The slowness in implementing the decentralization process is reflected in the existence of municipalities that do not have the political and technical skills, much less the financial resources necessary to provide an effective service to local communities.

Rural areas continue to face challenges of exclusion at all levels, including access to sanitation, drinking water, schools and hospitals. Decentralization, in relation to decision-making, lacks evidence, particularly with regard to the transfer of greater autonomy to district and regional government agents. The general perception is that the Santomean political class is still reluctant to adopt policy measures aimed at a broad and profound reform and modernization of central, local and regional public administration.

Furthermore, the budget for rural areas continues to be insufficient given current needs and a growing young population. However, it is important to highlight the efforts that the authorities are making to improve living conditions in the countryside, through the following measures: support for needy families, in situations of extreme poverty; school feeding program; vaccination program; increase, in the General State Budget, of the amount allocated to the social sector.

Weaknesses in the implementation of anti-corruption measures mean that this phenomenon becomes increasingly rampant. One of the determining indicators of democracy and good governance is the degree of participation of organized citizens in decision-making processes that affect citizens' living conditions and the capacity of public authorities to be accountable for the management of resources entrusted to them by populations.

Accountability of the public service refers to the idea of accountability, that is, control and the supervision of public agents. Therefore, it must be understood as a question of democracy and tends to accompany the advancement of democratic values, such as equality, human dignity, participation, representation. Thus, the more advanced the democratic stage, the greater the interest in *accountability*.

The inefficiency and ineffectiveness of government action at both national and local levels do not allow adequate monitoring of administration practice and the quality of conflict of interest resolution in parastatal companies.

It is understood that the current State model intends and proposes to make its actions more transparent in government practice and in the provision of public services and, for this, it is necessary to introduce the quality factor in the State's relations with society, with the companies, civil society organizations and citizens in general.

In the field of health, it is noteworthy that the number of health agents, doctors, nurses, midwives, is deficient due to the lack of training, aggravated by the brain drain to Angola, Mozambique and Portugal. The explanation for this phenomenon is due to the fact that, in the country, salary and social conditions are not attractive. The direct consequence of brain drain is the creation of a vicious circle of constant deterioration in economic conditions in general and in the professional qualifications of the rest of the population that remains in the country.

There are no specialist doctors in the districts. At the level of São Tomé, there are few national medical specialists, to which it is necessary to add Cuban and Chinese specialists, assigned to the São Tomé Central Hospital. Hence, the explanation of the challenges that the country faces in the field of health.

Despite this, there was good performance in the areas of combating malaria and HIV-AIDS, maternal health, as well as in the areas of family planning and child survival, with significant access to the vaccination program.

However, in the field of education, authorities need to focus on the quality of teaching, at all levels, with a view to adapting training and the job market. The development and strengthening of national capabilities at all levels constitute a transcendental challenge for national authorities.

The weakness of the São Tomé public administration capabilities influences the quality in the formulation of economic, social and environmental development policies; slows down its pace and level of execution, not allowing for follow-up evaluation; and negatively affects the business environment. The challenge is to trigger a sustainable process of strengthening capabilities, focused on improving human resources management, HR training and development, work methods and processes, working resources and conditions.

This weakness is even more pronounced in the sectoral production of disaggregated administrative data and in the transversal integration of gender in sectoral plans, programs and policies. Given that reliable, timely, available and disaggregated data and information are essential to the process of planning and managing sustainable development, national entities that produce and use statistical data deserve special attention.

The glaring deficiencies in terms of infrastructure limit the potential for growth and trade in the country. Estimates of transport costs in São Tomé are 30% to 40% higher than those in Libreville in Gabon. Transport and communication costs are expensive, due to the country's limitations in terms of connectivity and accessibility. As it is an island state, the country depends solely on air and maritime means for the movement of goods and people and on Information and Communication Technologies (ICT) for digital connectivity. Most infrastructure programs are largely financed by foreign aid due to the Government's weak ability to mobilize sufficient national resources.

Therefore, there are several challenges that STP faces, namely, the high unemployment rate, poorly trained public administration, excessive bureaucracy, insufficient training and qualification of its human resources, major social and territorial imbalances and asymmetries, external image unfavorable for attracting investment private direct, persistent political-governmental instability, lack of a unified strategic vision of development,

a recurring dispersion of scarce resources, the small size of the market, insufficient economic and social infrastructure, weak capacity of the private sector, among others.

The World Bank (2018) also highlights the long-term challenge for São Tomé and Príncipe, the transition from ambitious plans to feasible actions that make the economy more dynamics¹². This global institution also mentions that the lack of updated data on the Poverty undermines efforts aimed at reducing poverty in the country. Data from the last household survey were collected in 2010.

2.3. Vulnerabilities and Resilience

São Tomé and Príncipe faces natural vulnerabilities, related to its volcanic origin, its island and archipelagic nature, and the lack of mineral resources. Furthermore, its reduced territorial, demographic and economic dimension; its isolation from the African continent and major international financial and commercial centers; Its small and fragmented internal market are characteristics that limit its real development possibilities. Therefore, its vulnerability to external shocks constitutes an aggravating circumstance combined with the trap that results from the fact that the economy's performance, assessed through national income, generally hides the country's economic vulnerability.

Therefore, São Tomé and Príncipe will have to find innovative strategies and human, technological, financial and organizational resources to mitigate and counter the impact of its structural vulnerabilities, building sustainable resilience, within the framework of implementation Agenda 2030 and the Samoa Roadmap:

Agricultural production: São Tomé and Príncipe benefits from a geographically exceptional climate, with favorable climatic conditions, lands of volcanic origin, fertile soil and good temperature for the production of cocoa and other products. However, STP imports around 20% of the food its population needs; the rural exodus, the abandonment of farmland; the prevalence of traditional cultural (agricultural) and subsistence practices; absence or deficient technical assistance to farmers; lack of a credit system and other incentives aimed at boosting the development of family farming and small agricultural businesses have contributed to the sector's poor performance and increased food and nutritional insecurity, which constitutes one of the main aspects of poverty in the country, namely , in rural areas.

Exports of goods: exports from São Tomé and Príncipe are limited to a very small number of products, covering only around 7.2% of imports.

Imports: local production is small, which makes São Tomé and Príncipe dependent of imports to supply most of the domestic demand. Dependence is particularly high with regard to strategic goods, such as food products and energy products.

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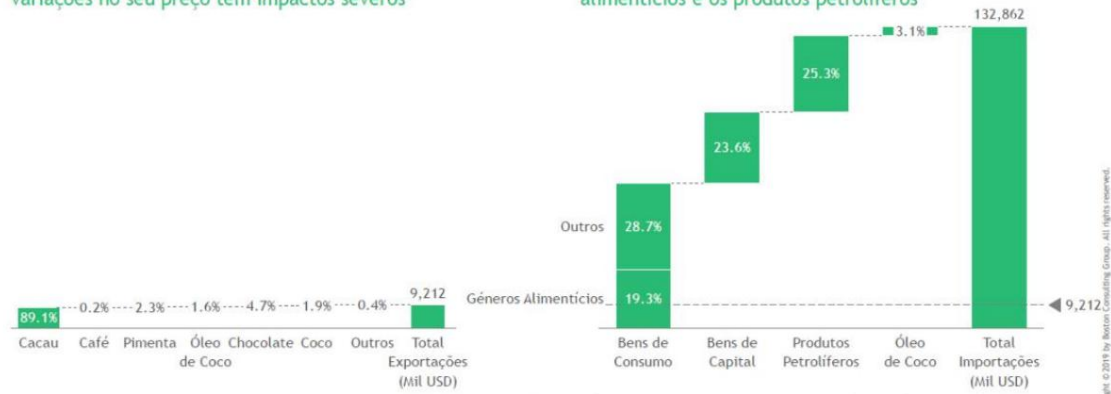
Available at: <https://www.worldbank.org/pt/country/saotome/overview>. Accessed on October 15, 2019.

Graph 6: Comparison of the country's imports and exports in 2018

No ano 2018, as importações foram muito superiores às exportações, sendo o cacau responsável por 89,1% das exp. e os géneros alimentícios 19,3% das imp.

A dependência do cacau nas exportações é um risco, e variações no seu preço têm impactos severos

É possível reduzir as importações através dos géneros alimentícios e os produtos petrolíferos



Fonte: BCG-Boston Consulting Group

High national and international transport costs: the costs of the insularity of STP constitute a considerable obstacle to its development. According to the ADB study (2010), the additional costs generated by insularity are estimated at around 24.5 million dollars per year, equivalent to 14% of GDP. 4% are directly related to import and export conditions by sea, 3% to air passenger transport, 4.5% to energy and more than 2.5% to telecommunications.

The report highlights that these additional costs are even more serious for the island of Príncipe, which suffers from double insularity, evident in the poor condition of the infrastructure, the difficulty in accessing budgetary resources and international aid, with a negative impact on the cost of living. However, although high, the costs of insularity can be greatly reduced through appropriate economic policies and strategies, particularly focused on the development of the private sector.

Environment: abusive sand extraction has already destroyed dozens of beaches in the archipelago. Illegal cutting of trees for civil construction and charcoal production began to show worrying signs, with devastating effects on coastal erosion, opening gaps in forests measuring hundreds of square meters of protected area, thus becoming a serious and growing threat to forests and to the ecosystem of São Tomé and Príncipe. The laws in force are not being applied and offenders, even when caught in the act, are not sanctioned. Despite considerable advances in the implementation of biodiversity conservation policies, the country still faces major vulnerabilities in terms of institutional, legal, inspection, monitoring and scientific knowledge, translated into a continuous decline in terrestrial and marine biodiversity in at least two of its main components: species and ecosystems.

Climate Change: the global response to climate change focuses on the urgent need to reduce greenhouse gas (GHG) emissions. In 2010, in the Cancun Accords, Governments agreed to reduce these emissions so that the increase in global temperature would not exceed 2 degrees Celsius (UNFCCC Decision 1/CP.16, 2010).

More recently, in response to decisions 1/CP.19 and 1/CP.20, countries informed the Convention of their "Nationally Determined Contributions" (NDC).

São Tomé and Príncipe developed its Intentions for Nationally Determined Contributions (INDC) in 2015 and ratified the Paris Agreement on climate on November 2, 2016. After ratification, the INDCs became NDCs, with the country starting the process implementation of its NDCs, through the development of a comprehensive and ambitious plan to advance its mitigation and adaptation actions.

Given the geographic and social characteristics that accentuate vulnerability to climate change, adaptation, risk reduction and resilient development are priorities for the country. Furthermore, actions to reduce Greenhouse Gas (GHG) emissions are also among national commitments, in order to contribute to the global effort to reduce Greenhouse Gas (GHG) emissions.

STP committed, conditional on the support of the international community, to a 24% reduction in emissions in the 2030 BAU (*business as usual*) scenario. Mitigation actions focus on increasing the share of renewable energy in the national electrical system to 47%, of which 37% from hydro energy and 13% from solar energy. However, implementing mitigation and adaptation measures requires financial resources, access to technology and capacity building from external assistance.

Areas requiring support include expanding the supply of renewable energy; sustainable land management, conservation and restoration of forest resources; strengthening knowledge and capabilities to understand and manage climate risks; reducing climate and disaster risk, as well as promoting resilient development; mechanisms, processes and capabilities for coordination and access to and management of financial resources; communication and awareness raising of actors at different levels.

In this context, the Government of STP joined the *NDC Partnership* in November 2016, with the support of which the National NDC Implementation Plan was prepared, based on existing national processes, bringing together mitigation and adaptation actions, as well as transversal and structures to enable the transition to a resilient and low-carbon development model.

As São Tomé and Príncipe is a small, low-middle-income island country, the effects and impacts of climate change are more intense. They manifest themselves mainly in coastal erosion, in changes in precipitation patterns that can result in floods or prolonged droughts, affecting both citizens in their daily activities, as well as companies and the country's economy, given their impact on key sectors: infrastructure, tourism, fishing and agriculture, livestock.

Geographic dispersion: the insularity fragmented into 02 islands, with a very Steep and hilly terrain has an extremely heavy impact on the costs of basic infrastructure, services and essential goods. Furthermore, it reduces internal connections and synergies and constitutes an obstacle to the movement of people and goods within the national territory. The unification of the islands is done through air and sea transport, associated with the costs of insularity arising for the business environment.

Security: taking into account the abundance of natural resources, namely oil and gas, the Gulf of Guinea is not free from sub-regional or internal conflicts in neighboring states, which could have harmful repercussions on the stability of other states, including São Tomé and Príncipe. The strategic location, the length of the coastline and the exclusive economic zone make the country particularly exposed to new threats, such as terrorism, drug and human trafficking, international crime, illegal immigration, maritime piracy, counterfeiting and money laundering. , etc.. Therefore, security concerns result in great pressure on the State budget.

Energy: energy dependence from abroad is around 25%; more than 80% of Installed energy production capacity uses imported fossil fuels, representing a huge financial burden for the country.

For STP to achieve its objectives of social and economic transformation, it is essential to reduce, or even eradicate, this vulnerability, through the development of alternative energy sources, such as renewable energy. The current production capacity of Renewable Energy in the country is around 5%.

Solid waste: small island states like São Tomé and Príncipe face increased difficulties in solid waste management due to isolation and location far from large recycling centers and the small number of inhabitants. Correct waste management is particularly important due to the small size of the territory, as well as the urgent need to improve health levels for sustainable development.

Currently, in São Tomé and Príncipe, the responsibility for collecting and transporting waste lies with the District Councils and the Regional Health Service in the Autonomous Region of Príncipe. In the capital city of São Tomé, with around 80,000 inhabitants, containerization and collection, in addition to being insufficient, are limited to the city's main roads, which leads to the deposition of a large part of the waste on the ground.

In the rest of the city and the district of Água Grande, there is no containerization or collection by municipal services, which causes the proliferation of pockets of waste close to homes, schools, markets and hospitals. In peripheral districts the situation is even worse, with the exception of the districts of Caué and Mezochi, where recently projects financed by the European Union and bilateral partners have introduced means that allow collection in 20% of these districts. However, the final destination of waste, including hospital waste, is equally inappropriate, as it is treated without any differentiation between remaining.

According to the Urban Solid Waste Management Plan (PGRSU) 2018-2023, the main causes of the current situation are the following: i) the obsolete legal framework; ii) the scarcity of financial, technical and human resources for adequate integrated waste management; iii) the lack of coordination, planning and clear responsibilities in the sector's institutions; iv) the existence of inadequate and insufficient infrastructure. Furthermore, in a context of widespread and profound poverty, it appears that the health of the environment is not yet a priority for decision-makers and the population in general; whereas the negative impact on public health (waterborne, respiratory and skin diseases) is insufficiently studied and therefore underestimated by the authorities; that the potential to create green jobs associated with waste management is not considered at all by the authorities, which represents a major loss in terms of opportunities for inclusive socio-economic and environmental development.

In view of the above, an action program is proposed that, aligned with the National Plan for Integrated Urban Solid Waste Management (PNGIRSU) 2018-2023, intervenes in four strategic axes:

1. Strengthening the legal and institutional framework, which includes i) review and update of the existing legal framework; ii) Application of DL 64/2013 - Environmental Impact Fee; iii) sector coordination; iv) capacity building for waste management.
2. Improvement of the waste management system, which includes: i) the preparation of district waste management plans; ii) adoption of a program to eradicate dumps and indiscriminate areas of waste; iii) investment in infrastructure and equipment (controlled spills in the districts, construction or acquisition of containers, acquisition of means of transport);
3. Sustainability and green employment, which implies: i) the creation of green jobs; ii) the development of integrated solutions (replacement of chemical fertilizers with organic compounds, reduction of GHGs, costs and increased income for farmers);
4. Environmental information and communication, considering that communication for changing behavior is fundamental to the success of environmental policies.

2.3.1. Economic Vulnerability

It mainly consists of the fact that the productive base of the country's economy is limited. The biggest challenge will necessarily involve expanding the productive base and diversifying the sources that generate growth, employment and income, with the aim of reabsorbing the strong unemployment rate, particularly in young people and women and replace imports with local products and, thus, alleviate the strong external constraint on the Santomean economy.

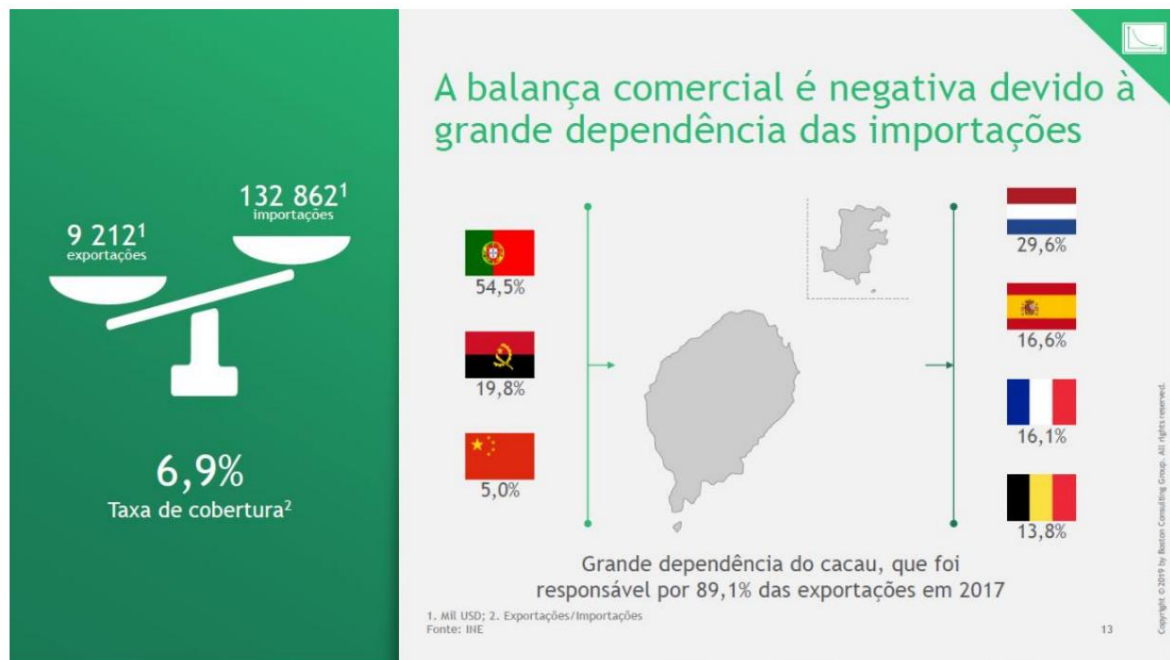
Furthermore, STP is faced with other important challenges, two of which need to respond simultaneously to the challenge of guaranteeing, in the medium term and with endogenous resources, the survival of its resident population, considering the decreasing trend in the volume of Public Development Assistance (APD), and the challenge of self-sustained and accelerated development, to respond to the legitimate aspirations of São Toméans for a high standard of socio-economic-environmental well-being.

With regard to survival, the analysis of the Balance of Payments allows us to conclude that the Balance of Goods is structurally and deeply deficient, consistent with the fact that STP imports most of the goods it consumes, in particular basic necessities, such as, for example, food products, energy products, chemical-pharmaceutical products and laboratory and medical-surgical material, and not having an export base of goods of adequate size.

The continued and systematic decrease in the economy's production means that the country does not have a strategy to stimulate and diversify domestic production and exports. Therefore, the State cannot charge more taxes necessary for the normal functioning of its institutions and the promotion of sustainable and inclusive development, which generates employment and income, especially for young people and women. Furthermore, the decrease in production worsened the cost of living (inflation) of Santomean residents, reduced the Gross Domestic Product (GDP) growth targets for 2017 and 2018 to 3.9% and 2.7% respectively and worsened public debt. of State.

Given the situation under analysis, it is essential for STP to draw up and implement a strategic plan to reduce dependence on imports and increase exports, aiming to achieve greater balance in the country's trade balance, within the horizon of the PNDS 2020-2024, thus counteracting the trend which could result in a collapse of a country's economy.

Graph 7: Sharp imbalance in the country's trade balance



Fonte: BCG-Boston Consulting Group

The balance can only be achieved thanks to external transfers, namely the contribution from ODA, which, in its donation aspects, that is, *direct donations*, food aid and budgetary aid, remittances from emigrants (although they have been decreasing in recent years), hiring of external public debt to finance development projects.

The resource and dependence on ODA to balance the Current Account significantly reversed the foundations for contracting external public debt, making it an unavoidable condition of external balance, in the short term, instead of a resource to finance programs of sustainable development, based on self-sustained growth.

This is one of the traps for the Santomean economy, which tends to reproduce itself and which requires redoubled effort, a lot of coordination and perseverance to overcome.

In the medium term, the prospects for the evolution of São Tomé and Príncipe's economy were relatively good according to the macroeconomic framework for the period 2017-2020, defined by the IMF's technical mission in April 2017, but modest for the acceleration of a sustainable, resilient and inclusive economic growth, within the framework of the implementation of the 2030 Agenda.

These prospects could be much better if work on the two major transshipment port projects and the new international airport were initiated within the next two years, taking into account the progress already made in terms of mobilizing private financing. In this circumstance, economic growth would be much more sustained, which would allow the Government to be more ambitious in terms of its objectives of reducing poverty and improving the living conditions of the population. Therefore, the macroeconomic framework would then be revised for the remaining period of implementation of the PNDS 2020-

2024.

Growth and inflation: the relatively sustained pace of growth achieved in the period 2012-2016 (on average 4.2% per year) should still see an improvement in the period 2017-2020. In fact, the real GDP growth rate in 2017 was 3.9%, a decreasing trend that should continue in 2018. From the perspective of the Government /PNDS 2020-2024, the recovery

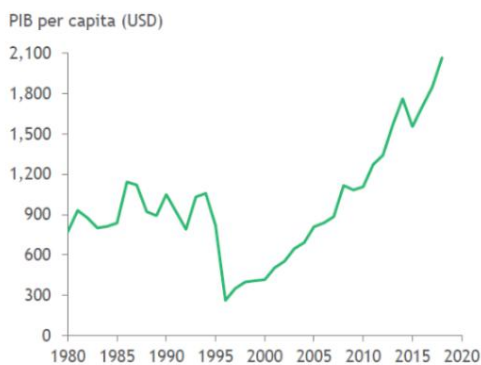
of economic growth could occur from 2020 onwards, reaching growth of 7% or more in 2024.

As for inflation, it should continue to be contained, thanks to the anchoring of the national currency to the Euro and a weak increase in the prices of basic products. According to projections, the price increase rate, on an annual average, will settle at 4% in 2017 and 3% in the period 2018-2020.

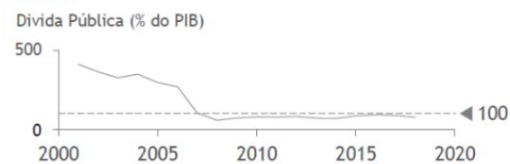
Graph 8: Evolution of economic indicators in recent years

Apesar de muito ligeira, todos os indicadores económicos analisados mostram uma melhoria nos últimos 20 anos

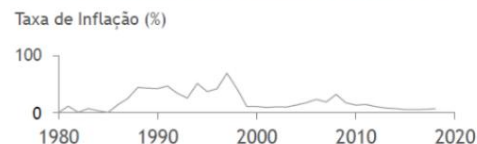
O PIB per capita apresenta um crescimento constante desde 2000



Desde 2008 a dívida pública mantém-se inferior ao PIB



A inflação estabilizou e diminuiu desde 2000



Fonte: BCG-Boston Consulting Group

Public finances: efforts to improve the mobilization of fiscal resources and reduce the level of State debt should reduce the internal primary deficit to 1.8% of GDP in 2017, to 1.5% in 2018 and to 1.4% in the following two years.

The evolution of the global deficit, based on commitments, should be further contracted due to the prospects for external investment financing. Therefore, according to forecasts, this deficit would only be 1.3% of GDP in 2017, that is, a reduction of 1.5 points compared to 2016, while in the following two years it would increase by 4.5% in 2018 and 4.2% in 2019. In 2020, the overall balance is expected to have a slight surplus of 0.3% of GDP.

External sector and debt: the current account deficit, excluding transfers officials, should worsen in 2017 to reach almost 31% of GDP, that is, more than ten points than its level in 2016, before decreasing to 23.6% of GDP in 2018, then to 21.6% in 2019 and 5.2% in 2020.

This situation is explained by a high level of imports of non-factor goods and services in 2017 (16.6% growth, while exports would only increase by 6.7%). External financing should see a significant increase in 2017, thanks to the forecast of an important flow of FDI (46.7 million dollars, according to BCSTP forecasts at the time) and a clear increase in public investments on donations and credits (18.1% of GDP against 13.6% in 2016).

The VAN of external debt should increase to remain at 38.3% and 39.4% of GDP respectively, in 2017 and 2018, due to the growth in public investment in external resources. It was then expected to reduce to 37.9% of GDP in 2019, and 35.4% in 2020.

Monetary projections: in the period 2017-2020, the expansion of the monetary supply should be of 6.2% on an annual average, thus favoring the development of credit to the economy, which should increase regularly in order to support growth. Thus, it should grow from 4.6% in 2017 to 5.2% in 2018, before progressing to 7.5% in 2019 and 2020, that is, an annual average of 6.1% in the period.

Under this assumption, the pace of monetary expansion would be consistent with the objectives in terms of international gross exchange reserves, which should increase regularly to reach 6.4 months of imports of non-factor goods and services, that is, 103.5 million dollars, in 2020 and 5.3 months on average in the period 2017-2020.

The anchoring of the local currency to the Euro continued, thus maintaining the nominal exchange rate at 24,500 STD per 1 Euro. In relation to the Dollar, the Dobra, like the Euro, should experience a depreciation of around 5% in 2017 and 0.3% in 2018, before registering a slight appreciation in 2019 and 2020.

Table 5: Main economic indicators 2015-2020

Tabela 1. São Tomé e Príncipe: Principais Indicadores Económicos, 2015-20
(Variação percentual anual, salvo indicação em contrário)

	2015	2016		2017		2018		2019	2020
	Efetivo	EBS/16/114 2.ª aval.	Est.	EBS/16/114 2.ª aval.	Proj.	EBS/16/114 2.ª aval.	Proj.	Proj.	Proj.
Rendimento nacional e preços									
PIB a preços constantes	4,0	4,0	4,1	5,0	4,0	5,5	5,0	5,5	5,5
Deflator do PIB	4,9	...	6,3	...	2,7	...	3,5	4,0	3,7
Preços no consumidor									
Fim do período	4,0	5,5	5,1	3,0	6,0	3,0	5,0	4,5	4,0
Média do período	5,3	5,4	4,6	4,2	5,6	3,0	5,5	4,7	4,2
Comércio externo									
Exportações de bens e serviços não fatoriais	1,7	7,2	7,4	10,6	2,7	6,6	7,6	7,3	6,3
Importações de bens e serviços não fatoriais	-18,6	2,7	-0,4	11,9	8,4	8,1	5,6	6,5	5,6
Taxa de câmbio (Dobras por USD; fim do período) ¹	22.424	...	23.438	...	...	...	...	...	...
Taxa de câmbio efetiva real (desvalorização = -)	0,7	...	6,6	...	...	...	...	...	...
Moeda e crédito									
Base monetária	37,5	10,3	5,0	6,8	1,5	7,2	5,1	3,5	3,5
Massa monetária (M3)	13,1	11,4	-4,8	6,8	-0,2	7,2	8,7	9,7	9,4
Crédito à economia	3,8	7,1	8,3	4,8	3,4	5,2	5,8	9,2	8,9
Velocidade (PIB/M3; fim do período)	2,6	2,5	3,0	2,5	3,1	2,5	3,1	3,1	3,1
Taxa de juro de referência do banco central (%)	10,0	...	10,0	...	...	...	...	...	...
Taxa média dos empréstimos bancários (em %)	23,3	...	19,6	...	...	...	...	...	...
Taxa média dos depósitos bancários (em %)	6,9	...	4,1	...	...	...	...	...	...
Financiamento do governo (em % do PIB)									
Total de receita, donativos e bônus de assinatura do petróleo	28,0	31,1	29,4	30,1	24,6	30,3	28,3	28,2	28,4
D/q: receitas fiscais	14,3	13,5	12,2	15,0	13,0	15,5	13,4	13,7	13,9
Receitas não fiscais	1,5	2,3	2,3	1,4	1,5	1,4	1,6	1,6	1,6
Donativos	11,5	14,7	14,8	13,7	10,1	13,5	13,3	12,9	12,8
Total da despesa e concessão líquida de empréstimos	34,3	29,5	32,1	31,8	29,5	32,7	30,8	31,1	30,6
Despesas com pessoal	8,9	8,7	8,8	8,5	8,5	8,4	8,3	8,2	8,1
Juros devidos	0,8	0,7	0,4	0,8	0,7	0,7	0,5	0,7	0,7
Despesa corrente excl. juros e salários	8,5	6,6	7,9	7,9	7,0	7,6	6,8	6,8	6,8
Despesas de investimento financiadas pelo Tesouro	0,7	0,7	0,6	1,1	0,3	1,8	0,3	0,6	1,2
Despesas de investimento financiadas por doadores	14,8	11,9	14,0	12,8	12,8	13,7	14,6	14,3	13,3
Despesas sociais relacionadas à Iniciativa HIPC	0,6	0,9	0,2	0,6	0,2	0,5	0,2	0,7	0,5
Saldo primário interno ²	-3,0	-2,0	-4,0	-1,8	-1,8	-1,5	-1,0	-1,0	-1,0
Saldo global (base de compromissos)	-6,3	1,6	-2,7	-1,7	-4,9	-2,4	-2,4	-2,7	-1,8
Setor externo									
Saldo de conta corrente (% do PIB)									
Incluindo transferências oficiais	-12,6	-8,9	-6,0	-11,3	-12,2	-12,1	-7,2	-7,0	-6,2
Excluindo transferências oficiais	-25,2	-23,6	-20,8	-25,2	-22,3	-25,8	-20,5	-19,9	-19,0
VA da dívida externa (percentagem do PIB)	39,7	36,2	31,5	38,3	30,5	39,4	31,2	30,7	29,8
Serviço da dívida externa (% das exportações) ³	3,8	6,8	3,4	6,0	4,7	5,6	4,7	5,5	5,2
Export. de bens e serviços não fatoriais (milhões de USD)	89,9	96,4	96,5	106,6	99,2	113,6	106,7	114,5	121,7
Reservas internacionais brutas ⁴									
Milhões de USD	61,9	58,7	55,9	63,9	58,7	68,9	64,4	67,1	68,5
Meses de importações de bens e serviços não fatoriais ⁵	4,8	4,2	4,0	4,3	4,0	4,3	4,2	4,1	3,9
Conta Nacional do Petróleo (milhões de USD)	10,3	11,5	11,5	9,3	11,7	7,6	10,6	9,0	7,6
Por memória									
PIB									
Mil milhões de dobras	7.018	7774,0	7.769	8.248	8.300	8.839	9.019	9.891	10.816
Milhões de USD	317,7	352	350,8	374,7	375,0	402,5	417,7	459,8	503,5

Fontes: Dados fornecidos pelas autoridades são-tomenses e estimativas e projeções do corpo técnico do FML.

¹ O ponto médio da taxa do BCSTP.

² Exclui as receitas relacionadas ao petróleo, donativos, juros auferidos, pagamentos de juros programados e despesas de capital financiadas com recursos externos.

³ Em percentagem das exportações de bens e serviços não fatoriais.

⁴ As reservas internacionais brutas excluem a Conta Nacional do Petróleo, os depósitos em divisas dos bancos comerciais no BCSTP que se destinam a cumprir as exigências de RMC, para fins de apresentação de pedidos de licenciamento e para cumprir as exigências de capital.

⁵ Importações de bens e serviços não fatoriais, excluindo importações de bens de investimento e assistência técnica.

Source: IMF

2.4. Local Development and Endogenous Resources

It fits into the process of democratization of the State and politicization of society. Highlights the need to establish public policies that enable a

decentralization that provides greater autonomy, particularly financial and better training of regional and district authorities in terms of development management and planning, in other words, a commitment to the territorialization of development management instruments.

It is clear that the development and consolidation of regional and district power requires more resources, namely financial, technical, human and organizational, with a view to better assuming and exercising already decentralized powers and responsibilities. However, it is above all the opportunity to launch a new phase of decentralization focused on valuing endogenous potential, aimed at accelerating local, regional and national economic growth; reduce social inequalities and regional and local asymmetries; and promote inclusive and sustainable development.

An inventory of environmental assets, tourist, historical, cultural and heritage resources, as well as technical and organizational capabilities, existing at local and regional level are essential for the knowledge, management and development of territories for the benefit of their populations.

The former farms of São Tomé and Príncipe are probably some of the most desired local sites/properties in the country, with a unique historical, social, economic, cultural and architectural value that need reconversion, rehabilitation and new destinations/functionalities, in particular, associated with production, housing and tourism: ethnic and cultural.

The regional development plans, drawn up within the scope of the PNDS, will be mechanisms for dialogue, mobilization, decentralization of resources, competences and attributions, commitment and involvement of regional and district authorities in their execution.

Furthermore, they will be mechanisms for strengthening resources and response capacity, signaling business opportunities and realizing the shared vision of central, regional and district authorities for both São Tomé and Príncipe.

2.5. 2030 Agenda and the Sustainable Development Goals

The Summit of Heads of State and Government on post-2015 culminated in the adoption, by the United Nations General Assembly, of the resolution entitled "Transforming our world: the 2030 Agenda for Sustainable Development" (A/RES/70/1), on September 25, 2015. As it is a universal agenda, based on 17 Sustainable Development Goals (SDGs) and 169 targets to be implemented by all countries, the 2030 Agenda presupposes the integration of the SDGs into policies, processes and actions developed at national, regional and global levels.

In the words of former UN Secretary-General Ban Ki-Moon, "the 17 Sustainable Development Goals are our common vision for Humanity and a social contract between world leaders and people".

António Guterres, current Secretary-General, in turn, identified support for sustainable development as one of the 3 priorities of his mandate at the head of the UN, as well as the promotion of peace and the internal reform of the Organization.

In fact, it is important to emphasize that this is an Agenda with a universal dimension, to be implemented by all countries, and not just by developing countries, as was the case with the Millennium Development Goals (MDGs), in the period between 2000 and 2015.

The 17 Sustainable Development Goals and 169 targets demonstrate the scale and ambition of this new Universal Agenda; take into account the legacy of the Millennium Development Goals; seek to make progress on unachieved goals; they seek to ensure the human rights of all and achieve gender equality and the empowerment of women and girls.

The Sustainable Development Goals and targets are integrated and indivisible, global in nature and universally applicable. They mix, in a balanced way, the three

dimensions of sustainable development: economic, social and environmental, taking into account different national realities, capabilities and levels of development and respecting national policies and priorities.

Targets are set as ideal and global, but with each government setting its own national targets, guided by the global level of ambition but taking into account national circumstances. Each government will also decide how these ideal, global goals should be incorporated into national planning processes, policies and strategies. It is important to recognize the link between sustainable development and other relevant processes underway in the economic, social and environmental fields.

The challenges and commitments that form part of these major conferences and summits are interrelated and require integrated solutions. To treat them effectively, a new approach is needed. Sustainable development recognizes that the eradication of poverty in all its forms and dimensions, the fight against inequalities within and between countries, the preservation of the planet, the creation of sustained, inclusive and sustainable economic growth and the promotion of social inclusion are linked to each other and are interdependent.

The 17 SDGs changed the approach to development in the following ways:

- Integrate the 3 dimensions of sustainable development: economic, social and environmental;
- They are based on universal objectives and targets to be implemented by all countries and not just by developing countries;
- They have a greater dimension of combating inequalities and promoting Rights Humans, as a transversal concern to all SDGs;
- They imply a new dynamic of combining efforts from a multiplicity of actors, including non-governmental organizations (NGOs), the private business sector, academia, social partners, and other members of civil society, cooperation between parliament, the government, regional and local authorities. Therefore, we are facing a challenge that concerns everyone.

The new United Nations Agenda for 2030 constitutes an action plan focused on the 5Ps, namely: people, planet, prosperity, peace and partnerships, with the ultimate objective of eradicating poverty and sustainable development, within the scope of which all States and other interested parties assume their own responsibilities with regard to its implementation, emphasizing that no one should be left behind.

The incorporation of the 2030 Agenda into national strategies, plans and policies is articulated by thematic areas, identified as 5P:

Figure 1: Action plan focused on people, planet, prosperity, peace and partnerships



- *People* (SDGs 1,2,3,4,5 and 6): translating the determination to eradicate poverty and hunger, in all its forms and dimensions, and ensure that everyone can fulfill their potential with respect for dignity and equality, in a healthy environment;
- *Prosperity* (SDGs 7,8,9 and 10): imposing the guarantee that everyone can enjoy a prosperous life of full personal fulfillment, ensuring that economic, social and technological development occurs in harmony with nature;
- *Planet* (SDG 11,12,13,14 and 15): reinforcing the conviction of the need to protect the planet from its degradation, through sustainable patterns of consumption and production, sustainable management of natural resources and urgent measures to combat climate change, meeting the needs of present and future generations;
- *Peace* (SDG 16): highlighting the determination to promote peaceful, just and inclusive, free from fear and violence, and remembering that there can be no sustainable development without peace, nor peace without sustainable development;
- *Partnerships* (SDG 17): mobilizing the necessary means to implement the 2030 Agenda, through a revitalized global partnership for sustainable development, strengthening the spirit of global solidarity, with an emphasis on the poorest and most vulnerable, and with the participation of all countries, all stakeholders and all people, leaving no one behind.

The new Objectives and targets in force since January 1, 2016 guide the decisions that will be taken until 2030. Each country faces specific challenges in its search for sustainable development. The most vulnerable countries and, in particular, African and

Small Island Developing States deserve special attention. The importance of robust national ownership and leadership at the national level is highlighted.

The **Sao Tome Government identified as priorities 5 (+2)** Objectives of Sustainable Development, within the framework of the implementation of the 2030 Agenda:

- Goal 1: end poverty in all its forms, everywhere;
- Objective 8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- Goal 9: build resilient infrastructure, promote inclusive industrialization and sustainable and foster innovation;
- Goal 13: take urgent action to combat climate change and its impacts;
- Goal 14: conserve and sustainably use the oceans, seas and resources marine resources for sustainable development;
- Goal 15: protect, recover and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and biodiversity loss;
- Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

2.6. Integration of International Sustainable Development Agendas

- And Agenda 2030: os ODS
- The *Samoa Pathway*: thematic areas
- Agenda 2063: Africa We Want

Signatory of the 2030 Agenda for Sustainable Development, embodied in the Sustainable Development Goals (SDGs); of the Accelerated Modalities of Action of Small Island Developing States (SIDS) - *Samoa Pathway*, and Agenda 2063: Africa We Want, São Tomé and Príncipe is committed to its integration into national, sectoral and subnational plans, strategies and policies, as well as in its implementation and monitoring. This challenge is sufficiently incorporated into the Government Program and, consequently, assumed by the National Sustainable Development Plan, PNDS 2020-

2024, through its thematic and sectoral programs and subsequent projects.

The ***Samoa Pathway*** recognizes the harmful impacts of climate change and rising sea levels on SIDS' efforts to achieve sustainable development, as well as on their survival and viability. The *Samoa Pathway* also calls for strengthening the global partnership to support its implementation and for SIDS to build resilience and take ownership of their sustainable development.

The developed framework identified and agreed a basis for action, in priority areas, as follows:

1. Sustained and sustainable, inclusive and equitable economic growth, with decent work for all;
2. Climate changes;
3. Sustainable energy;
4. Disaster risk reduction;
5. Oceans and seas;
6. Food security and nutrition;
7. Water and sanitation;
8. Sustainable transport;

9. Sustainable consumption and production;
10. Management of chemicals and waste, including hazardous waste;
11. Health and non-communicable diseases;
12. Gender equality and women's empowerment;
13. Social development;
14. Biodiversity;
15. Invasive foreign species;
16. Means of implementation, including partnerships.

The approach to economic and social development, food security, disaster risk reduction (DRR) and ocean management, issues covered by the *Samoa Pathway*, fully converge with the SDGs.

As mentioned above, the United Nations **2030 Agenda for Sustainable Development** is the product of the joint work of Governments and citizens from around the world, to create a new global model with a view to ending poverty; promote the prosperity and well-being of all; protect the environment and combat climate change. The SDGs must be implemented by all countries and cover diverse but interconnected areas, such as: equitable access to quality education and health services; the creation of decent employment; energy and environmental sustainability; ocean conservation and management; the promotion of effective institutions and stable societies; and combating inequality at all levels. The Agenda aims to eradicate poverty and promote economic, social and environmental development, on a global scale, by 2030 through the following SDGs:

Figure 2: The 17 Sustainable Development Goals



1. Eradication of poverty;
2. Zero hunger and sustainable agriculture;
3. Health and well-being;
4. Quality education;
5. Gender equality;
6. Drinking water and sanitation
7. Clean and affordable energy;
8. Decent work and economic growth;
9. Industry, innovation and infrastructure;
10. Reduction of inequalities;
11. Sustainable cities and communities;
12. Responsible consumption and production;
13. Action against global climate change;
14. Life in the water;
15. Earthly life;
16. Peace, justice and effective institutions;
17. Partnerships and means of implementation;

“Agenda 2063 - The Africa We Want” is a strategic framework for socio-economic transformation of the African continent over the next 50 years. It was built on the basis of identified priorities and seeks to accelerate the implementation of past and current continental initiatives for growth and sustainable development. It is based on the vision of the African Union, "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena", and advocates 7 aspirations for the continent, which derived from broad public consultations:

1. A prosperous Africa, based on inclusive growth and sustainable development;
- 2. An integrated, politically united continent, based on the ideals of Pan-Africanism and the vision of the African Renaissance;
- 3. An Africa of Good Governance, Democracy, Respect for Human Rights, Justice and rule of law;
- 4. A Peaceful and Secure Africa;
- 5. An Africa with a strong cultural identity, heritage, values and common ethics;
- 6. An Africa, whose development is people-oriented, trusting in the potential of African people, especially the potential of women, youth, and where children receive dignified treatment;
- 7. Africa as a strong, united and influential actor and partner in the global arena.

With regard to Agendas 2063 and 2030 on Sustainable Development, the African Heads of State and Government, on the threshold of implementing the two Agendas, dedicated the year 2017 to the motto **“Harnessing the Demographic Dividend through Investments in Youth”**, the subject of an African Union Roadmap with the same name.

The **Roadmap** developed at the request of the Heads of State and Government of the African Union, highlights and outlines essential and urgent measures to be taken and implemented to transform the potential of the huge African youth population (youth explosion) into a demographic dividend. It also serves to direct African countries towards ambitious aspirations and goals, which are crucial and complementary to the aforementioned Agendas.

The **demographic dividend** is defined as the benefit that a country can enjoy from having a relatively large portion of the working-age population, resulting from the decline in fertility, through effective investment in health, empowerment, education and employment through the application of public actions and the participation of the public sector. Harnessing the demographic dividend presents a huge opportunity to build youth resilience and overcome the root causes behind the major challenges facing Africa, including forced migration, radicalization and violent extremism.

It is noteworthy that the AU Agenda 2063 launches several calls for investment in youth and women, aiming to achieve its vision of an Africa where development is driven by people, releasing the potential of its women and young people; and that the inclusion of the issue of the demographic dividend in the 2030 Agenda for Sustainable Development was one of Africa's main contributions to this Agenda.

The context and foundations of this AU contribution relate mainly to the UN World Population Outlook (2015 Revision), according to which the population of the African continent was 1.2 billion in 2015, but currently, with a projection indicating rapid growth of 1.7 billion in 2030, 2.5 billion in 2050 and 3 billion in 2063. Therefore, the African share of the world population will increase from 16% in 2015, to more than 29% in 2063. It is also important to highlight the fact that about 46% of the 1.3 billion increase in

Africa's workforce, during the period 2015-2063, will be made up of young people aged between 15-34 years, corresponding to an average of 12.1 million per year.

With a rapid transformation of age groups and a decline in dependency ratios, there is potential for economic growth driven by increased income from work and increased savings. This may correlatively result in **improvements in human capital**, for the following reasons: (i) the low fertility rate associated with the delay in the first pregnancy and the longer interval between births improve maternal and child health; (ii) lower youth dependency ratio allows for greater investment per child; (iii) and low fertility increases women's employment and empowerment potential.

The degree to which African governments succeed in transforming education and skills building, health and well-being, empowerment, employment and entrepreneurship will be determined by this march towards progress, peace and sustainable development. Key investments in today's youth are crucial to Agenda 2063 and to elevating Africa to the status of a strong and influential global actor.

Africa has grown at a very slow pace (3.7% in 2016) compared to its potential, as it has not explored the potential of its youth. Although some countries achieved higher performance, there was no economic growth in labor-intensive areas.

It is reiterated that the demographic dividend continues to be central to the achievement of the aspiration of Africa's economic transformation, and it is clear that, provided with appropriate investments, population dynamics will play an important role in facilitating high and inclusive growth and poverty reduction. Surely, the huge youth population, if properly harnessed, will propel the continent towards greater economic, social and environmental achievements.

Thus, a series of **important and urgent measures** are prioritized in the field of human resources, namely youth:

- Large investments in health, particularly access to family planning;
- Reduction in mortality and fertility rates;
- Elimination of gender inequality that inhibits women's right to decide on the number and spacing between their children;
- Improving access to quality education combined with the demands of labor markets;
- Institution of macroeconomic measures that facilitate job creation and entrepreneurship, including the removal of barriers that inhibit business, are central to economic transformation;
- Carry out adequate country characterization to ensure that policymakers make evidence-based decisions during country development planning. This attitude will help overcome the current challenges that Africa faces, in which young people are vulnerable to fundamentalism, extremism, forced migration, etc.

To facilitate the effective implementation of the key measures and proposals contained in this Roadmap, it is important to emphasize the need to be guided by the fundamental principles

included in the 2063 and 2030 Agendas for Sustainable Development, in particular with regard to the people-centered approach to development and the commitment to leave no one behind.

The areas identified for the concentration of key investments are structured around four crucial and interconnected pillars, aligned with the AU's relevant and strategic policy instruments and frameworks, aiming to position countries to take advantage of the demographic dividend and ensure the full implementation of Agendas 2063 and 2030 for Sustainable Development.

Considering the diversity of national contexts, it is expected that the proposed key measures will serve as a guide for what will be implemented based on local priorities. The aforementioned pillars are the following:

- Pillar 1: Employment and Entrepreneurship;
- Pillar 2: Employment and Skills Development;
- Pillar 3: Health and Well-being;
- Pillar 4: Rights, Governance and Empowerment of Young People.

It is recommended that as Africa and its Member States implement this roadmap, consistent measures are adopted to ensure that the gains made are sustained.

Therefore, *“Africa must take advantage of its population structure and its enormous natural resources to, inter alia, coordinate the expansion of investments in human development and social protection aimed at achieving higher sustainable levels of equitable and shared growth and job creation; increase agricultural production and food security; accelerate the pace of regional integration; and strengthen state and institutional capacities for better economic and social governance.”*

(HAMDOK, A. 2016).

The **São Tomé and Príncipe Government Program** highlights the alignment of its strategy with international agendas, presenting, through the 4 strategic axes and their developments, the following major commitments for the legislature:

1. Deepening the democratic rule of law;
2. Institutional reforms agreed with other sovereign bodies;
3. Civil society involvement and participation
4. Modernization of public administration;
5. Modernization of justice;
6. National security and defense: strategic concept and broad sense;
7. Robust economic growth and accelerated job creation;
8. New development model based on service provision;
9. Average annual economic growth above 7%;
10. Excellent education and professional training;
11. Public finances and fiscal policy: macroeconomic stability;
12. Agriculture, livestock, food security, forests;
13. Infrastructure, transition, energy and water efficiency;
14. Protection of the environment and national ecosystems;
15. Improving the quality of health and social protection;
16. Foreign policy at the service of development

The commitments of the Government Program are globally aligned with international agendas and contribute to achieving the goals announced therein, as shown in the table on the following page:

Table 6: Alignment of the Government Program with International Agendas

Agenda 2030:SDG Samoa Roadmap:		Agenda 2063:	Priorities for
	themes	aspirations 1.6	Legislature
1	1,13	1	1,5,10,16
2	6	1.3	12,7
3	11		15
4	13	1	4,5,8,10
5			No references
6			12,13,14
7		6	13
8		1 1	7,8,9,10
9	12		8,10,13,14,
10	7 3	1.6	15
11	1 1,2 1,12		13,14,15
12	2,4,8,10		12,13,14
13		1	13,14
14	1,3,7,9,10		6,14
15	2,3,14		6,12,14
16 17		6.5	1,2,3,5,6,7,10,15,16
	5,10,14,15 14,15 13 2,3,10,14,16 1 1 1 1 1 3.4 2.7		2,3,4,7,10,11,16

3. THE VISION FOR SÃO TOMÉ AND PRÍNCIPE

3.1. The Fundamentals

"The people of Santomen live with dignity in a stable, democratic and inclusive country, in frank process of modernization, providing quality services to the region and the world" (São Tomé and Príncipe 2030: the Country We Want).

It is evident that the Government Program is in perfect alignment and in tune with the vision that the Report entitled *São Tomé and Príncipe 2030: the Country We Want* formulates for the Country in the 2030 horizon, and, equally, the determination to build a **new development model based on the provision of services**, in accordance with the country's vocation and potential, both from the point of view of its economic foundations and its geographical location.

3.2. The Transformation of STP into a dynamic Service Provision economy

São Tomé and Príncipe is a country located in the Gulf of Guinea, with a privileged geostrategic and geoeconomic position to transform itself into a dynamic service provision economy, leveraged on excellent and quality tourism, learning and adapting excellent practices experienced at **international** levels and regional, namely, in the most developed small island States: tourist, financial, technological, logistical services associated with the digital economy, entertainment, health services, and others.

Furthermore, the project to transform São Tomé and Príncipe into a dynamic service-providing economy for the countries of the Gulf of Guinea and the world, within the 2030 time horizon, includes the creation and development of services in strategic areas or sectors development of the country, namely maritime and air, through the construction of a port; the extension and modernization of the current international airport; creating a free zone; and efficient use of the opportunities that information and communication technology (ICT) infrastructures can offer.

According to the Government, this is the model with the greatest potential, within the PNDS horizon, to relaunch average annual economic growth of more than 7%, to add value, increase income and accelerate job creation, above all, from a strong private sector supported by a framework of adequate incentives. The Government also intends for STP to be, in fact, a country with medium-high development within the horizon of three legislatures.

Another challenge to be overcome in this legislature is the reinforcement of social cohesion by improving the effectiveness and operability of State action, in order to rescue and restore dignity to the human condition of Santomeans, with relevance for more equity, more social justice and social reintegration .

Therefore, the Country must assume as an imperative and urgent obligation the challenge of promoting excellent education and a high level of training and qualification of human capital, compatible with the demands that this development model poses.

However, it is important to note that the enhancement of São Tomé and Príncipe's geoeconomic location inevitably involves creating a reliable country and minimizing contextual costs, in order to make it attractive for foreign investment.

In turn, creating an environment of trust and minimizing context costs necessarily implies profound reforms capable of changing the current state of *doing business*, indicators of economic freedom and indicators of good governance.

In this context, we are fully aware of how low the level of the business environment is in São Tomé and Príncipe¹³, which is why it is proposed, within the PNDS horizon, to improve the working environment business and promote the attraction and retention of Foreign Direct Investment (FDI), a vital resource for accelerating economic growth and, above all, for creating new jobs in the country.

The Government confirms that it will do everything to improve the business environment in STP, especially with regard to the ability to enforce contracts, resolve insolvencies, register property, obtain credit and protect small investments. All these aspects will be consolidated within the scope of justice reform.

It means that only by adjusting the country's internal conditions to the new demands of the surrounding environment can São Tomé and Príncipe be made a competitive country capable of maximizing its resources to overcome three essential challenges:

The first immediate challenge, as a matter of urgency, that the Government needs to face is the creation of conditions that ensure the balance of the current account structure to guarantee the survival of its resident population, given the continued reduction in Public Assistance for the Country's Development .

The second challenge, in the medium term, is to ensure the conditions that allow the country, within the PNDS horizon, to minimize the complex problem of the Current Account deficit, without endangering the population's normal survival conditions.

The third challenge is to ensure the accelerated, self-sustained and sustainable development of STP, based on the concept of a dynamic service provision economy, aiming to achieve a position among the SIDS with the best economic and social performance, particularly with regard to GDP *per capita* and HDI.

Achieving these challenges is essential for the future considering that the active integration of São Tomé and Príncipe into the world economic system requires a true change in the development paradigm, which must guide and shape the entire process of planning and managing national, regional and district, with broad mobilization and participation of the private sector, civil society and communities.

São Tomé and Príncipe, as a Small Island and archipelagic State, particularly vulnerable in its economic, social and environmental structure, must assume as a national and emergency purpose the need for its political, social and economic actors, led by the Government, to converge on a platform of understanding, in a broad consensus on the major issues of national development; about a broad agreement that allows for stability and for reforms to be implemented and evaluated before being discarded; that governments and their ministers do not strive to change everything that their predecessor did, without first evaluating the results obtained in detail.

Achieving this objective is an essential challenge for the future considering that the active integration of São Tomé and Príncipe into the world economic system, being a strategy shared by the Reports São Tomé and Príncipe 2030: the *Country We Want* and the Transformation Agenda in the horizon 2030 and also by the Government Program requires a true change in the development paradigm, which must guide and shape the entire process of planning and management of national, regional and district development, with a broad mobilization and participation of the private sector, civil society and communities .

Therefore, the strategy in question is based, in particular, on the formulation and implementation of profound reforms, which are well explained in the Government Programme, with the purpose of creating the necessary confidence in the country, in its economy, minimizing contextual costs and ensuring stability and sustainability of development.

¹³ " *Doing Business 2018*" whose motto is "Reform to Generate Employment" ranks São Tomé and Príncipe in place 169th among 190 countries with a score of 44.84 against 86.55 for the first place.

Another important issue is the need for a strong commitment to balanced regional and local development, and the concomitant valorization of islands and endogenous resources, capable of reversing the migratory dynamics that have taken hold in the country, namely on the island of São Tomé and to address the root causes of this phenomenon.

This migratory movement, predominantly from the countryside to the cities, is responsible for some of the main social tensions prevailing in the face of the State's difficulty in responding adequately and effectively to its responsibilities in the field of security, the fight against poverty, particularly with regard to access to employment, food, health, education, housing, drinking water, energy, sanitation and communications, making it difficult to improve poverty and extreme poverty indicators.

3.3. The Active Integration of STP into the World Economic System

At the end of the 20th century and the beginning of the 21st, some global transformations implied important trends in a context of long-term economic globalization, such as the extraordinary growth in international flows of goods, services, intangible assets, capital and the intensification of competition in the international system. . More importantly, the revolution in information technology and the media provided the basis for large productive and financial groups to integrate management and production processes globally.

According to indicators from recent studies by the Organization for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO), the so-called global value chains (GVC) reflect a new international division of labor. This is structured based on the way in which countries are included in world production: whether they are exporters of raw materials, which are used in exports from other countries or whether they are exporters of final goods with higher added value.

Openness to trade has been a key element in the success of growth and development strategies. No country has so far managed to maintain long-term sustainable growth without joining the world economy. Access to markets abroad allows for greater economies of scale and greater specialization, while access to cheaper and more varied *inputs*, including more efficient services, opens the way to new production possibilities. FDI has also become an essential contributor to both economic growth and export performance (for example, foreign subsidiaries are now responsible for 75% of China's trade). Openness to people's mobility can contribute to the transfer of skills, as well as investments to developing countries, especially taking into account the role of diaspora communities.

However, although trade is a necessary condition for development, it is not sufficient. Trade can encourage growth and poverty reduction, depending on the structure of the economy, the appropriate timing of trade liberalization measures and complementary policies. Domestic reforms are essential to support trade- and investment-based growth. The economic performance of least developed countries (LDCs) is often hampered not only by poorly diversified economies and export bases, inadequate infrastructure and services or the lack of appropriate skills, but also by political factors related to poor governance; corruption and fraud; the lack of protection of human rights and transparency; weak administrative capacity; ineffective taxation policies and large-scale tax evasion; insufficient redistribution instruments; fragile frameworks in terms of social and environmental policy; unsustainable exploitation of natural resources; security threats and lack of stability.

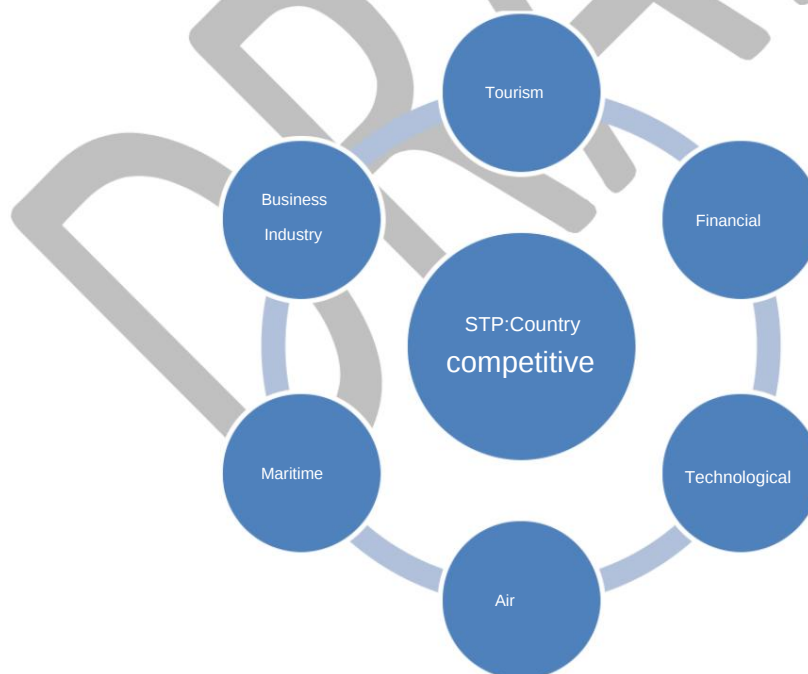
In active insertion, proactive action prevails, which also implies prospective analysis and timely preparation of conditions, to best accommodate the forces of change in the surrounding environment and to gain power.

This competence must be understood as the country's internal ability, a type of marketing capacity to understand external *stakeholders*, producing reactions in response to demands and/or anticipating them, equipping itself with appropriate strategies, considering the inconstancies of the external environment, which normally have a direct impact on the country's performance.

Due to its scale, and the fact that it is faced with additional costs, which result from its insularity and its archipelagic nature, São Tomé and Príncipe, from the outset, cannot achieve economic success outside of a context of great economic openness and deep relations with the global economic system. It follows that the country's economic performance and success necessarily depend on its integration, which presupposes an assertive and consistent policy of international and regional cooperation, both in bilateral and multilateral dimensions, summarized in strategic axis 4 of the Government Program: foreign policy at the service of development.

This proposal for the active integration of São Tomé into the world economic system is based on the concept of São Tomé and Príncipe as a *Dynamic Service Economy in the Center of Atlantic*, at a crossing that articulates the Atlantic continents, as illustrated in the graph in below:

Graph 9: São Tomé and Príncipe a dynamic economy in the center of the Atlantic



In the current conditions of the global economy, contrasted with the national economic reality, but above all, with the country's potential and the proposed objectives, it is possible to identify six programs or strategic opportunities, encompassed in the concept of *São Tomé Economy Service Dynamics in the Center of the Atlantic*, through the implementation and development of specialized services in six key sectors of activity, such as:

1. Construction of the port and creation of a logistics port for supplying ships from the international fleet that pass through or approach STP on their routes, including ships that circulate in the sub-region of Central Africa and the Gulf of Guinea (Maritime Sector) .

2. Expansion and modernization of São Tomé and Príncipe International Airport, with the creation of a logistics airport for regional and international distribution of passengers and cargo, linking the continents and countries bordering the Atlantic (Air Sector).

3. Location of companies and transformation of São Tomé and Príncipe into a regional and international business hub that attracts FDI and promotes endogenous business initiatives (Commercial and Industrial Sector).

4. Creation of a regional and international financial center (Financial Sector).

5. Development of tourism, particularly thanks to the consolidation and improvement of the existing one, and the diversification of internal destinations and products, making tourism a phenomenon that is widespread across the two islands and finds in the environment, culture and history the main ingredients in the formation of products (Tourism Sector).

6. Development of the digital economy focused on logistics (Digital and Innovation).

Adequacy of the operating conditions of the Santomean economy to the demands of external environment, which includes, in particular:

a) An economic reform program, with a view to creating a highly competitive business environment, based on trust, minimizing contextual costs and reinforcing sustainability.

b) The reform of the Human Capital training system, one of the most important programs, if not the most important, from a medium and long-term perspective, to guarantee the success of São Tomé's active integration strategy into the global economic system.

4. THE STRATEGIC OBJECTIVES OF THE PNDS

This chapter projects the Government's vision for the sustainable development of São Tomé and Príncipe in the 2030 horizon and mainly describes the objectives proposed by the National Sustainable Development Plan (PNDS) 2020-2024, based on São Tomé's active integration strategy. and Príncipe in the global economic system, oriented towards sustainable development and taking advantage of present and future opportunities, a process to be implemented within the framework of the implementation of the PNDS and the 2030 Agenda.

Therefore, these objectives are aligned with the Government's Program and Vision and, equally, with international development agendas and the commitments made by the Government of São Tomé and Príncipe within the framework of these agendas.

For each objective, the particular sectoral strategies that will be implemented by the Government to achieve it are described.

It is this Government's ambition that STP will effectively be a medium-high development country after three legislatures, that is, by 2030. In effect, public investment is the main driving force of the economy in microstates. As internal resources are scarce, the Government will take steps to mobilize public development aid resources, preferably in the form of donations, both from traditional partners and others and, only exceptionally, it will resort to concessional loans. With this measure, the aim is also to reduce external debt and promote budgetary consolidation.

4.1. Objective 1: Transform São Tomé and Príncipe into a Service Economy

4.1.1. São Tomé and Príncipe Country Provider of Quality Services

Mobilizing private investment is essential to support inclusive growth in São Tomé and Príncipe. The strategy will focus on promoting investment to prepare the workforce for an economy based on high-quality service provision and carrying out ongoing structural reforms to attract private investment, promote sustainable growth and build connectivity, physical and digital.

Therefore, STP must build a partnership framework with its main bilateral and multilateral partners aiming at the active and continuous search for opportunities in terms of financial products and consultancy services that provide solutions led by the private sector, focused on Public-Private Partnerships in the sectors of infrastructure, transport, energy, telecommunications, financial institutions and tourism.

The strategy should also include thematic areas such as enhancing human capital development for inclusive and service-led growth, enhancing education and basic skills to better equip children for employment opportunities in the present and future; strengthening social protection, social inclusion and access to micro and small businesses; strengthening the environment for a more diversified economy, improving fiscal and macroeconomic resilience and laying the foundations for private sector-led growth.

4.1.1.1. Tourism Sector

Everything indicates that São Tomé and Príncipe, like almost all Small Island States that are successful in their development efforts, does not escape the destiny of being a tourist country. Even a Small Island State like Singapore, which found viable alternatives

of its economy through the valorization of its geo-economic location, tourism is the determining element of its economy, with a contribution to GDP of around 50%.

As already mentioned in the previous chapter, the maritime economy and the air economy are essential vectors of the active integration of STP into the world economic system, with the potential to involve other sectors of activity, including the industrial sector. However, due to the country's characteristics, the Government's proposal to elect tourism as the main pillar of the Santomean economy is absolutely coherent and is fully consistent with the dynamism of this phenomenon at a global level. Therefore, tourism is a strategic sector for the development of STP, from a perspective of investment, promotion and investment in exports.

Graph 10: Tourism diversifying sector of the economy: tourism value chain



Quality tourism, in addition to its most varied aspects, constitutes a great challenge for all other sectors, whether primary or secondary, taking into account its transversal impact, providing the possibility of creating the most varied clusters of services, posing great challenges to the country in terms of following domains:

- Creation of a National Tourist Authority responsible for the promotion, valorization and sustainability of tourist activity, in which all institutional competencies relating to the dynamization of tourism are concentrated, from supply to demand. This Entity must have a privileged relationship with other public entities, economic and cultural agents, etc., in the country and abroad, committed and focused on the aim of supporting tourism as one of the pillars of the growth of the economy of São Tomé and Príncipe;
- Education, training and adequate technical training for professionals in the sector, namely in a foreign language (English, French, etc.), which provides opportunities for access to regional and international good practices;
- Modeling and development of project proposals for presentation to potential partners;

- Hire consultants/specialists with *know-how* in ecotourism, nature tourism and leisure in general;
- Train expert guides in respective areas or themes;
- Preparation and participation of all communities and society in general;
- Preserve and promote the cultural heritage and traditional values of STP
- Increase economic benefits for local communities;
- Support continuous marketing efforts to diversify the tourist offer and the niche and emerging markets;
- Construction of adequate basic infrastructures, particularly in the areas of energy, water supply, sanitation, telecommunications, airport, docking port, marina, road networks;
- Quality health services and basic sanitation;
- Quality agricultural, marine and agricultural products, handicrafts;
- Improved accessibility.
- Promotion of the creative industry for the production of creative goods and services, with a focus on culture and art: crafts, festivals, celebrations, cultural sites, etc.

Tourist activity is almost always related to cultural production. Currently, it is being made possible through several segments that seek to identify specific niches in the consumer market. Among the modalities focused on valuing culture, identifying historical-cultural heritage: historical recovery and conservation of uses and customs, ancestry, tradition, **ethnic (sustainable) tourism** stands out, anchored in the concepts of geography and territory, and framed within the paradigm of sociocultural, economic and environmental sustainability.

São Tomé and Príncipe could explore this segment of tourism using the different immigrant communities that historically participated in the social formation of the São Tomé people. These communities preserved their traditions as a way of preserving their identity. Even if adapted or reinvented by the new local reality, it is these diasporized communities that are the focus of ethnic tourism, which favors the creation of specific tourist chains to meet, live and integrate with different communities.

This is a proposal aimed at incorporating actions of socio-cultural sustainability and socio-environmental responsibility, among others, both to guarantee development and to enhance cultural heritage, manifested in the material, immaterial and environmental assets of localities. Thus, this proposal can help reduce territorial and social imbalances, as well as eliminate environmental disparities in accordance with the principle of environmental sustainability, social equality and economic growth, reducing sociocultural impacts, particularly in Roças¹⁴ (former Roças) of the country¹⁵.

¹⁴Roça is the name adopted in São Tomé and Príncipe for an agricultural or agricultural production unit with characteristics inspired by the agricultural holdings of land lords in medieval Mediterranean Europe. Corresponds to the term "*plantation*" in the English language. It started with the exploitation of coffee but developed much more with the exploitation of cocoa. Having reached more than 90% of the archipelago's surface and arable land, occupying almost the entire workforce on the islands, dedicating themselves to monoculture, being the only source of external income, deciding on life, social relations, accommodation, assistance medical and medication and salary levels of the majority of inhabitants, the entire society and the landscape of this small island country was (and still is) very marked by the establishment and operation of Roça. Available at: <http://www.cnmc.gov.st/images/Documentos/Plano-Multisectorial-de-Investimentos-de-So-Tom-e-Prncipe-2017.pdf>. Accessed on November 1, 2019.

¹⁵It should be noted that as long as human misery prevails in localities, such as former farms, for example, the concept of sustainability in tourism, as well as in the economic, social and environmental dimensions, will only be theoretical. In practice, the quality of the environment depends on the quality of life, with regard to health, education, nutrition and

This model could be an option in terms of diversifying and qualifying the supply of tourist products and services and counterbalancing the predominant trend in the country and beyond, which is tourism that is linked to globalization: mass tourism that tends towards international homogenization of culture and the artificial preservation of local ethnic groups and attractions, with ready-made packages, defined schedules and, to a large extent, simulacrum of the attractions.

Although sun-beach-sea tourism represents around 30% of global tourism and is, without a doubt, of paramount importance for a country with the geographical and natural characteristics of São Tomé and Príncipe, it is important to be aware of the fact that STP, as a tourist destination, have recognized potential in other market segments, namely in the fields of adventure tourism, historical tourism, nature, mountain, rural, urban, events, sports, health tourism, etc..

Tourist activity in the archipelago of São Tomé and Príncipe has become increasingly important, not only in the country's economy, but also in the national panorama, mainly due to the offer of a tourist product of unique value. Between 2010 and 2016 the number of tourists visiting the destination increased from 8 thousand to 29 thousand, an increase of 263%. Despite significant and encouraging growth, the exploration of the tourist potential of São Tomé and Príncipe's natural, historical and cultural resources is still at an embryonic stage.

Tourism is an important and growing activity. In 2018, the tourism sector (accommodation, restaurants and similar) represented a direct and modest contribution of 3% to São Tomé and Príncipe's GDP. In terms of employment in 2016, tourism directly contributed to 14.2% of jobs in the archipelago.

Among the main sending markets for the country, the importance and weight of the Portuguese market stands out, which accounts for 43% of total international arrivals to the archipelago. Angola leads the list of extra-European issuing markets, with a significant share of 15.3%. France is the other European country that made up the top-5 of issuing markets in 2016, recording a market share of 6.2%. The United States and the United Kingdom complete the ranking of the top five countries of origin for tourists arriving in São Tomé and Príncipe.

STP today receives increasing attention from international investors and is a major bet to become one of the largest ecological tourism destinations on the African continent.

In a context in which variables, historically responsible for covering the structural deficit in the balance of goods, have continued to decline, namely ODA, tourism assumes a decisive importance in the Santomean economy, which requires the creation of conditions to, in a sustained manner, maintain its growth trend.

This objective implies and determines the consolidation of current sun-beach-sea destinations, which requires significant investments in security, in the sustainability triangle (economic, social and environmental) and in marketing. But also in planning the development of destinations and harmonizing interventions by the State, the Region, the Districts and companies.

Therefore, the promotion and development of tourism as a platform for active integration of STP into the world economic system is justified mainly by the fact that the Government recognizes in tourism the potential to become the main lever of economic growth and the balance of public accounts, the which gives it the status of being a strategic sector for the development of the country. In effect, this implies the simultaneous achievement of two objectives, the first being that of transforming tourism into the main source of resources

housing, among other conditions, which, for now, are anchored in (traditional) economic development. Therefore, in leveraging tourist activities, in the commitment to new humanism, under political regimes and participatory democracy, it is necessary to guarantee the creativity and management of society, in order to try to eliminate the mismatch between pragmatic discourse, individual behavior and environmentally correct public policies.

alternative to balance the Balance of Payments, in the medium term, replacing the reduction in ODA flows.

The second consists of making São Tomé and Príncipe a world reference destination for sustainable tourism, taking better advantage of the experience of the status of the island of Príncipe as a UNESCO World Biosphere Reserve, already well known among the issuing markets. Therefore, as mentioned above, the following are essential objectives: the diversification of products, based on geography, history, culture, etc.; the diversification of issuing markets, destinations, operators, reception infrastructures, the reduction/elimination of seasonality.

Therefore, to improve tourist supply and attraction, it is proposed, in addition to the above mentioned, carry out the following actions:

- Implement with the necessary adaptations and creativity the national strategy for tourism;
- Adapt the existing legal basis, and transform the current structure of the Tourism Department in an Institute;
- Improve the business environment to attract FDI to the different areas of Tourism: Ecotourism (production routes, cocoa, coffee, palm oil, etc.), ecotourism (tourism and palm wine and possibly brandy), agro-tourism, tourism health for the country;
- Attract foreign direct investment to the sector by improving the business environment business and good promotion of the country's image abroad.

Quality tourism, more than sun, beach and sea tourism, requires the country to prepare and offer various tourist products in the areas of biodiversity, national culture, national languages, among other specificities.

São Tomé and Príncipe, despite having good weather conditions, still presents two major challenges that affect tourist demand: high price and also significant average distance to the country of origin.

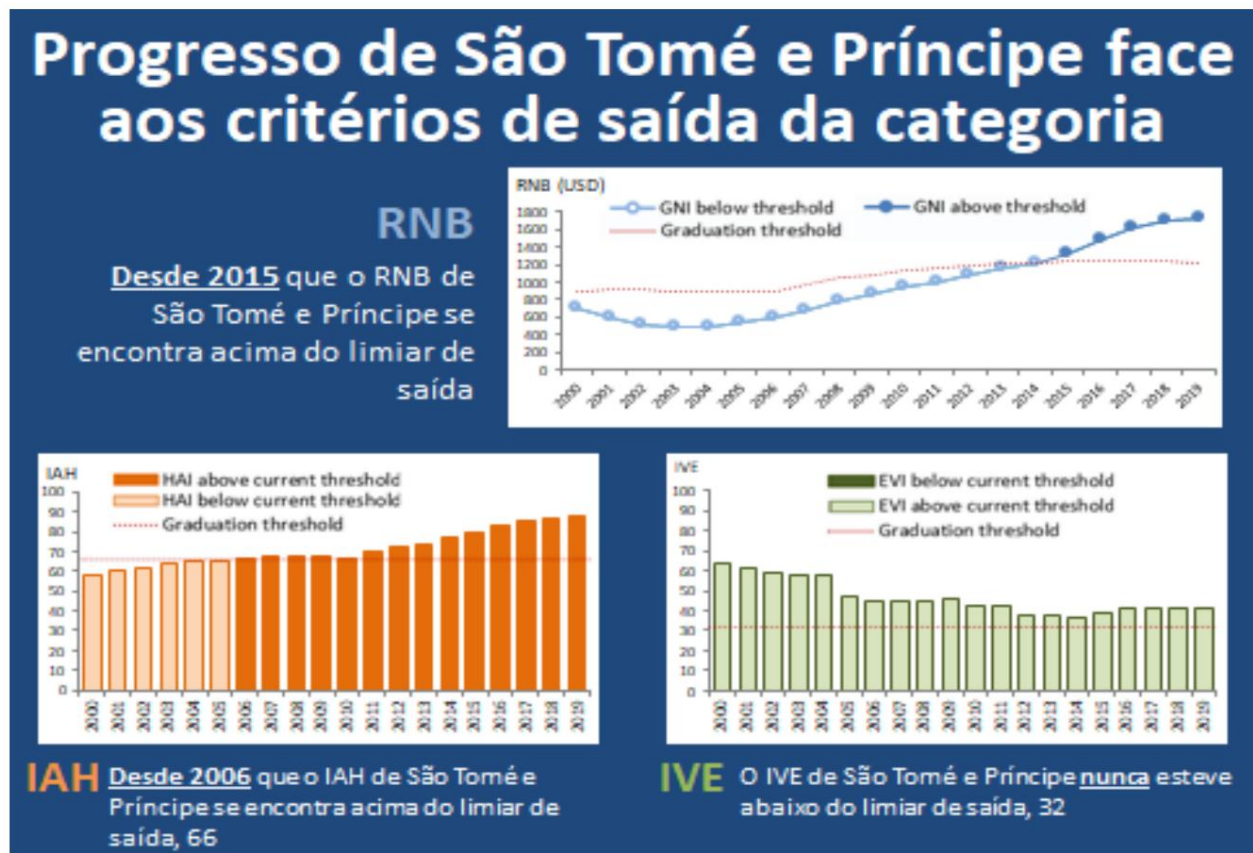
In view of the challenges in question, it is important to highlight that within the framework of the **São Tomé and Príncipe graduation process**, resolution no. 67/221, of March 26, 2013, adopted by the United Nations General Assembly on the smooth transition for countries graduating from the list of least developed countries, emphasizes that graduation is an important milestone for the country involved, as it means that significant progress has been made in achieving at least some of its development objectives.

It is important to note that, according to the United Nations Development Policy Committee (CDP), the least developed countries (LDCs) are low-income countries that suffer from the most serious structural constraints to their development, in the economic, social and environmental dimensions.

The measures of these structural impediments to sustainable development were developed based on the construction of 3 indices/criteria: *per capita income*, which measures the income per inhabitant, the human assets index, which measures human development and the economic vulnerability index, which measures the structural vulnerability of the economy to shocks.

Regarding São Tomé and Príncipe's progress in relation to the exit criteria from the LDC category, from the analysis of the graphs below, it is important to highlight that since 2015 São Tomé and Príncipe's GDP has been above the exit threshold, which since 2006, the Human Development Index is above the exit threshold, 66 and the Economic Vulnerability Index has never been below the exit threshold, 32.

Graph 11: STP progress against PMD category exit criteria



Source: United Nations Development Policy Committee

Therefore, STP's eligibility for exit from the category of least developed countries is linked to compliance with two of the three exit criteria, resulting from the triennial reviews of 2016 and 2018, in relation to GDP per capita and the Human Development Index. Therefore, it was recommended to leave in 2018, which is now scheduled for 2024.

The Government of São Tomé and Príncipe is optimistic about the country's graduation. It recognizes the benefits of graduation, understanding that it constitutes an opportunity and a challenge for STP to consolidate the irreversibility of the gains achieved and to establish new partnerships for financing sustainable development. However, the Government is also aware that, without an adequate strategic response, the Country may face some constraints, namely those resulting from a less favorable trade regime and aid flows that are out of line with new priorities and realities.

In this sense, the General Assembly (GA) of the United Nations reiterates the importance of ensuring that the graduation of a country from the status of least developed country does not cause interruption in the development progress achieved by the country, recognizing that the graduation process must include considerations on appropriate incentives and support measures.

Indeed, AG urges graduating countries and all bilateral and multilateral development and trade partners to continue and intensify their efforts, in accordance with the rules of the World Trade Organization (WTO), for the full implementation of resolution 59/209, of December 20, 2004, regarding the relevance of adopting a smooth transition strategy for countries graduating from the LDC list.

Therefore, the main message or recommendation for São Tomé and Príncipe concerns the need for the country to equip itself with a development strategy that integrates the loss of specific support for less developed countries, within the framework of its graduation process.

Regarding specifically support for the transition process, CDP recommends the following actions:

- Follow the General Assembly resolution (67/221) to ensure continued support;
- Improve understanding of the support measures available to LDCs to facilitate the preparation of the smooth transition strategy;
- Use the single source of information, Gradjet16 Platform www.gradjet.org, to better information about what happens before, during and after leaving the category, providing contacts, information and suggestions on what to do at each stage of the transition process;
- Strengthen interagency technical assistance to prepare for a smooth transition;
- United Nations Task Force on Undergraduate Studies.

Subsequently, the Development Policy Committee identified three main areas of support for LDCs, in this case STP, aiming to overcome their structural constraints to sustainable development, namely:

1. Bilateral and multilateral Public Development Assistance;
2. Preferential measures in trade and special treatment of the World Trade Organization, including preferential treatment for services and provision of services;
3. Other support aims to provide:
 - Limitations on the financial contribution of STP (United Nations Secretariat, International Labor Organization, United Nations Industrial Development Organization, Inter-Parliamentary Union, World Meteorological Organization);
 - Financing and support for travel from the United Nations system;
 - Support aimed at research, political analysis and advocacy, processes intergovernmental.

4.1.1.2. Maritime Sector

There are countless economic activities linked to the maritime industry, the vast majority of which are very far from efficient, profitable and sustainable exploration for the country. Transport, ports, logistics and shipping, construction, maintenance and ship repair, fishing and aquaculture, sport and leisure, tourism, heritage and culture, defense and security, renewable energy, mineral resources, biotechnology, etc.

There is an urgent need to adopt a new vision and a new paradigm for this sector, which should be based on three complementary pillars: knowledge; valorization, exploitation of natural resources and promotion of the uses of the sea; and preservation of natural systems.

16On October 26, 2018, a new website for least developed countries will be officially launched at headquarters of the UN in Geneva, Switzerland. Gradjet, developed by the United Nations Development Policy Committee (CDP) Secretariat, will help government authorities in least developed countries understand what it means to leave the least developed country category and chart a path for future action. It is also aimed at the wider development community and anyone interested in the PMD degree. Adapted to each country, showing what graduation means in context, the website shows what happens before, during and after leaving the category, with contacts, information and suggestions on what to do at each stage

The implementation of these pillars must be ensured within a framework of sustainable development, guaranteeing future generations not only the economic gains and well-being resulting from knowledge and uses, but also a quality environmental legacy.

This commitment to the maritime economy is correct and consistent with the potential for an ocean of opportunities that the sea represents for STP and which must constitute a true and secure national goal for a future that all São Toméans certainly aspire to.

Therefore, a study for a better assessment of São Tomé and Príncipe's opportunities in this matter appears to be urgent, with a view to preparing the Business Plan for the Supply Industry (bunkering) of the future port of STP, *being* its potential market substantially determined by ships transiting within the Exclusive Economic Zone of São Tomé and Príncipe and/or in latitudes close to it. Another potential market for the country is transshipment.

This is a program whose success depends on the State assuming the role of promoter, in which it must count on the strong and dominant participation of the private sector, especially in the areas of infrastructure, the operation of the various associated services, investment and financing.

4.1.1.3. Airline Sector

São Tomé and Príncipe has a privileged location, at the crossroads of important air routes that connect the Atlantic continents.

Some conditions are basic for the country to implement its platform of distribution of passenger and cargo air traffic, including:

The construction of a modern, high-capacity international airport.

Carrying out studies to analyze and evaluate this potential market, through data and information on the flow of flights (number of aircraft and passengers) that cross the country's airspace daily, to which traffic to and from São Tomé and Príncipe would be added, especially that resulting from tourism. It would also be important to consider the potential for traffic to and from Africa, connecting the South American, North American and European continents.

The market conditions in question would be associated with consideration of the accumulated gains and challenges to be overcome, in the area of civil aviation, particularly in air transport, over the course of its recent history, post-independence, particularly in the existence of following components:

- Flag airline;
- International Airport;
- Provision of airport services, namely *handling*, fuel supply and *catering*;
- Air agreements, signed with other countries,
- Be a member of CEEAC, an airspace region open to São Tomé companies;
- Hotel capacity capable of serving the Airline Sector;
- Level of compliance with international air safety standards.
- Weather conditions (if exceptional) are relevant to flight operations because they provide predictability and particular confidence, both for airlines and passengers.

The existence or creation of these and other conditions necessary to enable the transformation of STP into a country with regional and international distribution of air traffic makes this project one of the most important for the country, due to its direct, indirect and induced effects on the economy, for raising the level of its external competitiveness and giving the country greater Atlantic centrality.

According to data from the National Airports and Air Security Company (ENASA), for the winter 2017/2018, there were six companies operating in the country, coming from Lisbon/Accra, Luanda, Libreville, Príncipe Island and Cape Verde (Sal Island).), in 2019.

The main challenge that the country faces in this area is to equip itself with a strategy to capture new routes from the aforementioned markets, which create a new dynamic in air connections to and from the archipelago, and which contribute to an increase in passenger flow. and tourists in the region. This way, ticket prices can be reduced and the number of visitors increased.

4.1.1.4. Commercial and Industrial Sector

São Tomé and Príncipe has the basic conditions to become a highly competitive regional and international business center and a privileged space for companies to locate, given that the country has an excellent location, in the center of the Atlantic; has good standards of security, stability and social peace. Being made up of two islands, mobility conditions between islands and with the African continent are good; to Europe, via Portugal 4 times a week. However, the country needs better infrastructure, especially in essential areas such as telecommunications and transport (air, sea and road), energy, water and sanitation.

The country also needs to invest in the qualification of human resources and prepare them to acquire the appropriate skills to develop any type of activity. It enjoys exchange rate stability, derived from the Exchange Rate Cooperation Agreement with Portugal, which established the fixed parity of the Dobra with the Euro; it has good health standards, particularly public health, with almost no endemic diseases; has good relations with the European Union, the United States of America, Africa and Brazil; and is a member of CPLP and CEEAC.

Despite these being the basic conditions to make STP an important place for registering and locating companies, other investments are necessary in the three areas of competitiveness, as mentioned in the previous chapter: trust; context costs; and sustainability. The program: transforming STP into a regional and international business center aims to intervene in the three areas mentioned, giving priority to improving the business environment, acting on the variables likely to improve indicators of doing business, good *governance*, of economic freedom and sovereign risk.

The **commerce sector** suffers from several constraints. This fact is due to the intersectoral precariousness of the economy, resulting from the low level of infrastructure in the economy, an undynamic and decapitalized business class and a business environment that still needs improvements. Meanwhile, with the new direction intended for the country's economic development, the Government will pay particular attention to matters relating to the dynamism of exports through the identification and exploration of markets, as well as new agreements with development partners. .

To this end, efforts must be made to develop the following actions:

- Strengthen negotiating capacity through training, training and specialization actions for staff and exchange relationships with countries of recognized competence for the purpose of exchanging experience;
- Promote new commercial models between São Tomé and the Autonomous Region of Príncipe and between the Districts, exploring the potential of each territorial unit;
- Define a trade policy that allows the development of strategies for progressive integration into the regional and global economy, taking into account its privileged geostrategic and geoeconomic position in the Gulf of Guinea;
- Develop a credit system and other financing mechanisms that guarantee the profitability of commercial activities;

- Deepen relations with CEEAC and CEMAC, in order to benefit from the provisions for the extension of an ZLC - Free Trade Zone;
- Deepen and improve negotiations on the APEUE - Economic Partnership Agreement with the European Union within a regional framework, taking into account the characteristics of the country.

The **industrial park** of São Tomé and Príncipe is quite limited and obsolete, facing with countless difficulties.

In this sense, a series of measures should be carried out aimed at reducing and/or elimination of the aforementioned barriers and it is proposed:

- Promote an exhaustive survey of the existing industrial park (micro industries);
- Find mechanisms that help solve the various existing problems;
- Develop laws or improve existing ones on investment protection, whether national or foreigner;
- Define a national policy for the industry based on innovation, competitiveness and sustainability.
- Promote training actions for small and medium-sized industrial entrepreneurs.

Additional measures, also important, to make the Platform in question viable are the following:

- Promote the exploration of the EEZ and the country's coastline, suitable for fishing, the fish processing industry, commerce and tourism, given the characteristics of an island and archipelagic country;
- Actively promote the attraction of the labor-intensive and export-oriented light manufacturing industry, particularly through the completion of the construction of the port, an important and strategic asset in this process. The solution also involves using the country's natural wealth and investing in economic and social infrastructure, a Platform for various Services, which attract investment from the private sector;
- Promote the strengthening of the private business sector, given that its dynamism and intensive use of labor has the potential to impact other sectors by supporting the diffusion of learning and technology, creating jobs and increasing domestic demand for agricultural production, livestock, fishing, informal services. The creative economy can offer: a good, a product, a new service and even a better relationship;
- Increase the productivity of small farmers and their settlement in the countryside, which implies support from the State, Local Authorities and international cooperation aimed at obtaining credit, production factors, training in new cultural and irrigation practices, better accessibility, assistance technical and veterinary, organization in cooperatives or other forms of association that enable greater organization, productivity and income;
- Promote the processing of domestic agricultural production for the growing urban population: such as cereal milling units, oilseed pressing, production of olive oil/palm oil, palm wine, dairy products, slaughterhouses, among others. Investment in initiatives of this kind is viable for a country in which the import of food, energy and construction products is very high.

4.1.1.5. Financial sector

The degree of underdevelopment of São Tomé and Príncipe is also very evident in the vulnerability of its financial system. In 2014, eight banks dominated the financial market (one Central Bank, which supervises and dictates the country's monetary rules, one investment bank and six commercial banks), with a weak capacity to intervene in the economy, considering their limitations in terms of capital resources, whether taken separately or in a consolidated manner.

Most of the banks in question were attracted by the much-announced joint oil exploration between Nigeria and the Archipelago, in 2006. But with the slowdown in business linked to the oil industry, on the maritime border between the two States, the banks injected into the Sao Tome economy tens of thousands of euros, in 2012. Four years later, losses began to accumulate resulting from the slow recovery of capital, especially when political-institutional problems arose in subsequent years. As a result, some of these banks went bankrupt.

To make matters worse, there is the fact that the financial system has been experiencing some crisis associated with the drop in oil prices in the producing countries that support the General Budget of the São Tomé State, as is the case in Nigeria, Angola and Gabon. Everything indicates that, soon, the The country will now have only five banking institutions.

This proposal to transform STP into a regional and international financial center is closely linked to the previous project to transform STP into a regional and international business center. Therefore, the arguments and justifications that demonstrate the opportunity and relevance of the first are also valid for the second. Therefore, the financial square is an essential component of the regional and international business square.

Furthermore, the urgency and relevance of creating a regional and international financial center in STP constitutes an increased opportunity for banks and regional and international companies to carry out their financial operations from São Tomé, assuming the country's competitiveness and the need to provide support to companies that come to establish themselves there, within the scope of the regional and international business square project.

4.1.1.6. Digital Technology and Innovation Sector

The geographic isolation, on the one hand, and the geostrategic location of São Tomé and Príncipe, on the other, makes connectivity a priority issue.

To make the economy more competitive and improve the quality of life of its inhabitants, the Government must absolutely invest in transforming STP into a country of excellence for Information and Communication Technologies (ICT). For this reason, an ICT policy needs to be developed, taking into account international best practices and providing greater use of ICT in all sectors, including Government.

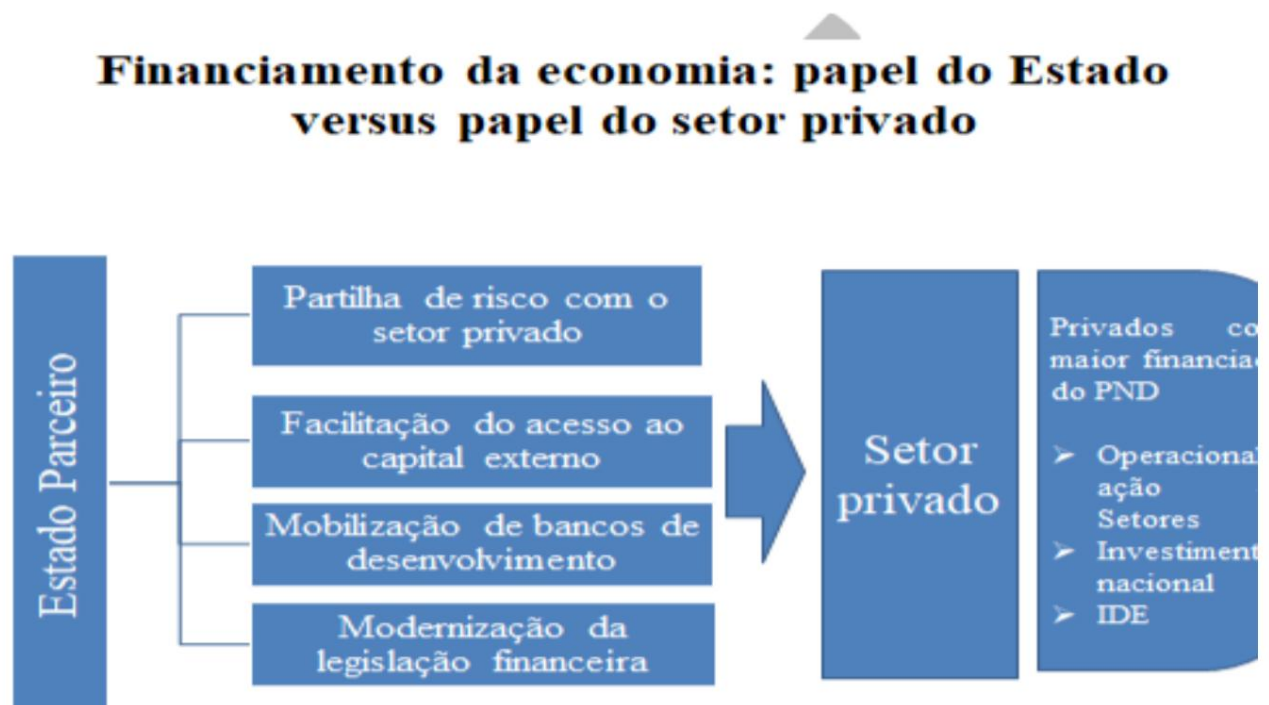
The Government's policy for the ICT sector highlights more targeted strategic measures for education, training and research in science and technology. However, it is necessary that policies and strategies are integrated, which simultaneously concentrate efforts on other key areas such as: infrastructure; legislative and regulatory framework; human resources development; ICT industry, etc.

More than the mere and necessary digitalization of the country in the most varied areas, namely the economic one, this proposal for the transformation of São Tomé and Príncipe in the Digital Technology and Innovation sector means above all making STP a country of research, investment, production and distribution of products and services in the digital economy and not just a consumer of these goods.

It is an objective that requires a bold and consistent strategy, focusing on innovation and inclusion in global centers and networks for research and production of digital technology. This presupposes the creation of conditions in basic support sectors, such as telecommunications, for example.

Although the development of the digital component is predominantly a private sector task, its success depends on the role of the State as the main leader, promoting agent and partner par excellence. The role of the State is essential, above all, in articulating private initiatives, creating incentives, promoting alliances, external partnerships and training.

Graph 12: Financing of the economy: role of the State versus the role of the private sector



As a domain of highly qualified and specialized intensive human capital, the success of this sector largely depends on the quality and scope of the reform of the Human Resources qualification system, particularly the reform of the educational system.

This perspective is corroborated by the Government's understanding that investment in production, scientific and technological innovation is closely linked to the socio-economic development process of any country. Aware of this fact, it is proposed to implement the following measures:

- Preparation of the country's strategic digital transformation plan.
- Investment preferably in human capital and in the quality of individuals, particularly younger ones, without neglecting the institutional conditions that allow them to obtain maximum profitability from their work;
- Promotion of master's and doctoral degrees in institutions of excellence with international partners;
- Creation of mechanisms to attract future São Tomé researchers who want to contribute to this qualitatively demanding path in light of the science model that is intended to be developed in the country;

- Creation of conditions to stimulate and boost partnerships between research units and companies, in order to develop applied research programs and promote the generation of employment and work;
- Promotion of culture for the creation of competitions for research projects in all scientific areas, thus allowing adequate planning of activities and stable funding for the most competitive ones;
- Launch of a competitive program to support Doctoral Programs with better quality, structure and guaranteed profitability;
- Support for scientific dissemination programs and encouraging the involvement of young people in science;
- Streamline legislative provisions that facilitate the integration of researchers from the public sector into the private sector and that value technology transfer activities in the curriculum;
- Support for postgraduate training of technicians and researchers;
- Redefining the criteria for awarding scholarships, as well as the priorities of training;
- Definition and implementation of a higher education financing model, with a view to greater stability and predictability, as well as considering activity quality factors and incentives for its improvement;
- Identification, together with the financial system, of incentive modalities capable of facilitating access to credit for young students who, in addition to scholarships awarded by the State, want to finance their own training.

4.2.1.7. Foreign Direct Investment

The STP Active Integration strategy into the World Economic System emphasizes the importance of Foreign Direct Investment. Therefore, the attraction of FDI in the field of creation of the CIN and the International Financial Platform and beyond, is absolutely vital. In fact, this need is not exclusive to São Tomé and Príncipe and less developed countries. On the contrary, it is a condition of all dynamic economies, regardless of their size and level of development.

Regarding the irregular growth of FDI and its slowdown in STP, the variables responsible for this situation must be sought internally and not abroad, in order to be able to design the most appropriate strategy and solution to increase its flow.

Everything indicates that the problem lies in the business environment and not in the lack of investment or resource opportunities.

This thesis is corroborated by the Government Program, for which attracting FDI is fundamental for the economy, especially for the creation of new jobs. However, the Government recognizes that the obstacle to achieving this goal is the low level of the business environment.

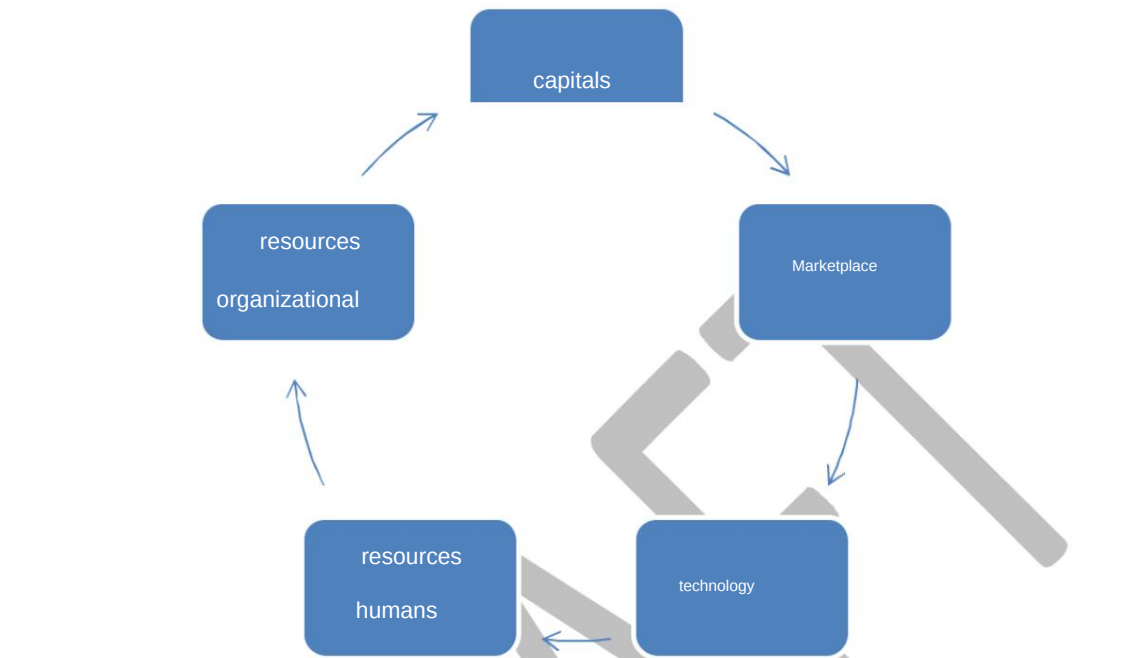
In effect, *Doing Business* 2018, whose motto was *Reforming to Generate Employment* ranked São Tomé and Príncipe 169th out of 190 countries, with a score of 44.84 against 86.55 for the first ranked.

In this sense, the Government proposes to do everything to improve the business environment in STP, mainly with regard to the ability to enforce contracts, resolve insolvencies, register property, obtain credits and protect small investments, problems that, according to the Government, will be resolved within the scope of justice reform.

São Tomé and Príncipe, like other Small Island Developing States, experiences a huge shortage of capital, technology, human resources,

(especially highly qualified HR), superior organizational capacity and markets, a pentagon of conditions whose illustration can be seen in the figure below.

Graph 13: Resources conditioning the integration of STP into the world economic system



With regard to human resources in particular, the PNDS shares the thesis of those who argue that the accumulation of human capital is very similar to the accumulation of physical capital (Solow model, 1993), the more resources dedicated to the accumulation of capital, considered in its broader meaning, the greater the production in the future. A high level of education is an indication of workers with greater skills and greater productivity, which in turn increases an economy's capacity to produce goods and services. An abundance of well-educated human resources also facilitates the absorption and production of technology.

It is important to highlight that FDI has the virtue of bringing within it this pentagon of resources and, in doing so, determines direct, indirect and induced effects on all sectors of economic and social life, as well as the improvement of macroeconomic variables, namely GDP, the Balance of Payments, employment, income and public revenues.

Within the scope of the PNDS, it is essential that São Tomé and Príncipe's diplomatic agenda prioritizes the deepening of multilateral and bilateral economic relations, that is, that it actively engages in the creation of political and cooperation conditions that enable the active integration of STP into the economic system worldwide.

Therefore, some of these diplomacy priorities could be the deepening of political relations and cooperation with the dynamic Atlantic spaces, in particular, the ECCAS countries, the European Union, Portugal, Brazil, NAFTA (North American Free Trade Agreement), the United States of America, Southern Africa, namely Angola and South Africa, without neglecting important partners such as China and others.

Within the framework of the implementation of the African Union's Agenda 2063, special note is given to the African Continental Free Trade Agreement (AfCFTA) for economic integration, signed on 21 March 2018, at the extraordinary summit of the African Union (AU), in Kigali, capital of Rwanda. AfCFTA constitutes the first step towards creating the largest free trade zone in the world.

The agreement was officially launched at the AU summit in Niger, in July 2019, with the announcement of the signing by Nigeria and Benin, making Eritrea the only country, among the 55 in the AU, that did not sign the agreement. In force on May 30th of this year, the AfCFTA is part of a process that, by 2028, envisages the creation of a common market and an economic and monetary union in Africa, which is why the creation of the single African passport.

In a first phase, the agreement will lead to the elimination of tariffs on 90% of products. The AU's objective is to create the largest free trade zone of its kind in the world, with a market budgeted at 2.5 billion dollars and a continental gross domestic product (GDP) of (55 member states) 2.5 billion dollars (equivalent to 2,030 billion euros). The Zone aims to strengthen fragmented African markets and the presence, with a single voice, on the international scene, in negotiations with other blocs, will make it possible to boost the development of a continent with around 1.2 billion inhabitants.

It is noteworthy that, at the moment, African countries exchange 16% of their goods with each other, a value comparatively below the 65% exchanged between European countries. However, the African Union believes that, by 2022, the agreement will lead to a 60% increase in the continent's internal trade.

It is noted, however, that many prerequisites that could compromise the Zone were neglected, such as, for example, the lack of infrastructure for the transport of goods.

In São Tomé and Príncipe, the ratification of the convention is expected soon, with the expectation that its implementation will bring new perspectives for the growth of the African continent and for the sustainable and inclusive development of the country. Therefore, it is clear that STP needs to strengthen and consolidate the process of its integration and cooperation with both the ECCAS sub-region, the Gulf of Guinea region and the African Union as a whole.

Under this assumption, the United Nations Commission is coordinating this integration process in the five island countries, namely Cape Verde, Comoros Island, Mauritius, Seychelles and São Tomé and Príncipe, considering that the ratification of the agreement is essential for the Free Trade Zone in Africa achieves expected results. Therefore, it is essential that Member States make efforts in this direction, through integrated and effective national strategies, with the aim of maximizing the benefits of this agreement.

Among the opportunities offered by the ZLECAF, STP will intend to increase its exports to the region, expand its market, increase the consumption of products from the region, modernize the economy, attract foreign investment and strengthen the negotiating capacity of national actors.

4.2. Objective 2 - Promote Inclusive Economic Growth and Environmental Sustainability

The Government admits that it found São Tomé and Príncipe in a serious socioeconomic situation, having therefore highlighted in its Governance Program that its main concern concerns the rescue and return of dignity and well-being to all São Tomé and Príncipe. This aim will be materialized with the implementation of the new development model based on a service provision economy, anchored to a reinforced and dynamic private sector, in the conviction that this is the model that offers the greatest potential and guarantee for the achievement of average economic growth. annual increase of more than 7%. From this perspective, tourism is chosen as a driver of transformation and value creation, adding resources from the agriculture, livestock, creative and maritime industries, among others.

However, the Government is aware that the challenges facing the country cannot be resolved in a single legislature and that the non-extendable imperatives that enhance efficiency and generate synergy that drives wealth and employment can consume a legislature, in preparatory matters, without producing immediate practical effects. Furthermore, an aggravating factor is faced with the fact that the country does not have the capacity to generate and mobilize sufficient internal resources to allow it to fully execute its Governance Program.

Even so, the Government's mission is to undertake, during this legislature, two major challenges, the first in the economic and environmental domain, and the second in the social and good governance domain.

The first concerns the proposal to create basic conditions for the relaunch of economic growth above 7%, generating direct and indirect jobs, boosted by private investment, the diversification of the country's productive base and the strengthening of its capacity production and competitiveness. Likewise, improvements in the transport and electricity distribution sectors, construction and rehabilitation of infrastructures are essential to increasing economic, social and environmental development, and achieving this level of economic growth.

From this perspective, São Tomé and Príncipe must accept as an imperative the challenge of promoting excellent education, to train human capital in accordance with the demands of the new times. In the same sense, business incubators will be activated within the framework of young entrepreneurship, focusing on innovation, competitiveness, cooperativism and the creation of *clusters*.

For all this to happen, correct and sustained administration is necessary. of finance, in which programming, budgeting, allocation of public expenses and public investments will be carried out with rigor and simplicity, but scrupulously respecting the justice of taxation.

4.2.1. Development of Tourism and Sustaining its Growth

As mentioned in the first chapter, despite the weak dynamism of the global economy, world tourism continued to grow at a stable pace, with its future prospects, including its contribution to economic and social development, becoming increasingly important.

International tourism moved almost 900 million tourists in 2007 and generated revenue of 733 billion dollars in 2006. The flow of tourists increased by 3.9% in 2016, reaching a total of 1.2 billion arrivals throughout the world. world.

The African market was one of the most dynamic, having registered an 8% growth in 2016, reaching 58 million tourists, recovering from the declines that occurred in the previous two years. The biggest growth occurred in Sub-Saharan Africa, 11%, while North Africa once again showed signs of recovery, with growth of 3% in the period.

Long-term forecasts published by the World Tourism Organization (UNWTO) indicate that the number of international tourists will be 1.6 billion in 2020, which implies an annual growth rate of around 4%. The forecast indicates that destinations in Asia and the Middle East will grow at higher than average rates, with growth in Africa being between 5% and 6% in 2017, while forecasts for the more mature destinations in Europe and America are for lower growth. than the average.

International tourism is thus one of the main export sectors globally, representing around 30% of world exports of services, even reaching percentages above 50% in countries where tourism plays a much more important economic role, such as islands. .

It was seen in the subchapter *Tourism Sector*, that tourist activity, in the archipelago of São Tomé and Príncipe, has been gaining more and more importance, not only in the country's economy, but also in the national panorama, mainly due to the offer of a product tourist attraction of unique value. Between 2010 and 2016 the number of tourists visiting the destination increased from 8 thousand to 29 thousand, an increase of 263%. Despite significant and encouraging growth, the exploration of the tourist potential of São Tomé and Príncipe's natural, historical and cultural resources is still at an embryonic stage.

Tourism is, therefore, an important and growing activity. In 2016, the tourism, accommodation, catering and similar sector represented a direct contribution of close to 3% of São Tomé and Príncipe's GDP. In terms of employment in 2016, tourism directly contributed to 14.2% of jobs in the archipelago.

Among the main sending markets for the country, the importance and weight of the Portuguese market stands out, which accounts for 43% of total international arrivals to the archipelago. Angola leads the list of extra-European issuing markets, with a significant share of 15.3%. France is the other European country that made up the top-5 of issuing markets in 2016, recording a market share of 6.2%. The United States and the United Kingdom complete the ranking of the top five countries of origin for tourists arriving in São Tomé and Príncipe.

However, it should be noted that it focuses on sun-beach-sea tourism, with low added value and an unfavorable evolution in the quality of demand for the destination, facts that, associated with the worsening of social and environmental tensions and the potential volatility of this market segment, determine that this variable should be viewed with caution, as a structural element of response to tensions in the Balance of Payments, in the absence of adequate policies, capable of making this segment of tourist activity resilient to external and internal determinants.

The variable that could play an important role in balancing the Balance of Payments and which has maintained a decreasing flow in recent years are transfers from emigrants, certainly a result of the European crisis and its consequences on the Euro's passive interest rates, combined with the interest rates on passive operations practiced by São Tomé banks, well above the rates practiced in Europe, and with the stability of the Dobras exchange rate against the Euro, as a result of the Exchange Cooperation Agreement.

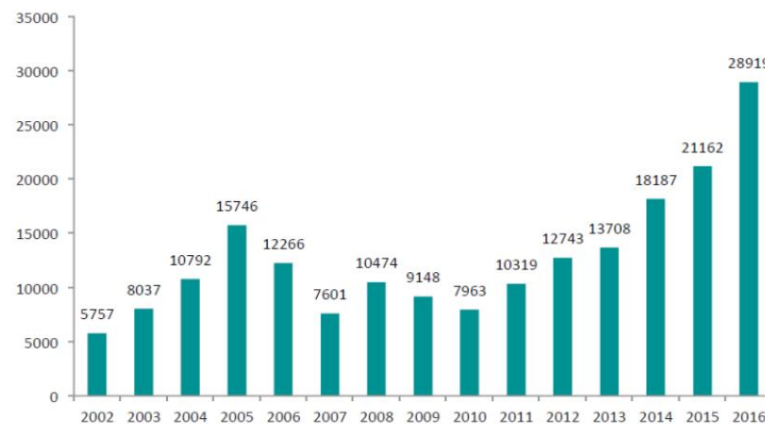
Graph 14: Evolution of tourist activity 2010-2016

Figura 1.2. Chegadas internacionais de turistas a São Tomé e Príncipe (Fonte: DGTH)

Source: Strategic and Marketing Plan for Tourism in São Tomé and Príncipe

The good news is that the country is currently receiving increasing attention from international investors, which constitutes a great bet and opportunity for STP to become one of the largest ecological tourism destinations on the African continent, although, currently, tourism in São Tomé and Príncipe faces several challenges, of which four main ones stand out:

- Competitiveness challenge;
- Sustainability challenge;
- Challenge of maximizing the impact on the wealth and well-being of Santomean people;
- Challenge of concentration, already addressed in the *Tourism sector subchapter*.

However, tourism remains the main driver of STP's economic activity, to which other sectors must be linked, in the process of building a sustainable and inclusive national economy, being, therefore, a key piece for the relaunch of the private investment, employment and economic growth.

STP's great challenge is to promote and consolidate tourism as the main lever of economic growth, given its contribution to the generation of jobs, income and the balance of public accounts.

Quality tourism, being more than sun and beach tourism, requires the country to be prepared and available to offer various tourist products and services, anchored in biodiversity, national culture, national languages, among other specificities. Furthermore, the diversification of sending markets, destinations, operators, products, reception infrastructures and the reduction or elimination of seasonality are essential objectives.

Parallel to the development of tourism, identified key sectors must be developed, with a view to complementarity and promotion of internal production and exports. The sectors are namely fishing, agriculture, light industry and creative industries.

4.2.2. Promote the Diversification of Production and Exports

The strategic priorities of São Tomé and Príncipe, in the era of the global economy, according to the PNDS, are competitiveness and productivity, including quality, which implies, from an internal point of view, the development of business initiative, the capacity to innovate and produce with quality, and from an external point of view, the ability to attract and retain quality external investment. The core of the issue of sustainable development for STP is above all the small size of the country, the small size of its market and the challenge of formulating public policies that are suited to the unique specificities of a Small Island and Archipelagic State in Development.

The PNDS strategy for the promotion and development of the Santomean economy in its key sectors aims to increase productivity, diversification and quality of products and services, aimed at supplying the domestic market and exporting to regional and international markets. .

Considering that STP is already in the process of graduating from the group of least developed countries, the implications of this event on the country's economic, social and environmental development will have to be duly assessed and integrated into the PNDS and the aforementioned smooth transition strategy for the country, on the horizon of graduation, in 2024, which should coincide with the horizon of implementation of the PNDS.

In this circumstance, United Nations General Assembly Resolution 67/221 corroborates that a successful transition needs to be based on a national smooth transition strategy developed as a priority for each graduating country, in the period between the General Assembly's notation of the recommendation for graduation and the date of actual graduation. Under national leadership, involving all Program of Action for Least Developed Countries 2011-2020 stakeholders and the support of the international community, the national smooth transition strategy should include a comprehensive and coherent plan of specific and predictable measures, aligned with priorities of the graduating country, considering its structural challenges and vulnerabilities, as well as its strengths.

Therefore, the scrupulous implementation of the aforementioned resolution is essential, as a guarantee of the continuity and consolidation of advances in the sustainable development of STP. At the national level, the PNDS 2020-2024 is certainly the main reference instrument for developing a smooth transition strategy, associated with other processes underway or about to be implemented in the country.

It is important to highlight the possible **impacts of leaving the LDC category** for São Tomé and Príncipe, in the three main areas of support for LDCs to overcome structural limits for sustainable development:

1. Bilateral Public Development Assistance: the vast majority of development partners STP development will continue to support you;

2. Multilateral Public Development Aid: some portions of this aid are specifically for less developed countries. Therefore, STP will not be able to receive new funding under the Least Developed Countries Fund (LDCF). However, you will continue to have access to the Special Climate Change Fund (SCCF) and the Green Climate Fund (GCF).

As for the Global Environment Fund (GEF), LDC status is not a criterion for appropriating this fund (only minimum allocation limits). In turn, access to UNDP nuclear funds will be affected with the withdrawal of STP from the category (despite the fact that UNDP represents only 2% of total multilateral ODA).

The Technological Bank for LDCs will continue to benefit STP for five years after the category exit;

The Enhanced Integrated Framework (EIF), specific Aid to Trade for LDCs, will also continue for five years after the country's exit (this is a small proportion of total Aid to Trade).

Regarding preferential measures in trade and special treatment from the World Trade Organization: in STP exports, services are predominant 88%, goods 12%, of which cocoa represents 10%. Among exports of goods and merchandise there is a predominance of raw materials.

The export of cocoa beans and other raw materials will not be affected by discontinuation of LDC preferences offered by current partners (MFN¹⁷ tariff is zero). These products would also continue to enter other markets such as the US, free of duties and customs obligations.

After graduation, preferential advantages will be lost for products with greater processing (Chocolate, for example) and subject to higher taxes. Processed products face higher tariffs. Chocolate and other cocoa food preparations will face higher tariffs in the European Union (range 2.8% to 10.7%, depending on the product), but not in the US. However, such exports currently represent less than 3% of exports. Other export products (potential exports) such as fish and shellfish will face higher tariffs in the EU (up to 13.5%), but not in the US.

However, even within the EU, these tariffs may be mitigated or eliminated by joining the EU18 GSP+.

Preferential treatment for services and provision of services: there will be no significant impacts, given the nature of the preferences granted and the nature of the services provided by São Tomé and Príncipe. Tourism is the main component in the export of services and is not expected to be affected by the exit;

3. Other support aims to meet

- Limitations on the financial contribution of STP (United Nations Secretariat, International Labor Organization, United Nations Industrial Development, Inter-Parliamentary Union, Meteorological Organization World);
- Funding and support for travel from the United Nations system:
 - o Regular UN Budget: no impact on STP's contribution after leaving the UN category;
 - o Budget for peacekeeping and other entities: has a reduced impact on STP contribution after leaving the category;
 - o Support for travel to General Assembly meetings: possible extension of up to 3 years after leaving STP;
 - o There are no provisions for the phased discontinuation of other travel support after the exit of STP from the LDC category;
- Support aimed at research, political analysis and advocacy, processes intergovernmental.

The main messages on the issue of financing for development are in the sense that i) the departure of São Tomé and Príncipe from the LDC category will have an impact

¹⁷ It is the WTO principle of trade without discrimination. Most Favored Nation (MFN) *status* : Equal treatment under WTO agreements means that countries cannot normally discriminate against their trading partners. If a country grants someone a special favor (such as a lower customs duty on one of its products) it must do the same to all other WTO members.

¹⁸The EU Generalized Scheme of Preferences removes import duties on products from vulnerable developing countries, thereby helping them to alleviate poverty and create jobs based on international values and principles, including labor and human rights.

minimum access to support; ii) financing from international financial institutions is not linked to LDC status, therefore, the exit has no impact on loans or donations from these institutions; iii) main partners will continue to support São Tomé and Príncipe; iv) however, after leaving the category, STP will not have access to specific mechanisms for LDCs.

In the field of trade: i) the loss of preferential access to LDC-specific markets is not significant; ii) WTO guidelines for LDCs do not apply after the STP exit; iii) trade support measures specific to LDCs will be phased out.

It should also be noted that there will be no impact on STP contributions for most budgetary contributions to UN entities; support for travel to UN meetings will be phased out.

The main message to be considered by the country is that regarding the need and urgency in the elaboration of a development strategy that integrates the loss of specific support for LDCs.

Repeated calls for improved support and incentives for countries during the exit, and, from this perspective, CDP's recommendations on exit are as follows:

- Improve coordination of development partners;
- OECD guidelines for donors on support for LDCs;
- Meeting of development partners to discuss support.

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- o Calls on the international development community to develop a package of incentives to help the development process of outgoing LDCs;
- o Improve access to finance for outgoing LDCs and SIDS, including debt management strategies and instruments.

Aiming at the greatest possible enrichment, pragmatism, efficiency and effectiveness in this process in STP, the United Nations Development Policy Committee (CDP), based on lessons learned from the experiences of other countries, recommends the appropriation and implementation of the following proposals :

- Clearly understand the impact of leaving the least developed countries category (PMD) for São Tomé and Príncipe;
- Develop and implement a national transition strategy that addresses the loss of specific benefits and impacts with category exit and renew support for development challenges;
- Work with partners to explore options to defer or offset identified impacts;
- Establish a coordination mechanism within the Government and with partners;
- Adopt a transition strategy that transcends political cycles;
- Improve the awareness of interested parties on the subject of graduation;
- Use *Gradjet* resources .

Regarding **support for the transition process**, the recommendations of the CDP referred to in the subchapter *Tourism Sector*, of Objective 1 of the PNDS, that is:

- Follow General Assembly resolution (67/221) to ensure continuation of support;
- Improve understanding of support measures available to LDCs aimed at facilitating the preparation of the smooth transition strategy;

- Use the single source of information, Gradjet Platform www.gradjet.org, for better information about what happens before, during and after leaving the category, providing contacts, information and suggestions on what to do at each stage of the process transition;
- Strengthen interagency technical assistance to prepare for a smooth transition;
- Make the most of the United Nations Undergraduate Task Force.

Furthermore, CDP recommends **the next steps to be** followed by São Tomé and Príncipe aiming to implement the aforementioned proposals, namely:

- Define/appoint a focal point in the Government for the PMD category exit;
- Start developing the smooth transition strategy:
- Identify the actions that STP should undertake;
- Identify the actions that partners should undertake;
- Establish the consultation mechanism between STP and its partners;
- Integrate the smooth transition strategy into other relevant processes;
- Provide *feedback* to the Development Policy Commission's monitoring reports;
- Participate in new initiatives;
- Request coordinated assistance through the Resident Coordinator and the IATF (interagency graduation task force).

4.2.2.1 Fisheries

Extracting food from the sea, that is, fishing, is undoubtedly one of the oldest reasons for man's attraction to the sea. Fishing is an ancient activity, which only began to move from the artisanal phase to the industrial phase after the Second World War.

The reality of modern fishing is that the industry is dominated by vessels that far exceed nature's ability to replenish fish. On the other hand, it is important to note that a large number of people work in fishing. Annually, around 100 million tons of fish are caught and statistics reveal that this quantity is the main source of protein for 2,000 million people. In addition to fish, many seaweeds are also used for food, including table salt.

São Tomé and Príncipe as an island country, with an Exclusive Economic Zone (EEZ) of 160,000 km², an extensive coastline and a privileged geo-economic situation, the sea is certainly a very important source of resources in terms of goods and services that can be associated with it.

Marine resources constitute one of the few natural resources in the country, with the fishing sector representing an important vector for the economic development of STP, which plays a crucial role in the country's economy, through the supply of proteins of animal origin to the populations.

In São Tomé and Príncipe, artisanal fishing supplies up to 90% of the total catches sold on the local market, ensuring approximately 70% of animal proteins consumed by the local population and guaranteeing an annual average of 23.6 kg of fish per inhabitant. More than 30,000 people make a living from artisanal fishing. According to data from the General Directorate of Fisheries (DGP), artisanal fishing occupies 15% of the active population (fishermen and fishermen).

This activity is practiced by line or net, in small canoes built using methods traditional and powered by oars, sails, or an outboard engine, but with low power.

Semi-industrial fishing is carried out by more than a dozen fiberglass, motor boats and industrial fishing is carried out by the fleet of European Union boats operating in the country's EEZ, for which there is no record of reliable data. on the volume of catches.

National fishing, fundamentally of a non-industrial nature, is concentrated in a narrow coastal strip, often due to a lack of means for fishermen to travel further afield.

For some years now, this sector of activity has been facing a serious crisis, due to the progressive degradation of marine ecosystems and the consequent scarcity of fish. The increasing use of non-selective and destructive gear (explosives, very fine mesh nets, etc.) as a way of compensating for the decrease in catches, places fishermen in a vicious circle of destruction of a resource considered crucial for the populations of the archipelago.

Furthermore, illegal, unreported and unregulated fishing today constitutes one of the problems that requires an urgent solution in São Tomé and Príncipe. The islands have an immense sea surface and adequate exploration of the sea would constitute a unique opportunity for national development.

However, when looking at its relative contribution to the creation of national wealth through the Gross Domestic Product (GDP), we note that in 2016 it was only 7.2%. In fact, according to current data available from the Directorate of Fisheries, the country has a fish capture capacity of around 29 thousand tons per year. If it were possible to sustainably exploit up to 60% of this capacity, the contribution of this sector to the creation of national wealth would increase exponentially.

According to Ned Dwyer (2013), the concept of *blue economy* should expand to that of *blue society*, viewing the ocean not only as an economic resource but as something fundamental to human existence. This author further argues that if the ocean is not treated as an integral part of human life "*we will only see it as something to be exploited and used and not to be protected*", despite providing us with "*the oxygen we breathe, the rain that falls on us, resources such as fish and energy*".

The Government Program, aligned with Dwyer's proposal, argues that the blue economy seeks to stimulate sustainable growth based on aquatic resources, offering competitive advantages to emerging industries and existing value chains or those linked to new products and markets.

The blue economy results in profound environmental concerns, which require a growing awareness of the need to preserve ocean ecosystems, which in turn, creates investment opportunities to achieve the Sustainable Development Goals defined by the United Nations.

This concern is all the more legitimate when it comes to an archipelagic country, with a maritime surface area in an Exclusive Economic Zone, 160 times greater than that on land. Therefore, the ocean must be a sector of great relevance for economic development, due to the activities it generates, namely fishing, maritime transport, tourism, shipbuilding and repair, among other related activities.

The recognized potential of the country's sea and coast, as well as the international trend towards growth in this sector of activity, constitute sufficient stimuli to move from intention to practice, attracting investment and creating business and employment opportunities. This is the path to follow at all levels, in the economic, legal, scientific, cultural, technical, environmental, geographic, political and diplomatic domains, etc.

Considering that the blue economy constitutes a new approach to development for the maritime sector; given that it represents an enormous potential for creating numerous jobs and added value for the development of STP, the Government will concentrate efforts to make the most of marine natural resources, as a base for expanding economic activity, simultaneously with training and

qualification of national frameworks in this field, ensuring that the sustainable use of these resources is relevant from an economic, social and environmental point of view.

In fact, with the aim of promoting the growth of the blue economy, it is recommended, with the support of STP's development partners, the urgent elaboration of a strategy and the respective action plan, as well as the mobilization of the necessary resources for its implementation. Investments will be directed to strengthening resilience and development in sectors such as ocean, environment, fisheries, aquaculture, seafood value chain, maritime transport, sustainable tourism, water energy.

The strategy and action plan for the fisheries sector must be closely harmonized with the national smooth transition strategy to be developed and implemented within the framework of São Tomé and Príncipe's graduation process from the LDC category, scheduled for 2024.

Assuming that marine natural resources are indispensable in STP development approaches, it is proposed to reinforce the strategic role of fishing in the production, transformation and provision of animal protein to the São Tomé population, as well as a sustainable source of foreign exchange for the country, through the following measurements:

- Promote the controlled increase of fishing and its conservation to supply the population;
- Import and initiate production mechanisms for fishing materials and equipment for ensure its availability on the national market;
- Promote the creation and strengthening of the capacity of fishing cooperatives and other forms of organization that enable greater dynamism and development of the fishing sector;
- Create institutional and technical conditions aimed at collecting, processing, systematizing and disseminating reliable and timely statistical data and information on fisheries;
- Improve the continuous monitoring and inspection system for fishing activities of the Exclusive Economic Zone (EEZ) of the Country;
- Improve hygienic conditions in the handling, treatment and conservation of fish and, in this sense, guarantee laboratory conditions necessary for the examination, evaluation and quality certification of national fish, as a potential export product;
- Encourage the existing scientific community in São Tomé and Príncipe to develop scientific research into fishery resources with economic, social, institutional and fish marketing objectives, in partnership with their counterparts at regional and international levels;
- Improve legislation and institutions and adopt appropriate measures to promote responsible fishing;
- Intensely promote the empowerment of fishermen and fishery workers, assisting in the construction of small and medium-sized "AZ" fiber vessels, suitable onboard engines, fishing materials, conservation, processing and fish sales centers on the coast and in the interior of the country, with the aim of increasing the quality and added value of fishing products and ensuring acceptable quality, safety and hygiene standards.

4.2.2.2. Agriculture

Agriculture is a strategic sector for the economic development of São Tomé and Príncipe given that agricultural activity represents more than 70% of employment in the rural world and generates 80% of export revenue.

The strategic options recommended by the Government for agriculture propose transforming it into a sector that generates employment and income, brings prosperity and social recognition, respects and protects the environment.

The strategy also proposes a transformation of the sector in the sense of changing from a logic of subsistence to one of corporatization. Thus, competitive agriculture and agro-industry are created both in the local market and in niche regional and international markets, and which effectively contribute to strengthening the population's food and nutritional security, strengthening the country's export capacity and, therefore, consequently, greater balance of payments balance and better distribution of national income, mainly to the benefit of the poorest and most vulnerable.

From this perspective, it is important to highlight that the agricultural sector currently faces structural challenges that relate, in particular, to the need to increase productivity and diversify production to meet the growing demand for food, as the country has excellent soil conditions, rainfall, water and climate in general.

From this derives, on the one hand, the urgency to adopt and promote modern high-yield agricultural holdings and, concomitantly, the need to adapt to climate change, aiming to reinforce resilience and reduce risks.

Other important challenges consist of guaranteeing the quality of products and their certification; in the organization of producers to respond to effective and potential demand; in the circulation of products and competitiveness.

Achieving solutions to these challenges is perfectly aligned with the Sustainable Development Goals which, in particular, aim to end poverty in all its forms everywhere, eradicate hunger, achieve food security and improved nutrition and promote sustainable agriculture, in the 2030 horizon.

To overcome these challenges, the Government, within the framework of policy measures for the agricultural and rural sector, will prioritize the development of production systems, such as family units, production cooperatives and technologically modern, profitable and environmentally sustainable companies.

These are measures that imply the achievement of the following objectives:

- Promote the conservation and rational management of natural resources and biodiversity;
- Complete the IIIrd Agricultural and Livestock Census and implement a permanent and rigorous system of collection, processing, dissemination and provision of reliable and timely agricultural statistical information, essential for the monitoring and evaluation of national policies, respect for national and international commitments and the satisfaction of the needs of different users;
- Permanently train and train technicians and young agents involved in the agricultural and rural sector, with a view to using innovative technologies that make the most of infrastructures dedicated to professional training and qualification;
- Promote forest conservation , through sustainable management and valorization of eco-environmental, economic and socio-cultural services;
- Permanently monitor family farms and small and medium-sized companies;
prepare the rural registry¹⁹, agrarian planning and reorganization plan and develop hydraulic and irrigation services for agricultural land, including the construction of double dams, irrigation and mini-hydroelectric power generation plants;
- Promote new cultivation and irrigation techniques with the aim of improving production profitability and optimizing water resources;

¹⁹ Knowledge of the territory and identification of property limits and ownership is fundamental to the management and decision-making on public land, land use and urban planning policies.

- Safeguard **biodiversity**, particularly endangered species, as a natural heritage of humanity, with respective lasting social and economic promotion;
- Update the agricultural reference letter;
- **Livestock:** prioritize the creation of short-cycle species: intensive poultry farming, small ruminants on a contingent basis (massification of pens), pig farming and rabbit farming;
- Promote national actions to protect animal health and hygiene and veterinary conditions with an impact on public health;
- Develop guiding standards and provide the necessary technical support for the development of animal production and zootechnical improvement of livestock species;
- Support the agricultural and rural sector in basic research and applied research, in the provision of consultancy and advisory services, creating jobs, and promoting the capacity of the public and private sector for efficient management, through research and studies, training and new applied technologies;
- Reorganize the sector with a view to responding to the demands that the effects of climate change impose on us;
- Complete the process of decentralization of the public agricultural service and create conditions for regional delegations to fulfill the objectives for which they were established;
- Create mechanisms to make the sector attractive and motivating for young people and current employees, similar to what happens in other (more attractive) sectors.

Agricultural transformation: the valorization and aggregation of values of agricultural products, with emphasis on the production of cheeses and other milk derivatives, dried fruits, jams and sweets, liqueurs, brandy, tomato pulp, cocoa, coffee, pepper, vanilla for special niches, charcuterie and other processed products with added value.

To implement this strategy, the priority areas of action are the following:

Research and development aiming to invest heavily in teaching, production of more appropriate technological packages, favoring the introduction of improved species, the best production techniques and the fight against diseases and pests;

Rural extension aimed at the effective dissemination of technical and practical knowledge with the productive class, with a view to increasing the production and profitability of river basins (river rivers) as territorial assistance units with permanent extension technicians, implementation of mobile schools, contracting of private technical assistance and paid for results, communication programs for changes of attitudes and practices and for the dissemination of production techniques in all available technological formats;

Agricultural planning aiming at distributing crops, according to potential of the soils. To this end, the participatory elaboration and implementation of specific management plans, by river basins, with clear standards and incentives;

Agricultural credit, incentives and partnerships, reinforcement of credit policy with a view to speed, flexibility and adaptation of the system to the specificities of the agrarian sector; introduction of guarantee systems for projects with demonstrated viability; facilitating partnerships with external investors and those specialized in the field;

Resolving land issues: attribution of property ownership to farmers on land made available by the State, permanent technical assistance to producers in resolving conflicts and other land disputes;

Agricultural logistics and marketing assistance: promotion of logistics companies for the rental of agricultural equipment and implements, construction and management of post-harvest centers, technical assistance to producers and organization of product trade, aiming at product quality and price stability;

Assistance to the organization of the productive class: promotion of cooperatives and companies agricultural, through the production of necessary legislation, incubation projects and useful partnerships with the Chamber of Commerce, Industry, Agriculture and Services and other organizations;

Promotion of income-generating activities: financing and technical assistance specifically aimed at micro and small family and community projects, within the framework of the poverty reduction process (agricultural, livestock, processing and marketing of food products, charcoal production projects, etc.);

Gradual **deconcentration** of competencies for RAP and Districts, prioritizing territorial entities without delegations from the Ministry of Agriculture and Rural Development, through specific protocols;

Environment: environmental protection is no longer seen just as a cost for the society. This is one of the three dimensions that, together with the social and economic dimensions, underpins and guides the new paradigm of sustainable development.

Therefore, environmental impact studies will be required in the process for implementing any large project. In turn, environmental issues linked to the protection of ecosystems, coastal erosion, noise, sea and air pollution, issues associated with the protection of endemic species will deserve particular attention from the Government, in terms of regulation, monitoring and inspection.

The strategy aims to guarantee sustainability and environmental quality, promoting ecological citizenship and strengthening licensing systems and environmental audits and creating the conditions for shared responsibility in environmental governance.

Likewise, efforts will be made to preserve and enhance marine and terrestrial biodiversity, based on ecosystem services, to promote sectors of economic activity, namely tourism, agriculture, forestry and livestock, and implement Management and conservation plans for protected areas and species, contributing to the sustainable development of the country.

Water resources are crucial for development in the agricultural and livestock sector, environment and sanitation. Thus, the strategy aims to guarantee universal and balanced access to drinking water for all and to continue with reforms in the water and sanitation sector, with a view to environmental sustainability and quality, public health, the improvement of the population's socioeconomic conditions and the citizens' well-being;

Sanitation: promote adequate sanitation systems and environments that respond to demands of the modern world and provide a healthy and good quality environment for citizens, especially in terms of urban solid waste management, rainwater drainage and slope protection, sewage and wastewater treatment systems, among other actions .

4.2.2.3. Light Industry

The transformation strategy that the Government intends to implement with a view to boosting accelerated economic growth in the different sectors of the economy; promoting the diversification of the production base, increasing productivity and competitiveness of the economy; the change from the subsistence logic to the business logic, taking into account both the domestic market and the niches of regional and international markets, is mainly anchored in the country's cultural matrix, namely, in agriculture, livestock, fishing, culture, industries creative and light industry for export.

These measures and actions require the bringing together of various disciplines and specialties and the bringing together of the commitment of the most diverse State structures towards their implementation, since, upstream, it requires improvements through investments and measures, in the infrastructure, transport and , energy, telecommunications, education and

research, from professional training to research and new information technologies, including reducing bureaucracy.

To restructure the national industry, reinforcing its competitiveness and increasing the weight of the manufacturing industry in the national economy, the following measures will need to be carried out:

- Strengthen the country's competitiveness in attracting investment, namely through changing the tax benefits code, installing a speedy and credible judicial system;
- Increase and qualify the supplier network;
- Invest in the creation of products with international competitive capacity, differentiated products, with brand incorporation, perception of value, which allows the international sales price to be increased;
- Promote the image of São Tomé and Príncipe as a credible and safe country to do business business;
- Encourage, expand and reinforce the export capacity of the private sector and increase trade with regional and global markets, boosting the creation of the industrial value chain;
- Promote the creation of maritime and air links that are essential for the good operation of companies;
- Promote training and technical assistance to national industrial operators so that national companies can competitively integrate into the most accessible parts of global value chains, such as the supply of fresh fruit, vegetables, fish and technical services to tourist *resorts* ;
- Promote the financing of industries, given that industrial production requires adequate financing mechanisms for economic operation, incompatible with the deficient existing mechanisms;
- Promote institutional capacity-building regarding the reform of the operating environment of industrial companies, and taking into account the relationship with related policies; the development of the technical capabilities of public institutions in matters relating to the industry sector; and involvement of class representatives in existing dialogue and policy formulation spaces, as well as the formalization of the creation of an interinstitutional committee to develop the competitiveness of national industry;
- Promote the **ordering of industrial policy**, based on an in-depth sectoral diagnosis of the national industry;
- Promote the implementation of a reform plan for laws relevant and related to the industry sector in order to respond to the needs of the sector and national development.

4.2.2.4. Entrepreneurship and employability

The biggest obstacle to business and social entrepreneurship in the country is the difficulty in financing and training instruments for young entrepreneurs, coupled with the fragility or lack of appropriate public policies, namely the adoption of a package of specific incentives to boost the sector. Furthermore, the need to promote conditions that stimulate and develop an entrepreneurial attitude, particularly aimed at young people, stands out. This mentality is essential not only for those who want to set up a new business, but also for those who want to grow quickly in their professional career, that is, to have the courage to take risks and great responsibilities.

To overcome these constraints, it is proposed to implement the following policy measures:

- Promote employment and entrepreneurship aimed primarily at young people, women and people with disabilities;
- Encourage investment in new companies, through the creation of a system of tax incentives;
- Create the National Entrepreneurship Program (PNE), particularly aimed at young people;
- Promote the regulation of micro-finance law as an incentive for entrepreneurship;
- Boost the incubator network for the emergence of new companies and access to appropriate financing mechanisms;
- Create training programs for existing micro, small and medium-sized companies with potential for conquering internal and external markets;
- Create policies to encourage entrepreneurship at different levels of education, with special attention to professional training;
- Involve the São Tomé diaspora in the entrepreneurship development process young person in STP;
- Promote the inclusion of young national entrepreneurs in the Youth Union Entrepreneurs from the CPLP Business Confederation;
- Develop vocational education through vocational guidance for entrepreneurship;
- Promote cultural entrepreneurship, combining the creation, production and marketing of cultural goods and services.

4.2.2.5. Culture and Creative Industries

The privileged geographical location associated with the historical process of social formation of São Tomé and Príncipe, gave the country significant cultural diversity.

Cultural life, creativity and innovation must be preserved and developed, through coherent and efficient cultural policies, in harmony with the development of the region and districts of the country.

The country has a wide range of local creative resources, including symbolic heritage: heritage as a language in contemporary times when it focuses heavily on memory and identity, which need to be identified, mapped and valued with a view to strengthening creative forces in the country .

However, the impact of this sector on the national economy will only be felt if optimized within a structured strategy, such as a system to network or intertwine independent operating units.

With the aim of internationalizing national culture, the following measures are proposed to be implemented:

- Promote the mapping and inventory of creative and cultural products, with potential to be internationalized;
- Design a macro strategy, in order to have a guiding script for actions intended;
- Qualify the built heritage, so as to be a tourist and cultural attraction that enhances the country's development;
- Promote cultural tourism based on the valorization of material and immaterial heritage routes, in the promotion of products, goods and services *Made in São Tomé and Príncipe*;
- Promote the development of museum spaces, advancing the concepts of city/museum island;

- Promote the preservation and recovery of traditional festivals and pilgrimages, in the circuits of specific fairs and festivals;
- Guarantee tax benefits for the creative community, especially in the flow/distribution of their products;
- Enhance cultural products and services, as income-generating activities;
- Improve the quality of life of citizens through the enjoyment of social activities, cultural, artistic and recreational;
- Manage and disseminate artistic creations and cultural heritage, both internally and externally outside the country;
- Encourage the qualitative production of products intended for tourist consumption;
- Promote the creation of spaces for the dissemination and commercialization of cultural goods, products and services through the holding of fairs, forums and festivals, in all Districts and in the RAP, which requires measures that enable creators and creative entrepreneurs to participate in initiatives close to their production sites, reducing transport and participation costs;
- Invest heavily in the educational and training aspects, with the State's role being the inclusion of creativity in the educational system, the creation of training offers targeted to the needs and specificities of the sector;
- Encourage entrepreneurs to invest in constant improvement of techniques and practices, through training actions, using digital platforms to interact with other entrepreneurs, acquire knowledge, establish technical-commercial partnerships and promote the goods, products and services developed.

4.2.2.6. Strengthening PNDS Planning and Regionalization

Planning, in addition to being a privileged instrument for political and technical dialogue, and development management, also functions as a fundamental mechanism for the efficiency of the State and public administration; signaling economic opportunities; targeting State interventions; correction of distortions, dysfunctions and asymmetries.

Thus, through planning, there is the possibility of promoting better appropriation by development actors, at all levels, better social and institutional mobilization, better commitment and participation, and better governance.

São Tomé and Príncipe is a country with regional asymmetries resulting from its insularity, a circumstance that necessarily implies the creation of production units for basic goods and services in both São Tomé and Príncipe, which does not generate economies of scale.

Regional asymmetries result from public policies that did not prioritize mitigating the costs of insularity, having invested in polarization, and the fact that spatial planning has belatedly gained the deserved centrality within the scope of development policies.

Reducing inequalities and regional asymmetries is a matter of consensus among political decision-makers and constitutes an international commitment made by the country as a signatory of the Sustainable Development Goals, which defend and recommend that no one be left behind or left out.

In this context, it is necessary, on the one hand, to promote decentralization, strengthening the power, decision-making and institutional capacity of local authorities, aiming to value development and management potential, generating more economic, political and social opportunities at the level regional and district. On the other hand, a policy is needed that establishes a mechanism for convergence of all Districts and the RAP to a minimum level of

development, which implies the decision and implementation of a package of positive discrimination measures.

Furthermore, the public investment policies to be implemented in all Districts and in the RAP, especially aiming to improve the business environment in local authorities, will signal business opportunities and allow for due appropriation and better involvement of local authorities and other agents. development sites in the implementation of national development programs.

The creation of a Regional Development Society, constituted by the Government, RAP and Districts and the Private Sector, with the aim of promoting productive investment in these municipalities, with the aim of leveraging local socio-economic development could be a good solution.

The regionalization of the PNDS also represents a greater commitment by the Government and Regional and Local Authorities with the quality and transparency of public expenditure, with the expectation that financial decentralization will translate into more resources and better intervention by local authorities in promoting the economy local, in meeting social demand, through the General State Budget, the main instrument for implementing plans and managing development.

From this perspective, the **Sustainable Development Plan of the Autonomous Region of Príncipe: 'Príncipe 2030'** presents a roadmap for inclusive, sustainable and resilient island, in the 2030 horizon, updating and complementing previous regional development plans, current sectoral plans, and international frameworks, in particular, the 2030 Agenda and the Sustainable Development Goals (SDGs).

The National Sustainable Development Plan (PNDS) 2020-2024 will be its reference framework, its instrument of guidance, dialogue and consultation in the process of implementing the short and medium-term goals and objectives of Príncipe 2030 .

The vision of sustainable development for the island, within the 2030 time horizon, as well as the 10 objectives and goals that support this vision are perfectly framed and aligned with the PNDS vision for the future of São Tomé and Príncipe.

The conditions necessary to achieve the objectives in question, in the short and medium term, are safeguarded in the PNDS. In fact, the fact that the PNDS contains a subchapter entitled *Strengthening Planning and Regionalization of the PNDS* reflects and reinforces the nature of a planning instrument designed to federate, integrate, harmonize and complement all relevant national and international plans and processes, ongoing or in progress. implementation paths in the country.

With regard specifically to the concerns and goals of Príncipe 2030 regarding adequate institutional support, improving the connectivity of the island of Príncipe with São Tomé and the outside world, as well as the energy supply system, and the creation of a territorial registry, among others, the implementation of the PNDS will contribute to the integration of the national market, through improving accessibility on islands and inter-islands; improving the impact of tourism on family income; access to information and knowledge; and strengthening the fight against economic, social and digital exclusion.

Thus, the commitment to territorialization will certainly mark the Government, due to its approach focused on results, the valorization of islands and endogenous resources, the promotion of the integration of island economies and the focus of public interventions on reducing inequalities and inclusive economic growth .

4.2.2.7. Business environment

The reform of the business environment aims to provide companies with the conditions suitable for the free development of their activities, which does not mean the absence of

rules. However, these must be clear, fair, limited to what is strictly necessary, and applied in a transparent and effective manner, and must not constitute unnecessary obstacles to the creation of wealth by companies.

However, it is not enough to have clear rules, incentives and a favorable vision for business action. State institutions must be imbued with this philosophy and be designed, structured, organized and qualified to put this vision into practice and provide companies and entrepreneurs with the appropriate conditions for their development.

Therefore, the Government encourages business action in the conviction that social development and the improvement of citizens' living conditions depend greatly on the ability of companies to create wealth, regardless of their size and sphere of intervention.

Furthermore, the creation of a favorable business environment cannot be limited solely to the action of state institutions and the elimination of institutional restrictions. It is also necessary to change the public's perception of business activity; intervene, mainly, on the prevalence of negative feelings in relation to entrepreneurship, promoting its sociocultural acceptance.

Therefore, the consistent improvement of the business environment, intended by the Government, and reflected in its Program, cannot be limited to the ease of doing business, but must encompass the entire institutional and cultural environment that especially involves small and medium-sized companies, with particular emphasis on the reform of public administration and the financing of the economy.

In the second chapter of the PNDS, the importance of economic reforms was highlighted, namely the pressing need to substantially improve the business environment, a fundamental condition for attracting FDI, accelerating economic growth, generating new jobs and more income, especially for young people and women.

However, it is pointed out that one of the obstacles to the process of achieving this goal is the low level of the business environment in the country. The position of São Tomé and Príncipe in the ease of doing business (EDB) indicator has been deteriorating in recent years. In the last four years, *Doing Business 2016* (measuring quality and regulatory efficiency) ranked STP in 160th, a ranking that continued to decline in *Doing Business 2018*, (reform to generate employment) to 169th and in *Doing Business 2019* to 170th, a value that remained unchanged in *Doing Business 2020*.

In view of the situation mentioned above, the Government is determined to do everything to improve the business environment in STP, mainly with regard to the ability to enforce contracts, resolve insolvencies, carry out property registrations, obtain credits and protection of small investments.

To achieve this goal, the importance of the success of reforms underway or about to be implemented in the spheres of public administration and justice is highlighted as conducive conditions for the establishment and development of a good business climate, attraction and retention of FDI, development and strengthening of national business.

Good Governance: to transform São Tomé and Príncipe into a credible, attractive country highly competitive, assertive actions are proposed aimed at strengthening the following areas:

- Democracy and freedom of expression;
- Political stability, absence of violence and prevention of terrorism;
- Ensure government effectiveness;
- Promote a general regulatory system;
- Rule of Law, with emphasis on the role and respect for the Law,
- Strict control of corruption.

From this perspective, it is proposed as a goal, within the horizon of implementing the PNDS, to ensure that the STP classification for each good governance indicator in the *Ibrahim* index of African governance is equal to or greater than 80.

Table 7: General classification of governance in Africa 2018

Rating 1 2	Country	Score (out of 100)
	Mauritius	79,5
	Seicheles	73,2
3	Cape Verde	71,1
4	Enough	68,1
5	Rwanda	64,3
6	Sao Tome and Principe	59,2
7	Morocco	58,4

Source: own elaboration, from *Ibrahim Index of African Governance*

Economic freedom

To reinforce confidence and make the country competitive, particularly with regard to attracting FDI and the construction of the six Service Areas (Platforms) to transform STP into a dynamic economy in the Gulf of Guinea, the objective is to improve the following variables , which constitute indicators of economic freedom:

- Protection of property rights;
- Efficiency of Justice;
- Government integrity and fiscal health;
- Freedom to conduct business;
- Freedom of trade and freedom to carry out financial transactions;
- Labor law.

The goal, within the horizon of the PNDS, is to make STP transition from a country predominantly not free for a moderately free country, that is, with a coefficient equal to or greater than 60.

Table 8 Economic freedom index 2019

ECONOMIC FREEDOM INDEX 2019					
Country	Rank	Free (100- Mostly Moderately free (79.9-70 80)		book (69.9-60)	Most _ no book (59.9-50)
Singapore a	2	89,4			
Mauritius s	25		73,0		
Cyprus	44			68,1	
Cable Green	73			63,1	
Seicheles	87			61,4	
São Tomé 134 It is					54,0
Prince					

Source: own elaboration, from *The Heritage Foundation*

Doing Business

The level of productivity in the Santomean economy is clearly unsatisfactory. The country has not been able to stimulate, in recent decades, a process of productivity growth that can be considered sustainable or significant. This fragility of economic performance in terms of productivity is not an isolated phenomenon, it is a common reality across the public and private sectors and, in the private sphere, among the different companies and organizations that operate there.

The objective of economic policy is to generate a sustainable growth process capable of taking the country to a new level of development in the medium and long term. To achieve this goal, it is necessary to create an environment that allows for a transversal increase in the levels of productivity observed in the country. This process fundamentally involves simplifying and adapting the business environment, which conditions and regulates the actions of entrepreneurs, especially micro, small and medium-sized companies.

To boost and democratize its production structure, the country must create conditions so that any individual interested in creating or developing their business, regardless of size and resources, has at their disposal the necessary structure to undertake. The *Doing Business* report presents three types of relevant information: the list of reforms implemented, a measure of distance to the border (aggregated and for each indicator) and the country's position, its ranking in ease of doing business.

Therefore, the report plays the important role of highlighting the bottlenecks and inadequacies of the country's business environment, also constituting an assessment and diagnosis tool. Improvements in performance in a given edition of the report can be interpreted as an indication that policies and reforms implemented in the period had concrete effects and created more favorable conditions for entrepreneurship.

Graph 15: Ranking of São Tomé and Príncipe in the business environment in 2019



Fonte: Boston Consulting Group

Therefore, *Doing Business* (DB) focuses its attention on the impact of government policies on the daily lives of small and medium-sized national companies, on the assumption that efficient, transparent and effectively implemented regulation favors the expansion of economic activities and facilitates the initiative of those who want to enter the market and implement their business ideas.

It is noted that very important areas for the business environment, such as macroeconomic stability, the performance of the financial system, fiscal and monetary policies, among others, are not covered by doing business.

It is important to note that, from 2016 to 2020, in terms of ease of doing business, the STP classification has regressed continuously, from position 160th in 2016 to position 170th in 2019 and 2020. The indicators with the greatest difficulties are, as mentioned above, those relating to the ability to enforce contracts, resolve insolvencies, register property, obtain credit and protect minority investors and obtain electricity.

The distance to the frontier (DTF)20 is the strategic variable, which measures performance of the country and which serves to establish the classification of the ease of doing business and which has been deteriorating in recent years. To reverse this situation, it is necessary to act on each of the 41 indicators that, grouped by areas/topics, determine the overall DTF score (simple arithmetic average of the DTF for each indicator), and whose relative weight is identical.

20This measure ranges from 0 to 100. Zero represents the worst possible performance and 100 represents the best practice international or border. This unique measurement, called *distance to the border*, is used in the elaboration of a classification (*ranking*) that aims to reflect the relative positioning of the analyzed countries in terms of ease of doing business, the ease of doing business classification.

Some areas of intervention are priorities because the actions carried out this year, for example, will only have an impact on the performance of DB 202421, particularly the resolution case of insolvencies.

Other areas are important because the distance in relation to the reference country is very large and it is important to reduce it to achieve the desired parity (e.g. obtaining credit or protecting minority investors)

In any case, and regardless of the desired parity, any improvement, in any indicator, has a direct favorable impact on the global DTF score, which determines the country's positioning in the ease of doing business, since the global DTF is the result of a simple average of the scores of all 41 indicators.

The path to a notable increase in the overall DTF score and ease of Doing business necessarily involves combined actions in several indicators.

The greater the progress, in the largest possible number of indicators, the better the score and, tending, the final classification.

Some areas require profound reforms. The most paradigmatic example is the topic of insolvency resolution, mentioned above, whose need for a favorable business environment is more than evident.

A fundamental premise of *Doing Business* is that economic activity requires stronger rules: rules that establish and clarify property rights and reduce the cost of resolving disputes; rules that increase the predictability of economic interactions and offer legal certainty and protection against abuse to contracting parties.

The objective is for regulations to be efficient, accessible to everyone and easy to implement. In some areas, *Doing Business* assigns higher scores to regulations that provide greater protection for investor rights, for example, by providing for more stringent disclosure requirements in relation to transactions between parties.

4.2.2.8. Public Finance and Fiscal Policy

The challenge of transforming S. Tomé and Príncipe into a prosperous, more inclusive society, with high employment rates where well-being is, in fact, a reality, cannot be achieved without financing and without a true stimulus to entrepreneurship ensured by the promotion of knowledge and innovation, accompanied by improved family income. Therefore, the biggest challenge in this sector is to generate incentives for the economy, find and manage sustainable resources in a careful and transparent manner, whether internal or external, to finance public projects that boost the economy, whilst respecting the macroeconomic balance. Therefore, it is proposed to implement the following measures and policies:

Macroeconomic stability

The Government will promote budgetary consolidation to improve the fiscal position and reduce public debt, which must be accompanied by a sustainable level of inflation (in line with the euro zone's nominal convergence indicators associated with exchange rate parity) capable of promoting development of the Country. Maintaining the exchange rate regime that the Country opted for in 2009, monetary policy must adapt to the exchange rate anchor and the Central Bank of São Tomé and Príncipe, with the autonomy granted to it, must ensure its compliance.

BCSTP must adapt to new payment methods driven by new technologies. Likewise, the financial system must be kept healthy, an essential factor for

21Best performance and worst performance are established every five years based on data from *Doing Business* from the year they were established and remain at that level for five years, regardless of any change in data in the intervening years.

economic growth, boosting savings and greater confidence among economic agents.

Modernization and tax competitiveness

The constant concern that permeates the current Executive's tax reform proposal is the challenge of having a simple, modern, fair and efficient tax system, competitive on a global scale (promoting FDI).

With a view to placing the country at a high level of fiscal competitiveness, it is proposed to carry out a study aimed at the exhaustive survey and analysis of the main constraints that prevail in Santomean's fiscal competitiveness, allowing, in a strategic approach, to outline actions in legislative terms, organizational and services provided: tax and customs, based on best international practices and adapted to the country's reality.

The Government's strategy projects a computerized and integrated approach to tax administration suitable for the development model based on service provision. The aim is to have a modern tax administration system, the implementation of which will take place throughout the PNDS implementation period.

This aim also falls within the scope of the zero paper commitment and aims to facilitate the expansion of the tax base, reduce the volume of back taxes, improve audits, lighten the tax burden and improve taxpayer satisfaction, through the following measures:

- Promote, in the first year of implementation of the PNDS, throughout 2020, the creation of the tax authority, organization and computerization of a central collection, storage and processing of accounting data from companies and other taxpayers to facilitate compliance with their reporting obligations of a fiscal nature. The reference center will be connected with other institutions to facilitate the identification of new taxpayers as well as income flows;
- Approve the status of the emigrant investor;
- Implement, by 2021, a tax payment system via electronic financial services (*Internet Banking*, and others);
- Introduce, in 2022, the electronic submission (online) of tax declarations by collective entities through the central office, via the internet, as well as the electronic submission of declarations by natural persons;
- Implement, by 2024, integrated into the previous system, personalized email boxes for each taxpayer; notification followed by automatic crediting of tax deductions (tax credit); creation of financial incentives for taxpayers with good performance, based on a system of performance indicators. The automation of tax administration procedures will make it possible to reduce errors to a minimum;
- Implement, in the same period, a mechanism to reduce tax dispersion, with the consequent reduction of tax burdens on legal entities and unification of taxes on individuals. At this stage, the possibility of creating additional incentives for job-creating investments will be addressed, including the creation of a Special Economic Zone (ZEE).
- Promoting system consolidation will be the object of the final stage.

Improving the quality of budget expenditure

The Government will review and better redirect public expenditure. To this end, it intends implement the following policy measures:

- Improve, during the implementation of the PNDS, the disposable income of public and private workers who earn a salary of up to 1000 Dobras, through the reduction and/or elimination of part of the tax impositions that currently fall on them, thus stimulating domestic demand;
- Improve, in the same period and in a phased manner, the salary conditions of public servants, based on the implementation of professional careers that reward competence and performance;
- Promote the signing of an agreement, involving entities representing the business sector and public administration workers, the private sector and others, aiming to improve and establish a national minimum wage for everyone, regardless of the field of activity;
- Create, within the scope of the public investment program (PIP), the entrepreneurial minds incubator program (PIME), encouraging young people who are underutilized in public administration and young people who are unemployed or looking for their first job, to compete with their ideas for the creation of *startups* and other forms of modern entrepreneurship that generate foreign exchange. This measure is justified by the fact that, in recent years, the country has accumulated a lot of internal debt, which has contributed to the bankruptcy of companies and an increase in unemployment. The Government will list them, determine their legality and design a plan for their amortization and/or elimination, using various instruments including transforming them into treasury bonds. On the other hand, the Government will release the OGE of structurally deficient public companies due to the burden they represent;
- Provide São Tomé and Príncipe with a national smooth transition strategy, within the framework of the process of graduating from the category of least developed countries, aiming to ensure the improvement and consolidation of the country's progress, namely, in the criteria gross national product per capita (*GNP*), economic vulnerability index (IVE) and human assets index (AHI);
- Make efforts so that, in accordance with the recommendations of GA resolution 67/221 on smooth transition, STP development partners consider *GNP per capita*, IVE and HDI indicators as part of their criteria for allocating official assistance to development;
- Improve the procedures for budget execution, given that those currently in force are inadequate for a good quality of public expenditure. This improvement will be achieved through improvements in legislation and standards, focusing on reducing bureaucracy, accountability, and a computerized and integrated approach to the State's financial administration, in line with the zero-paper principle.

Financing the economy

São Tomé and Príncipe faces a high level of public debt, which makes it difficult for the country to access new financing, with external resources, due to the worsening of sovereign risk. This calls into question new investments aimed at relaunching the growth and development of the economy.

Therefore, it is urgent to define and implement a new strategy for financing the economy. The window of opportunities that concessional financing

represents has an obvious time limit, which will force the Government to seek financing at market prices.

Given this fact, for the Santomean economy to have consistent and sustainable growth, the Government must look for alternative forms and sources of financing, since both the public and private sectors need to have at their disposal various financing instruments and mechanisms aimed at investment promotion.

Despite the financing of the economy being more sustained, based mainly on internal sources, structurally, STP is a country that is unable to cover its investments by channeling internal savings, i.e., internal resources have been insufficient for investment needs of the economy.

The creation of a capital market (reducing pressure on bank credit) and/or new financing instruments (*crowdfunding*²²) as well as organization and dynamization Micro-finance is called upon to play a role of enormous importance.

Alternative sources of financing for the economy

In the coming years, the Government has the challenge of significantly reducing its dependence on debt to finance public expenditure, one of which is the restructuring of tax administration, in order to increase efficiency and effectiveness, in order to be able to collect more domestic revenue, without increasing the tax burden on taxpayers. Still, work needs to be done to increase the formalization of the economy and reduce tax fraud and evasion.

Privatizations and concessions are instruments that allow the State to introduce new dynamics into its economy, through the creation of new business and investment opportunities for the private sector, thus leveraging key sectors, while also enabling risk reduction. fiscal and budgetary that certain public companies represent.

In this sense, it is proposed to adopt an agenda of privatizations, concessions and public-private partnerships within the scope of economic reform, which will imply a change in the role of the State, as an economic agent. In addition to constituting an important source of fundraising for the State, it enables the creation of conditions for the empowerment of the private sector and the consolidation of the openness and competitiveness of the country's economy, with new investment opportunities in several key sectors.

Without productive investment, there is no sustainable economic growth and without financing for companies, there are no conditions for them to prosper. And without prosperous and expanding companies, there will be no job creation.

One of the points of the economy's financing strategy therefore involves promoting improved conditions of access to financing for productive activity and a strong program to attract Foreign Direct Investment (FDI), which has been one of the most important sources of financing for the economy. global economy.

Therefore, the new dynamic for the sustainable development of the national economy must also be guaranteed by greater participation of the private sector in promoting the economy. In this sense, the role of the State is fundamentally focused on improving conditions to facilitate private investments, whether national or external, thus increasing the competitiveness of the economy.

²² Collaborative (collective) financing of an entity, a project or an initiative, through the raising of monetary contributions from several individual investors, typically carried out via the internet and social networks.

Reform of the state business sector

The State's business sector is a powerful instrument for implementing public policies, but it cannot continue to pose budgetary and fiscal risks, and the State, in turn, must avoid intervening in sectors in which the private sector can, with greater efficiency, provide goods and services to the economy and society.

Therefore, a profound reform in the State's business sector is proposed, covering the reinforcement of follow-up and monitoring, privatizations and management restructuring, through public-private partnerships. In this framework, public managers appointed by the State begin to comply with the law and, mainly, the mandates assigned to them and achieve the performance levels established in the management contracts.

The change in the way in which the State exercises its role as shareholder, with greater proximity, permanent monitoring and monitoring of levels of achievement of goals, will induce an effective change in the performance of companies and State holdings, with new forms of governance, based on rigor and accountability. Through this reform, the State will be giving space for greater intervention by the private sector in key sectors of the economy, envisaging greater efficiency and a culture of competitiveness and private investment.

Micro-Finance

The Government will promote access for all to financial services as a privileged instrument for combating poverty, aiming to empower the disadvantaged, through the creation of organized/ formal jobs, eliminating restrictions that lead to financial exclusion. In this particular case, the clear bet should be on micro-finance supported by *fintech*²³

To this end, in close collaboration with other development actors in the national economy, a national financial inclusion strategy will be developed in 2020, and implemented from 2021.

4.2.2.9. Infrastructure, Transition, Energy Efficiency and Water

Recognizing the important and decisive role that infrastructure plays in the process of inclusive and sustained development of any country, constituting an essential asset, without which the production sectors, namely the primary, secondary and tertiary, would not find their support base to leverage the economic, social and environmental development.

Under this assumption, the Government's main intervention measures in the infrastructure sector are the following:

- Promote and consolidate an adequate system of basic infrastructures essential to the necessary development and modernization of the Santomean economy;
- Promote, in partnership with the private sector, the construction of safe, efficient and sustainable infrastructures with the potential to make productive investments more profitable, consequently increasing the systemic competitiveness of the economy, or

²³ The term *fintech* (from English: *finance and technology*) emerged from the union of the words *financial* (financial) and *technology* (technology). *Fintechs* are mostly *startups* (start-up companies) that work to innovate and optimize financial system services, with much lower operational costs compared to traditional institutions in the sector, using technologies that increase process efficiency and make the services offered cheaper. For example, being connected to the internet via your cell phone, you can carry out all the necessary financial transactions. It means that the application of this technology has greatly facilitated the population's access to financial and banking services.

be it improving the conditions of transport, communication, energy supply, water and sanitation on a global basis, in addition to promoting multiplier and dynamizing effects on the economy;

Within the scope of strategic planning for the sector, based on the identification and inventory of the country's real needs in terms of infrastructure essential for the development and modernization of the economy of São Tomé, it is proposed to carry out the following projects:

- Construction of dockable ports and marinas on the islands of São Tomé and Príncipe;
- Extension and modernization of São Tomé international airport;
- Reinforcement of the domestic air interconnection network between São Tomé and Príncipe and between Country and the Central African subregion and Gulf of Guinea;
- Transport and communication networks, including maritime transport of people and merchant shipping;
- Water and energy treatment and supply system.

Infrastructure and transport

The importance of road infrastructure is increasingly relevant in the development of the economy. Having good roads reduces the cost of transport and the final price of products, making them more accessible to consumers and more competitive for competitors. Furthermore, they allow each region to specialize in the economic activities for which it has the greatest vocation (agriculture, livestock, services, etc.), generating gains in productivity and quality for the entire economy. It should also be noted that reducing travel time between cities and/or settlements makes it possible to increase economic and social ties, the universe of consumer choice and competition between companies.

On the other hand, investments in road infrastructure, particularly roads, can also have an important impact on reducing poverty and improving the quality of life of the lower-income population.

Today, national, regional and district roads total a length of 1,100 km, 859 of which are rural and 233 are paved, as a result of the implementation, in recent years, of rehabilitation and modernization programs for a significant part of the national road network.

However, all these advantages of investing in roads can be lost if the investments are poorly made, if the costs are overpriced, if the material used in the works is of poor quality, if the built infrastructure is not subject to periodic maintenance. Thus, one of the priorities for the transport and road infrastructure sector was defined as the development of adequate infrastructure and means of transport to guarantee safety, efficiency and quality in the movement of people and goods.

The development of an integrated, safe road network that guarantees a good level of road service, as well as safety and comfort in the movement of people and goods, constitutes a relevant factor in reducing the distance to each District, reducing the pressure for urban concentration in cities and improvement in the distribution of productive activity, public services and income across different locations, thus contributing to national wealth, the balance of payments, employment and national mobility.

From this perspective, the Roads Institute, an institution created to manage, operate and conserve road infrastructures, has an important role in helping to materialize the aforementioned aim, ensuring that public investments in roads realize their full beneficial potential for the population, intervening in its role as manager and road authority, planning and monitoring investments.

From this perspective, the strategic lines for the transport and road infrastructure sector include the implementation of the following measures:

- Promote and ensure conservation, exploration and development planning the national road network;
 - Ensure the protection of road infrastructures and their functionality, particularly with regard to the occupation of surrounding areas;
 - Keep the record of physical characteristics and health status diagnosis up to date conservation of national road heritage;
 - Increase the percentage of the road network covered by road maintenance;
 - Have other forms of financing for the maintenance of the national road network;
 - Have other forms of financing for emergency works;
 - Ensure the implementation of the road infrastructure policy, from an integrated perspective of spatial planning and economic development;
 - Define and promote, in conjunction with all interested entities, the regulatory standards applicable to the sector and the performance levels of the road network, ensuring its quality, in terms of circulation, safety, comfort and safeguarding heritage and environmental values;
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- Contribute to the articulation between the road network and other modes of transport;
 - Promote the development of knowledge and studies that contribute to the technological and economic progress in the road sector;
 - Promote the expropriation of properties and the rights essential to the conservation and exploitation of the road network;
 - Ensure the participation and collaboration of national and international institutions, as well as as institutions of central and local administration;
 - Define and establish priorities in terms of construction and execution of works;
 - Improve efficiency in the management of public works, avoiding excessive work and improving supervision;
 - Support the Districts and RAP in conservation, planning the development of respective road networks;
 - Continue the process of unblocking locations;
 - Develop and approve a strategic transport and infrastructure plan, after broad public consultation, mandatory opinion from national, regional and district entities;
 - Adopt the public-private partnership modality to finance major works;
 - Publicly discuss all public works;
 - Promote the national civil construction sector, due to the impact it has on employment, as well as the internationalization competitiveness of civil construction companies.

The implementation of these measures will allow compliance with the regulatory standards applicable to the road sector and the performance levels of the road network, ensuring its quality, in terms of circulation, safety, comfort and safeguarding heritage and environmental values. Likewise, it could translate into important gains and advances in resource management, greater capacity to respond to intervention needs and permanent control of results, improvement in the quality of services to citizens, etc.

The PNDS also proposes, for the transport sector, the construction of an integrated, competitive and safe transport system, with a relevant contribution to national wealth, the balance of payments, employment and national and international mobility.

With regard to maritime and air transport systems for cargo and passengers, it is proposed to guarantee the unification of the national market, its integration into the regional and international market, supported, above all, by the development of infrastructures and services in the Maritime and Air Sectors. In this context, infrastructures and means of transport must

be an integral part of the transport process, also guaranteeing safety, efficiency and quality in the movement of people and goods.

This strategic condition requires a profound restructuring of the sector, which includes strengthening the institutional organization and strong participation of the private sector; the creation of public service obligations in air, sea, urban and interurban road transport.

From this perspective, the public transport service concession regime will be prioritized, requiring the establishment of efficient and affordable regular lines between the two islands; the privatization of port and airport services; and the development and modernization of ship repair services.

Therefore, it is essential to develop an integrated strategic plan for transport and intermodality.

The geostrategic position of STP, at the crossroads of the routes with the greatest international shipping traffic in the central Atlantic, gives the country the privileged opportunity to become an important hub for the transshipment of goods, both for the central African region and for the logistical interests of the maritime operators, as well as an important qualified shipping fuel supply service (*bunkering*). Therefore, these must be two of the main pillars of sustainability in the Maritime Sector, which will also be a strong driver of the development of the potential of ship repair in STP.

In the field of maritime transport, for the Sector to be successful, it is crucial that STP fulfills its commitments, as a coastal, flag and port State, within a framework of sectoral sustainability. This will be achieved through work involving the participation of all sectoral *stakeholders*, with the creation, regulation and operationalization of the autonomous fund security and development of maritime transport and the creation of the maritime security tax.

In terms of air transport, the country's geostrategic location generates favorable conditions and positive synergies for the success, implementation and development of the air traffic distribution services sector, generating more income and more jobs, improving the competitiveness of the transport value chain and business tourism.

With this vision, and within the scope of the reorganization of the management of the national airline - *STP Airways*, the Government must implement a process of restructuring the company that include the financial stabilization plan and its privatization. In addition to an efficient airline, it is essential to improve the quality of the visitor experience at entry and exit, with an efficient border service. It is extremely important to work on the operational efficiency of the airport and ensure that the aircraft ground handling company is also efficient.

Within this context and with a focus on increasing competitiveness, each airport must be established as a business center, through a concession contract, thus allowing the sub-concession of activities with private management. In defining a model for the promotion and diversification of businesses associated with the airline sector, it is considered necessary to promote the *Low Cost* air transport policy; the promotion of the air cargo transport business; the implementation of an aviation marketing and promotional events strategy; as well as promoting the modernization of regulation and regulation of the airline sector.

These challenges are expected to include: the dynamization and increase in air traffic, the opening of new destinations for tourism and commerce, which will not only be profitable with local demand, but also with transfer traffic; the use of the fleet to develop new destinations and feed the tourism sector; the construction of the air transport sector open to companies with good performance; with an excellent airport product; and generating new qualified employment opportunities.

Transition and energy efficiency

The spread of inanimate forms of energy was vital to the accelerated development of the modern world. Industry, which is technically and economically at the essence of this world, is completely dependent on techniques for extracting energy from nature. The development of these techniques or the lack thereof has fundamentally determined the fate of countries in the modern world. Those who were able to develop and exploit them led the industrialization process. On the other hand, those that did not invest in the energy sector became countries that were technologically outdated, thus damaging their entire social life.

In modern times, these changes enabled increased productivity and the emergence and integration of new products of higher quality and lower prices into the market. These innovations covered the entire economy, from agriculture to finance, including international trade.

In the Santomean context, the production of electrical energy is fundamentally thermal, with hydroelectric production being only residual, with a historical record of around 10%. On the other hand, thermal production reached, at the end of 2018, the approximate value of 11,000 kW, 100% thermal, with an average demand of 16,000 kW, with a peak of up to 20,000 kW.

The current accumulated power (thermal and hydraulic) installed in São Tomé and Príncipe is approximately 29,000 kW, whose production involves obsolete and inefficient equipment located mainly in the São Tomé thermal power plant.

The energy sector is characterized by a weak production capacity, always below demand; poor energy stability, a situation made worse by the operating conditions of the EMAE Company and the chronic deficit in internal capabilities to maintain and recover generators.

The Government's policy for the energy sector has as one of its priorities the laying of foundations aimed at the sustainable and clean electrification of the country, with a view to building an efficient, resilient, safe and accessible energy system, essential to accelerated economic growth and the sustainable and inclusive development of the country. This policy includes the rational and efficient exploration and management of water resources and other sources of clean energy production.

In fact, it is necessary and urgent to carry out technical and economic feasibility studies on the different potentialities of clean energy sources and to update existing studies, aiming to move, in a timely manner, to the preparation and execution phase of energy projects. production of hydroelectricity and photovoltaic systems as alternatives and priorities in the country's energy policy.

More specifically, the Government refers to a study carried out in São Tomé and Príncipe, according to which, for each megawatt of energy produced, in a sustainable way, the State will save 500 thousand euros per year. Therefore, it is necessary to begin a process of changing the national energy matrix, as a way of reducing the external debt resulting from bottlenecks in this sector, which appears to be vital for the economy, using clean, self-sustainable and renewable energy. such as solar and wind energy.

Therefore, the focus will be on carrying out the following policy measures:

- Promote and lead the energy transition in STP, which will allow the country to catch up in this area, ensuring the migration of thermal energy to renewable energy, guaranteeing its progressive decarbonization;
- Clearly invest in renewable energy in both water and wind, without losing sight of solar energy, thus taking advantage of the reduction in the price of photovoltaic technology, whether on an *on* or *offshore platform*;
- Recognize that STP, due to its soil and climate characteristics, has potential to be explored in the field of microgeneration, closely associated with solar energy, and should be enhanced and

encouraged to support local energy generation by both companies and citizens and/or public entities;

- Promote, in coordination and partnership with local authorities, national energy autonomy and encourage energy efficiency in homes, buildings and other equipment, public and private, commercial and industrial; raise awareness and support communities in their initiatives aimed at optimizing energy use and generating individual and collective savings;
- Regulate so that photovoltaic technology and other technologies suitable for energy savings and efficiency are incorporated into public and private real estate infrastructure projects;
- Grant easy access to credit to farmers for the installation of solar systems and other systems that are most suitable on their properties and homes for lighting, irrigation, production and transformation of products and provision of services;
- Adopt an adequate regulatory system for the sector aimed at the effective implementation of energy efficiency rules, including the process of inspection of electrical equipment in accordance with good international practices, since the country has been invaded by low-quality electrical equipment. quality that, in addition to using more energy due to heating, ends up exploding and causing fires, as is the case with many electrical cables sold on the national market.

Energy

The process of sustainable and inclusive development of STP has been facing a major constraint, due to the large deficit in electrical energy needed by the various socio-economic and environmental development initiatives, despite the hydroelectric potential and marine resources constituting one of the greatest natural riches of the region. Country.

The good performance of the energy sector is of vital importance to guarantee the sustainable development of São Tomé and Príncipe. Strategic guidelines for the sector must choose energy security, price stability and reducing energy bills as central concerns, in accordance with objective 7 of the SDGs, whose proposal is to ensure universal access to reliable, sustainable, modern energy and at an affordable price for everyone.

However, despite important investments already made and the existence of a great potential for renewable resources, the challenge of sustainability in the energy sector has not yet been achieved. The country depends on imported fossil fuels to satisfy more than 80% of its energy needs and fluctuations in oil prices directly impact the economy.

Furthermore, the sector continues to struggle with the problem of high levels of losses in the distribution and sale of electricity; poor operational performance of the Water and Electricity Company (EMAE); high energy costs, causing a substantial burden on the expenses of companies and families.

However, in terms of the evolution of access to electricity, STP has made important progress, with an estimated coverage rate of 80%. The remaining 20% includes, for the most part, the most disadvantaged social strata and the population in remote areas, who continue to be excluded from the system. One of the goals of SDG 7 is to achieve 100% access by 2030, at a global level and São Tomé and Príncipe intends to achieve this objective within the horizon of implementing the PNDS, that is, by 2024.

At the institutional level, regulatory overlaps and gaps, the lack of sectoral articulation and centralized information, institutional weaknesses and the regulatory and regulation deficit constitute important barriers to overcome.

It is noteworthy that STP is also strongly committed to the global agenda on climate change, having already submitted the INDC and ratified the Paris Agreement in Parliament, with the long-term strategy of transitioning to a safe, efficient and sustainable energy sector, reducing dependence on fossil fuels and ensuring universal access and energy security. However, decisive actions must be taken to move from the studies and “roadmaps” phase to tangible results on the ground.

It is in this context that the PNDS recommends the elaboration of a national program for energy sustainability, with the main axes of intervention: institutional strengthening; improving the business environment; the reform of the organizational structure of the energy market; investment in strategic infrastructures; the development of renewable energies; and the promotion of energy efficiency.

This strategy results from the Government's vision of building a partner, regulatory, visionary, supplementary State with the capacity to authorize and promote private initiative and a new administration, aligned with economic and social development, guaranteeing environmental sustainability.

Therefore, to give a new impetus in this direction, the PNDS recommends the creation of an Institute of Energy and Industry, as an autonomous entity or a body that is part of the General Regulatory Authority (AGER), to act in the areas of technical regulation, planning, research, policy formulation and promotion of innovation in the energy and industrial sectors. Special attention needs to be given to improving the energy sector planning, monitoring and evaluation system, developing and adapting the legal and regulatory framework and strengthening regulation.

With the reform of the sector's industrial organization structure and the elimination of barriers to private initiative, the State assumes, in the new model, the role of promoter, promoter and regulator of a sustainable, innovative and efficient energy production and supply market, creating the conditions for private investment to replace public investment. However, the State does not abdicate its role as coordinator of the development of infrastructures (physical, S,T&I²⁴ and social), continuing, in synergy with the sectoral strategy, to investing in strategic infrastructures, aiming to guarantee the resilience of the system, promoting the integration of renewable energies and promoting research, innovation and technological development.

Taking advantage of the great potential of endogenous renewable resources, particularly in terms of water, wind and solar, is assumed as an instrument for reducing the cost of electricity and water, increasing energy security and competitiveness and the diversity of the national economy. The Program must advocate the use, as far as technically and economically possible, of renewable and clean energy, with a focus on the use of hydropower, on a large scale, up to the maximum limit of the penetration rate; from photovoltaic solar energy to centralized production and distributed generation; and solar thermal energy for water heating, without neglecting the concern of ensuring affordable prices for consumers and the productive sector.

Another goal of the Government is to explore the potential of the services sector linked to renewable energy as a generator of jobs, both internally and from an export perspective, particularly to ECCAS countries. The great challenge will be to be able to direct the available resources to unlock this potential, given a wide variety of choices in terms of technological options, in order to maximize the multiplier effect for the economy.

²⁴Science, technology and innovation (S,T&I).

The focus on energy efficiency is also a critical factor for economic competitiveness and the diversification of industrial activity, particularly light export industry and the creation of service provision skills at a regional and international level.

The current situation in which Angola²⁵, the country's only fuel supplier, has reduced in 1/3 of its supply to STP, it is conducive (an opportunity) to a rapid change of strategy and mentality in the country regarding the best political options for the national energy sector.

Spatial planning and urbanization

The territory is one of the main strategic assets that São Tomé and Príncipe absolutely possesses, which is why the country must scrupulously make the best possible use of the potential that its islands and islets offer it.

From this perspective, spatial planning constitutes a privileged instrument for the organization and sustainable management of national space. Thus, the sustainable use of soil and territorial waters, as environmental resources where infrastructures and socio-economic activities are crucial for promoting balanced, harmonious and ecologically sustainable economic development.

Aiming to materialize this aim, the policy measures to be implemented within the framework of the PNDS are the following:

- Achieve correct territorial planning that allows the launch of intelligent, sustainable development strategies that promote the country's competitiveness;
- Raise citizens' awareness of their responsibilities in relation to the territory; and about the need for each person to contribute to strengthening the quality of the urban and rural environment;
- Promote environmental resources, namely the climate, the sea, landscapes and biodiversity as safe and permanent sources of wealth for the benefit of Santomean communities;
- Implement national territorial and urban planning directives, necessary for sustainable management of the country's territorial development;
- Simplify the licensing processes for urban operations;
- Simplify the processes for preparing, approving, publishing and implementing urban management and territorial planning instruments;
- Assign powers to the Districts and RAP for the preparation, approval and publication of urban planning instruments, as well as providing effective support with regard to training and technical capacity to assume new responsibilities;
- Create a territorial tracking and monitoring system that includes territorial management and development instruments, the coastline, special tourist areas, river basins, environmentally sensitive areas and risk areas;
- Enhance the territory, with the promotion of geographic information system technologies, land registration, cartography, geodesy and toponymy, with a view to providing a modern, current and inclusive public service that is accessible to all;
- Develop a project aimed at preparing the land registry at a national level, covering the RAP and the Districts, with the aim of increasing investment, mainly through transparent, effective and quick property registration;

²⁵ Sonangol holds more than 76% of ENCO's share capital and the Santomean State holds only a 16% stake. Available at: <https://www.telanon.info/politica/2019/09/03/29900/angola-reduziu-em-1-3-o-pessoa-de-combustiveis-a-stp/> . Accessed on November 3, 2019.

- Implement a new urbanization master plan covering urban extension and decentralization;
- Implement a set of *Rural Villages*, aiming to increase the quality of life of those residing in the old farms, as a crucial measure to combat rural exodus and enhance ecotourism;
- Implement an ambitious social housing program aimed mainly at young couples, if necessary, using public-private partnership.

Petroleum

Considering that the exploration of hydrocarbons will play a central role in financing the economy and in the economic growth of the country, the Government will update the contractual process both in the Exclusive Economic Zone and in the Joint Development Area with the Federal Republic of Nigeria, in order to guarantee the continuity of efforts with a view to eventual production, as soon as technically possible. In this context, the Government will ensure scrupulous compliance with contracts signed in accordance with sector legislation and in particular the Petroleum Resources Management Law.

Water

São Tomé and Príncipe has great potential in water resources, which constitute one of the main factors in socioeconomic ease and quality of life for its populations. Therefore, the Government is committed to increasing the population's access rate to collective drinking water supply systems, obviously including improving the quality of water and environmental sanitation, in order to contribute to a higher level of quality of health of populations, thus promoting the elimination of water-borne diseases and other social constraints.

Due to its relevance to the quality of life of São Toméans, the Government will join forces so that, at the national, regional and district levels, more and better surface water treatment and distribution stations are built, as well as laying the foundations for the construction of retention dikes of waters.

Likewise, the Government will reinforce the water protection, treatment and control capabilities of existing sources of supply to the population, guaranteeing water quality and, at the same time, carrying out the appropriate collection, transport and treatment of all categories of waste.

4.2.2.10. Protection of the Environment and National Ecosystems

With the objective of ensuring sustainable management of environmental resources, the Government proposes to implement a set of integrated policies for the sector, imbued with the concern to guarantee Santomean society the enjoyment of environmental quality, as well as enhancing the appreciation of the environment as an asset and factor of the country's economic competitiveness, safeguarding the balance between satisfying current needs and those of future generations.

Given the country's current situation in the field of environmental protection and management, aiming to mitigate constraints, manage weaknesses and take advantage of opportunities, the Government's actions will be guided by changing the prevailing scenario, with the assumption of reversing the trend of health indicators. environmental quality, with a view to the gradual qualification of the environment in the country.

Existing opportunities will be duly explored and used to achievement of the strategic objectives established, namely, in the following dimensions:

Ecological opportunities: endogenous natural resources (soil, groundwater and surface, marine waters; marine and terrestrial biodiversity, landscapes, coastline, renewable energy sources, oceanographic resources/EEZ, geological resources; national network of protected areas.

Economic opportunities: strengthening intersectoral integration between the Environment and strategic sectors of economic activity (tourism, agriculture, fisheries, agro-industry, maritime economy, agribusiness); increasing the contribution of these sectors and subsectors to GDP; leveraging the fiscal potential of the environmental sector; promotion of the green economy and the blue economy (encouraging green investment and promoting the use of the ocean's economic potential).

Social opportunities: increasing appreciation of the social function of the environment for society, as a whole, through improving the quality of the environment and adding value to ecosystem goods and services; promoting employment and increasing family income; improving levels of equity and social inclusion.

Legal opportunities: regulation and review of laws; optimization of implementation of International Conventions and Agreements in the field of the environment; gradual legal alignment with public environmental policies for the XVIIIth Legislature.

Institutional opportunities: progressive training of existing human resources; taking advantage of and valuing human capabilities and skills; valorization and qualification of analogue and digital institutional memory; improvement and reinforcement of vertical and horizontal institutional communication; strengthening partnerships with national and international governmental and non-governmental partners; leveraging institutional potential, focusing on excellence and quality of service provision to citizens and companies.

In this assumption, environmental protection is no longer seen exclusively as a cost to society, becoming a determining factor in sustainable development.

For this reason, in addition to environmental impact studies, which will be required in the implementation of any project of a relevant size, environmental issues linked to the protection of ecosystems, coastal erosion, noise, sea and air pollution, and all those issues associated with the protection of Endemic species will deserve particular attention from the Government, in terms of regulation, monitoring and inspection.

4.3. Objective 3 Ensure Social Inclusion and Protection, Reduce Social Inequalities and Regional Asymmetries

4.3.1. Improving Living Conditions and Social Inclusion

This objective substantiates and develops the Government's second major challenge for this legislature, which consists of strengthening social cohesion, through improving the effectiveness and operability of State action, in order to rescue and restore dignity to the human condition of São Tomé people, with relevance for more equity, more social justice and social reintegration, embodied in the implementation of the following policy measures:

- More inclusive governance, more dialogue, more transparent and more efficient in its tasks and much more demanding in terms of accountability and combating corruption;
- A society with more individual freedom for citizens and the media;
- A country with more social justice, more equity, more formation and appreciation of capital human;

- The inclusion of the diaspora in the country's development process;
- A more active diplomacy to increase the credibility of the State's image and transformation of STP into a tourist attraction and business space.

The rescue and return of dignity to the human condition of São Toméans involves the realization that the social inequalities existing in the country manifest themselves in different ways: depending on gender, physical and/or mental condition, income, education, place of residence, place of birth and age.

Furthermore, there is a considerable proportion of the population still without the possibility of meeting their basic subsistence needs through paid work, especially affecting women and young people.

Therefore, the Government has a strong focus on social inclusion and combating social inequalities, focusing on a policy that will prioritize social inclusion; the promotion of human dignity and autonomy; the construction of an inclusive country, through employment, income and education; which, in turn, will boost the social mobility of the most disadvantaged, through access to work and the constant improvement of their quality of life.

Therefore, to mitigate the impacts of poverty and other social phenomena that affect Santomean society, measures will be implemented to increase the income of the most vulnerable people and families and guarantee them access to basic social services: health, care and education, ensuring minimum conditions of well-being and quality of life for its members.

The recovery of human dignity will be carried out through the implementation of programs of social assistance, privileging the following lines of intervention:

- Implement the Minimum Income for Social Insertion (REMIS) program for the most vulnerable people or families, in compliance with the principle of the Sustainable Development Goals that recommends leaving no one behind;
- Socioeconomic inclusion of people with disabilities
- Support unprotected mothers, children, young people and elderly people in extreme poverty;
- Protection of children and adolescents against situations of personal and social risk;
- Defense and protection of the rights of the most excluded;
- Encourage volunteering in social areas;
- Integration of immigrant families.

The REMIS program will help combat extreme poverty and social exclusion of needy children and mothers and vulnerable and abandoned elderly people, through social solidarity. Assistance can be provided through donations of money, time and knowledge, financial sponsorship, blood, goods and services.

REMIS will have multisectoral coordination, involving public finances, supervisory ministry, local and regional bodies and eligible representatives of civil society.

4.3.1.1. Elderly

Population aging is accelerating rapidly across the world²⁶. For the first time in history, most people can expect to live past age 60. When combined with sharp declines in fertility rates, these increases in life expectancy lead to the rapid aging of populations around the world. To the

²⁶ Available at <https://www.afro.who.int/sites/default/files/2017-08/afr-rc66-8-pt-2607.pdf>. Accessed on May 23, 2019.

The consequences of this for health, health systems, their budgets and health workers will be profound.

The **recommended social approach** to addressing population aging, which includes the goal of building an age-friendly world, requires a transformation of health systems that replaces disease-based curative models with the provision of integrated care centered on the needs of older people.

A longer life is an incredibly valuable resource; It provides the opportunity to rethink what old age can be like and how all of our lives can unfold.

However, the breadth of opportunities that arise from increased longevity will largely depend on one fundamental factor: **health**. If people live these extra years of life in good health, their ability to perform the tasks they value will be somewhat different compared to a younger person.

Changing perceptions of health and aging: one of the challenges when developing A broad answer to population aging is that many common perceptions and assumptions about older people are based on outdated stereotypes (idea, prejudice), for example, elderly people connoted as wizards and witches in São Tomé and Príncipe! And as such, victims of mistreatment, beatings and even murder.

There is no longer a typically old person: elderly populations are characterized by a large diversity. For example, some elderly people over 80 years of age have comparable levels of physical and mental capacity to many young people in their 20s. Therefore, policies must be structured in ways that enable more people to achieve positive aging trajectories and must serve to break down the many barriers that limit the continued social participation and contributions of older people. However, many people will experience significant declines in ability at much younger ages. For example, some 60-year-olds may need help from others to perform even the simplest tasks.

Advanced age does not imply dependence: although there are no older people typical, society often views them in stereotypical ways, which lead to discrimination against individuals or groups simply based on their age. Such discrimination has been labeled **ageism**, an even more widespread form of discrimination than sexism. or racism. **A widespread ageism stereotype of older people is that they are dependent on or a burden.** This can lead to an assumption during the policy development that spending on seniors is simply a drain on the economy and an emphasis on cost containment.

Age-based dependency assumptions ignore the many contributions of older people to the economy. For example, research carried out in the United Kingdom in 2011 estimated that, after defining the costs of pensions, welfare and health care in relation to contributions made through taxes, consumer spending and other activities of economic value, the Older people have contributed approximately £40 million to society, a contribution that will rise to £77 billion by 2030.

Although there is less evidence in low- and middle-income countries, the contribution of older people in these settings is also significant. In Kenya, for example, the average age of smallholder farmers is over 60 years old. Therefore, older people can be critical to maintaining food safety in the country and in other parts of sub-Saharan Africa where STP is located. They also play a crucial role in supporting other generations. In Zambia, for example, around 1/3 of elderly women are the main providers and caregivers for grandchildren who lost their parents due to the HIV/AIDS epidemic or migrated to work.

In the African Region, most member states have not yet adopted national policies on aging and therefore have not developed a **framework for implementation of national action on active and healthy aging**.

In May 2016, the sixty-ninth World Health Assembly asked the WHO to develop a comprehensive global strategy and plan of action on aging and health.

The global strategy was formulated around five main strategic objectives: i) make a commitment to act in the field of healthy aging in all countries; ii) provide environments adapted to the elderly; iii) align health systems with the needs of older people; iv) develop sustainable and equitable systems for the provision of long-term care; v) and improve quantification, monitoring and research in the field of healthy aging. The strategy is aligned with Goal 3 of the SDGs: “ensure healthy lives and promote well-being for all at all ages”.

4.3.2. Excellence Education and Vocational Training

The education sector constitutes the Government's first budget priority. The quantitative advances made by the country in the area of education are notable, however, they mask serious problems of quality and relevance, namely due to the following facts:

- The existing curriculum at secondary, secondary and tertiary levels is poorly or not aligned with current needs and the future direction of the economy;
- A disconnection prevails between educational and workforce training institutions and companies;
- The education sector does not have effective quality control mechanisms, with higher education being particularly deficient in this aspect. Therefore, the national educational system urgently needs reforms in the curriculum and, particularly, in pedagogy, which is its main challenge.

Considering that education and training are essential structuring foundations for shaping the personality and ensuring the progress of any nation; Given that it also constitutes the basic condition for employability and competitiveness of people of working age, investing in the qualification of São Toméans must be understood as a fundamental instrument for their valorization and transformation into human capital, essential for the sustainable and inclusive development of the country.

Based on this assumption, the Government proposes to reform the education system, with relevance to the review of the Basic Law of the Educational System, improving the quality of education, combating school failure, investing in vocational education and professional education, qualification of adults of working age, and also for the issues of improving school management, production quality, dissemination of science and technology, as well as the competitiveness and internationalization of higher education.

From the perspective of the PNDS, these proposals from the Government Program for the education sector are relevant and structuring to substantiate the National Strategic Plan for Education 2019-2022, as a medium-term instrument for the implementation of policy for the education and higher education sector.

The elaboration of the Strategic Plan must fit within the guidelines of the Government Program and is articulated with the 2030 Agenda, as well as guarantee and incorporate the principles of respect for human rights, environmental sustainability, gender equality, inclusion, appreciation diversity and education professionals.

The Plan in question must, in particular, establish two objectives:

- Guarantee quality education for all São Toméans;
- Reduce inequalities throughout the national territory, focusing on the specificities of each District and the RAP, identifying local potential and dynamics.

The strategy for promoting excellent education revolves around reforms in some key areas of the education sector, within the framework of the current legislature.

4.3.2.1. School failure

Tackling school failure will be the subject of public policy measures covering all cycles and levels of education, with a special focus on basic education and pre-school education, which are key cycles for a sustained reduction of the problem.

Furthermore, greater coordination will be promoted between education levels (basic and secondary) and the respective cycles; the development of a new culture of discipline and effort; greater accountability for students, parents and guardians; strengthening the effective authority of teaching and non-teaching staff.

The effort to combat school failure prioritizes the following measures:

- Build a broad consensus around the strategies to be followed, based on knowledge about the phenomenon, based on best national and international practices;
- Expand the school network by offering new classrooms in order to reduce the number of classes, especially in secondary education;
- Implement a School Social Action Program;
- Focus on the school and its organization, autonomy and initiative, to identify the most effective strategies;
- Ensure that all children have the right to a common education that is a path of enriching diversity and with specific support suited to different needs.

4.3.2.2. Preschool Education

Pre-school education in São Tomé and Príncipe still performs poorly, as only 1/3 (30.9%) of children enter this cycle. The quality of learning also leaves a lot to be desired. The weak qualifications of educators and insufficient facilities are at the root of this weakness, which, in fact, constitutes a major challenge to be overcome at this level of education.

Therefore, the main priority is to organize and implement a formal, comprehensive system, improving the quality of care, through the elaboration of an appropriate regulatory framework, the design of a new curriculum, the organization of periodic evaluations and the development of Action programs School Social.

Interventions in the field of pre-school education aim to develop the following measures:

- Expand the provision of pre-school education to all children aged four and five;
- Implement the functioning of the National Education Council;
- Encourage schools and other institutions to design specific plans that ensure that all children develop the learning provided for in the curricular guidelines;
- Develop monitoring and training programs for educators, focused on schools, foreseeing articulation with the actions developed for the first cycle of basic education.

4.3.2.3. Basic education

The main objective is to ensure equitable access to universal and free schooling, implementing school social action programs, especially for priority target groups:

people living in vulnerable situations, improve the school curriculum and ensure that all children and young people successfully complete compulsory basic education.

Furthermore, in this educational cycle, the aim is to implement measures such as:

- Implement a special education model, providing equitable access to educational opportunities for children with special educational needs;
- Review of curricula and introduction, from the 5th year onwards, of English and French languages and information and communication technologies;
- Develop a Plan for the implementation of compulsory basic education for adults and the definition of the intercommunicability system with formal compulsory basic education and professional and technical training;
- Create the conditions for the gradual availability of quality school manuals to students;
- Create an Information and Safe School Project (IES) in urban areas at greater risk, preventing attempted abuse and possible consumption that poses a risk to the public health of children and young people, creating incentives for volunteering by the educational community;
- Design new initiatives that reduce asymmetries between the most disadvantaged groups in different communities in the Districts of São Tomé and the Region Autonomous Region of Príncipe, leveraging existing human resources in schools in need of better education and training, local authorities and social networks, within the scope of reducing and preventing school dropout rates;
- Involve and make parents and guardians more responsible in the education of children their students;
- Intensify the reduction of bureaucracy in the evaluation of administrative practices and processes applied to education management;
- Implement decentralized school management models;
- Set goals to reduce school failure and dropout;
- Improve academic success in each cycle;
- Carry out national tests and exams, focusing on the final assessment of the latest classes in the basic and secondary education cycles.

4.3.2.4. High school

- Build secondary education establishments in all districts where they do not exist;
- Raise the retention rate at secondary education level to 50% by the end of this legislature;
- Qualify the teaching staff mainly at the pedagogical level;
- Improve equitable access, quality and relevance, aiming to equip students with the literacy, numeracy, skills and abilities necessary to continue their studies and for active life;
- Expand, modernize and consolidate technical education;
- Boost vocational education from the 10th grade onwards, aiming to increase the proportion of secondary education students who opt for the technical-vocational route to 15% by 2021;
- Reformulate and articulate the policy and management of professional courses with the dynamics and needs of the Santomean labor market.
- Intensify the teaching of foreign languages, English and French, in secondary education in 7th, 8th and 9th class;

4.3.2.5. Quality of Teaching.

Concomitantly with the process of reducing school failure, public policies aimed at guaranteeing the quality of teaching and learning will be implemented in all cycles and levels of education, with a special focus on pre-school education and basic education, recognizing the role of these levels in reducing school failure and improving the quality of education.

In this sense, the measures are as follows:

- Mobilize all educational agents, ensuring greater participation of the various social forces in decisions and the implementation of educational policies, safeguarding the technical and professional autonomy of educational agents;
- Guarantee the stability of work in schools, which presupposes progressive, planned, negotiated and evaluated reforms, and a strong commitment to teacher training;
- Focus on strengthening the quality of the public education service, the quality and success of learning;
- Improving the quality of education through the progressive reduction in the number of students per class, curriculum enrichment and creating conditions for children and young people to remain in school for a longer period of time;
- Create a model for contracting school autonomy, based on objectives and incentives defined by the Ministry and the school community, so that schools can revolutionize themselves, creating differentiated and credible educational projects;
- Combat practices that are harmful to the credibility of the Santomean educational system, through the legal certification of diplomas and certificates, combating all illegal forms and practices that have discredited the national education system;
- Stabilize and dignify the teaching profession by improving procedural models of teaching and learning for which it is necessary to value the role of teachers and educators;
- Define rules, goals and barriers within the teacher's authority;
- Invest in the continuous training of teachers, through the TTT method: *training the trainees* (training of interns/trainees);
- Invest in the professionalization, in practice, of new teachers and educators without teaching qualifications and appropriate educational and civic methodologies;
- Implement a global assessment policy, focusing not only on teachers, but also on the school, staff, students and teaching curricula;
- Reinforce the learning of the Portuguese language and mathematics, considered two structuring subjects;
- Create and encourage the National Reading Plan and the Mathematics Action Plan, taking into account their importance for the development of intellect and imagination, as well as for the acquisition of knowledge, particularly the Portuguese language and mathematics.

4.3.2.6. School management

Within the framework of school management, it is proposed to guarantee the decentralization of the network and services, following an effective TTT policy. In this area, it is important to ensure greater coordination and cooperation between the public and private provision of education (in the districts where they exist), which enhances their complementarity. It is intended that this coordination and cooperation be achieved through the qualification and rationalization of the public education service, with the best possible use of the limited existing resources, through the following measures:

- Defend the policy of association contracts with private and cooperative education establishments that provide public education services to the State, in this condition, seen as a new political orientation towards improving the quality of education and combating school failure;
- Ensure the review of the educational policy charter, with this as an important instrument planning;
- Create and implement a model for evaluating teachers' performance in order to reduce bureaucracy in the process and guarantee career progression and/or reorientation;
- Increase the gradual decentralization of competences in the field of educational establishments, in each community and districts, integrating schools into their local communities;
- Create a process of organizing school groups and favor the pedagogical and organizational verticalization of all levels of education, as well as the progressive autonomy of their organization and functioning;
- Organize and guide all central, district and regional services of the Ministry of Education and Higher Education towards results-based management, focusing its action on creating valued staff;
- Correct asymmetries and inequalities in the Santomean educational system, meaning it is necessary to invest in a policy of meritocracy in the careers of its staff, with the aim of creating a new generation of high competence and with a culture of management based on objectives and results. To achieve this, it is necessary to consider the creation of bases that enhance access to knowledge and external experiences, in particular by contracting with partners and *stakeholders* from civil society and the international community;
- Select projects and establish co-financing partnerships, with high value added for schools;
- Strengthen, where existing, the network, technical resources and skills of schools with special education aimed at children and young people with disabilities;
- Ensure a curricular reform that can allow the inclusion of civic and social education citizenship;
- Evaluate the family support component and organize it in a way that constitutes a direct stimulus for the establishment of positive relationships between the school, the students' families and the local community;
- Create the *school scholarship* project to directly support the most disadvantaged families, in order to ensure children remain in school;
- Gradually develop a system for digitizing student processes, in order to ensure greater management effectiveness, particularly in student enrollment and transfer processes. A database on students and their families appears to be an important tool in managing the system and identifying situations of special needs and disadvantage.

4.3.2.7. Decent Work and Professional Training

Employment and professional training are strongly related and contribute decisively to achieving the vision of building a stable, democratic, inclusive, modern São Tomé and Príncipe, providing quality services to the region and the world, that is, a country open and accessible to world, safe, with full employment and freedom.

In this context, excellent technical-professional training of human resources will enhance the country's capacity to create qualified jobs in transformational and

potential for economic growth already identified, namely the sustainable ocean economy, agribusiness, renewable energy, tourism, commerce, industrial development, culture and creative industries.

From this perspective, it is essential to value the issue of employment and professional training, its planning, management and implementation in a multisectoral approach, involving actors from the public and private sectors and their organizations, unions, NGOs and Community Development Associations (ACD), in the process of creating and consolidating an environment favorable to accelerated economic growth to leverage opportunities for decent employment and inclusion.

The educational system will be adjusted in order to provide adequate professional opportunities while focusing on vocational courses and professional education, based on an entrepreneurial, competitive matrix that drives the development model of service provision.

Attention will be given to the decentralization of professional schools and their adaptation to the country's development needs, the specificities and potential of the Districts and the RAP.

4.3.2.8. Lifelong Education for Youth and Adults

S. Tomé and Príncipe continues to have a problem with qualifying adults of working age.

Therefore, it is proposed:

- Strengthen the Youth and Adult Education and Training Program and consolidate a lifelong learning system;
- Design and evaluate the relevance of the application, in partnership with other government bodies and civil society, a Youth in New Opportunity Program (JON) with a view to improving and valuing São Tomé's human capital and its credibility before civil society and the international community;
- Create counseling and guidance mechanisms for young people and adults that allow trainees to be guided based on their aptitude, training needs and opportunities for professional insertion and personal fulfillment, ensuring consistency with individual expectations;
- Invest in technical education and professional training.

4.3.2.9. University education

Higher education courses are essentially characterized by being expensive; selective; unadapted to the real needs of the São Tomé labor market; mostly carried out abroad, through scholarships; and lacking a strategic planning policy.

The impact on national development is enormous, despite the fact that many of the staff trained abroad do not return to the country after training, which constitutes a great national loss.

In view of this situation, MEES has been adopting corrective institutional measures, namely the creation of a specific Department to monitor this teaching cycle.

In reality, it is about implementing a realistic training and strategic planning policy for this cycle, capable of providing human resources that are up to the challenges of the sustainable development of STP.

The biggest challenge for higher education is improving the quality of training, its competitiveness and internationalization. In this sense, it is proposed:

- Encourage cooperation with credible similar institutions with a view to internationalization;
- Create a legal, regulatory, objective, clear, consistent and transparent framework for Higher Education;
- Strengthen the regulatory policies of institutions and courses aimed at quality, namely through independent accreditation and evaluation;
- Adapt the quality training offer, both in terms of the diversity of demand and the country's needs for highly qualified staff;
- Rationalize the network of institutions and their internationalization;
- Monitor and evaluate the application of the laws that structure Higher Education and improve aspects that prove to be deficient;
- Introduce innovative measures leading to the reorganization of the public network of Higher Education institutions, with possible specialization of institutions in terms of offering courses and research in partnerships with national and international schools;
- Invest in polytechnic education, in technological specialization courses and other short-term training, with professional exit;
- Encourage university research and extension;
- Create a fund for the development of science and research;
- Promote and support master's and doctoral programs for teachers working at universities, as well as participation in national and international academic and professional exchange activities;
- Create alliances with credit institutions (banks) for students to finance bank studies;
- Implement the institutionalization of a National Council for Higher Education, thus promoting internal synergies that provide the adjustment of higher education objectives to the needs, especially those of the national job market;
- Promote internal and external evaluation of higher education institutions, with a view to identifying the strengths that must be consolidated and the weaknesses that must be overcome;
- Implement an effective inspection of higher education institutions;
- Implement, as far as possible, the decentralization of supply and opportunities for access to higher education, through the creation of public university centers in other districts, especially in the Autonomous Region of Príncipe, thus ensuring the fight against asymmetries when it comes to opportunities to access this level of education;
- Create a database on higher education students, as a condition of entry, permanence, completion and certification of this level of education;
- Promote incentives for higher education students, through fairer and more comprehensive scholarship award;
- Promote higher education using distance learning.

4.3.2.10. Youth

Youth plays a fundamental role in the PND, being considered a priority for the development of a sustainable and balanced society. Being a transversal sector, the policies developed will be made through a dialogue between the Government and youth society, in the promotion of innovative measures that meet their needs and expectations, particularly in the areas of employment, training, recreation and sport, associations and volunteering.

Among the main problems faced by young people, the lack of quality and scarcity of social support in education, unemployment and precarious employment, insecurity and discrimination stand out, leaving them in situations of extreme vulnerability and compromising their autonomy and emancipation, and the lack of appreciation and training of young professionals is also evident.

Having a mostly young society is not a problem, but rather a great opportunity and a great perspective for the future of STP. The Government's great challenge is to train, prepare and guide young people, so that they can successfully fit into the country's socio-economic development. This challenge must be achieved in the medium term, with the dynamization of the business sector, oriented towards the new economic cycle.

In this context, it is urgent to create an entrepreneurship promotion program, including support for business incubators, in order to allow them to enter the new development framework, where training, employment, self-employment and housing are no longer be the biggest problem facing young people.

Due to the transversality of these issues, they are adequately addressed in the different axes of the PNDS. Having identified the main challenges that young people face, a clear path is proposed that prioritizes the fight against unemployment and investment in qualified and employability-oriented training, aligned with the 4 pillars of the African Union Roadmap concerning the use of the demographic dividend through of investments in youth.

The guidelines and actions proposed by the Roadmap are relevant and appropriate to the reality of STP, and essential to achieving the goals set out in both Agenda 2063 and Agenda 2030. The 4 pillars to be implemented are; i) employment and entrepreneurship; ii) employment and skills development; iii) health and well-being; iv) rights, governance and empowerment of young people. Of the actions proposed by each pillar, only actions from pillars 3 and 4 need to be included in the PNDS, aiming to give the Plan a greater focus on youth.

The essence of the actions of pillars 1 and 2, relating to employment and entrepreneurship, employment and skills development, were already identified and explained in the PNDS, in the following terms:

- Develop and implement strategies that aim to reduce the proportion of youth unemployment by at least a quarter by 2024 (in line with the Agenda 2063 First Ten-Year Implementation Plan);
- Promote young entrepreneurship with emphasis on promoting micro young entrepreneurship;
- Create an initial professional qualification program and review of the educational/training system;
- Ensure professional internship integrated into the curriculum and professional experience;
- Promote an employment plan for young people;
- Ensure quality of life and healthy living, in terms of health, education, sport, culture and safety;
- Promote the creation of financing mechanisms for Small and Medium-sized Companies (SME);
- Formulate appropriate policies, incentive measures and create an environment conducive to corporate social responsibilities to support youth entrepreneurship;
- Invest in sectors with a high job multiplier effect, including the areas of information and communication technologies, manufacturing, agriculture and agroindustry to generate employment and boost inclusive growth;
- Establish and operationalize National Funds for young people, with a view to increase your access to business capital;

- Review the curricula of educational institutions with a view to increasing their quality and relevance to the job market and national needs for development, in particular, placing emphasis on strengthening skills and greater focus on the areas of science, technology, engineering and mathematics, with the reinforcement of the implementation of continental policies such as the Science, Technology and Innovation Strategy for Africa (STISA 2014-2024); and the Continental Strategy on Education for Africa (CESA 2016-2025);
- Expand vocational training opportunities for the acquisition of skills for young people to increase their employability, self-employment, productivity and competition, as set out in the Continental Strategy for Education and Training Technical and Vocational (TVETCS);
- Improve inclusive access to education at all levels and provide viable alternatives for the many young people, in particular adolescent girls who leave the formal education system, by facilitating their readmission, relaunching informal education and training through standardized certification within and between African countries;
- Adopt a lifelong learning approach to teaching that encompasses a wide range of disciplines and themes, including livelihood skills, comprehensive, age-appropriate and culturally sensitive sexual and reproductive health education, and addressing the issue of sexual harassment that afflicts girls in the education system;
- Structure and provide secondary vocational education, with emphasis on the sectors that contribute to the development of the country;
- Financing higher education and promoting research and development;
- Co-financing of professional internships that generate and facilitate jobs, in partnership with the private business sector and in conjunction with the education system.

Health and well-being pillar actions:

- Establish and promote integrated and sensitive health services for adolescents and young people in public and private health units, school clinics and other locations, providing adequate sexual and reproductive health services;
- Prioritize national investments to ensure universal access to family planning services, including expanding the use of modern contraceptives as outlined in the Comprehensive Maputo Action Plan on Health Rights Sexual and Reproductive (2016-2030) and reiterated in paragraph (g) of Article 14 of the Protocol of Maputo on Women's Rights;
- Create sustainable investments in health systems, including in the areas of human resources and infrastructure, with the aim of increasing access to quality health services for all and ensuring adequate financing for the health sector in line with the Abuja and address morbidity issues that harm the quality of life and productivity of the workforce;
- Accelerate the promotion and implementation of policies, community interaction strategies and behavior change measures with a view to enhancing the reproductive rights of women and adolescent girls and their access to education, information and sexual and reproductive health services;
- Promote policies and programs that aim to improve child survival, for example by increasing immunization coverage, Integrated Disease Management Childhood (IMCI) and improving child nutrition, among others;
- Accelerate age-appropriate and culturally sensitive sexual and reproductive health education in a comprehensive manner to avoid many

complications and challenges associated with unwanted pregnancies and sexually transmitted infections and their consequent impact on the development and well-being of young people both within and outside the education system, and implement innovative behavior change programs using new media. mass communication) and technologies;

- Develop intersectoral actions for health at all levels (state and non-state) that demonstrate widespread leadership towards all actions conducive and necessary to improve reproductive, maternal, neonatal, child and adolescent health.
- Create an environment conducive to empowering communities and strengthening the role of men in improving access to health services and sexual and reproductive rights.

Actions under the rights, governance and youth empowerment pillar:

- Ensure universal ratification, ownership and full implementation of all African Union Shared Values instruments, the African Charter on Youth (AYC) and the African Charter on Democracy, Elections and Governance (ACDEG) on the part of the Santomese State;
- Establish inclusive national implementation mechanisms for regular production of reports on the status of implementation of the above-mentioned Instruments and African youth, which encompass reports from National Youth Councils and various stakeholders, on the status of implementation of the African Charter on Youth and associated instruments;
- Eliminate barriers to the active participation of youth in national building; and establish mechanisms that aim to facilitate their meaningful participation in political parties, parliaments, judicial systems, governments and civil service structures;
- Remove all discriminatory and restrictive laws on the full participation of young people in electoral processes, through an inclusive electoral law and constitution that promote the effective management of diversity;
- Elevate youth empowerment through the integration of civic education into the national teaching curriculum, media platforms and other means, aiming to inculcate the principles of Pan-Africanism, rule of law, human rights and individual tasks and responsibilities;
- Prohibit all laws that impose barriers to the full exercise and enjoyment of young people's fundamental rights to fully participate in democratic governance processes at continental, regional, national and grassroots community levels;
- Analyze, review, amend or abolish all laws, regulations, policies, practices and customs that cause any discriminatory impact against youth, in particular girls and women; ensure that the provisions of multiple legal systems comply with international human rights regulations and laws; protection against harmful practices, including early, forced and child marriage, sexual violence and gender-based violence, as well as female genital mutilation;
- Strengthen independent youth trainings, networks and organizations, including the creation of independent youth commissions at national and sub-regional levels with a view to promoting youth activities;
- Institute training and empowerment activities in matters of youth leadership with the aim of deepening the ideals, values and aspirations of the *Santomensity* and the Pan-Africanism in young people;

- Ensure national implementation of the various decisions of the Conference of Heads of State of the AU on youth leadership and participation in decision-making processes; make efforts towards the creation of an annual Youth Parliament and a African Union Model Conference on the continent;
- Strengthen current African Union youth engagement and participation initiatives including, the African Youth Volunteer Corps, African Union Youth Clubs, AGA-YES activities including, the Youth Advisory Panel, Mock Court and the Annual Youth Dialogue on Democracy, Human Rights and Governance.

4.3.2.11. Sport

Sport is a crucial tool for sustainable youth development and for solving the major social problems that affect youth in São Tomé and Príncipe, as it has the ability to mobilize, energize and unite people and society. Sport also contributes to the physical and mental health of children and adolescents, provides pleasure and teaches values such as fair play, team spirit, tolerance and understanding. Practiced in a pedagogically correct way, sport strengthens self-esteem and self-confidence, as well as promoting the willingness to take responsibility.

Furthermore, sport prepares children and adolescents to deal with defeats and victories, allowing them to acquire life skills that help them overcome difficult situations and develop perspectives for their own future.

More than any other area of activity, sport penetrates society, facilitates participation and creates a feeling of coexistence that transcends ethnic and social barriers. Under the *slogan* "sport for youth development", conditions will be created to stimulate federated high-performance sport, the massification of sport and the organization of school sport, aiming at the development of sport and youth in São Tomé.

The measures to be implemented are the following:

- Promote the development of professional sports practice, in sports such as football, athletics, chess, basketball, handball, aiming for results that contribute to improving the country's classification in these modalities at an international level;
- Promote social and sporting development in schools, mainly at the children's and youth level, focusing on both physical, technical and tactical aspects as well as *fair play*, ethics and sporting morals;
- Improve accessibility and conditions for sports participation by citizens in vulnerable situations (people with disabilities, children and young people, senior practitioners, immigrants, prisoners, etc.);
- Encourage a model of collaboration between and with the various actors involved in sport at the level of civil society, the associative movement, sports agents and public administrative entities at all levels;
- Act more proactively in building a society that values ethics in sport, seeking to eradicate phenomena such as corruption, violence, doping, intolerance, racism and xenophobia;
- Boost federated and school sports, promote the development and professionalization of talent in high-performance centers;
- Carry out a program to encourage continuous sports practice throughout life, whether for entertainment or competition;
- Boost school sports, sports clubs and associations, talent detection and selection, their development and professionalization in high-performance centers;

- Promote an increase in sports practice in higher education, encouraging the creation of academic sports services and preparing the student-athlete status;
- Invest in a competition scholarship project for young talents in sport, particularly within the scope of the Olympic and Paralympic Preparation and Olympic Hopes Programs and in conjunction with the federated movement;
- Promote "sports patronage" and integrate it into the Tax Benefits Statute;
- Evaluate and redefine the public criteria for supporting sporting practices taking into account the macroeconomic context and the new assumptions for integration into the high-performance status and its reconciliation with other funding from Olympic and Paralympic federations and committees. In this context, it is necessary to ensure the requalification and improvement of infrastructure and materials to support sports practice;
- Modernize and develop the national sports park and enable the management and use of existing facilities, equipment and infrastructure with a view to their full use;
- Promote the creation of sports facilities with international standards and requirements;
- Boost the National Sports Council;
- Promote the creation of a national sports information and statistics system.

4.3.2.12. Culture

The Government intends to implement a cultural policy that brings together desires, capabilities and experiences for the promotion and development of national culture, involving and involving public and private actors, in close collaboration and articulation of initiatives, in order to create an effective communication and dissemination strategy, giving greater visibility to Santomean culture.

In this sense, public cultural policy will be implemented through the following measures:

- Preserve the country's intellectual, building and architectural heritage;
- Promote and disseminate cultural values;
- Promote culture, education, citizenship and national languages (dialects) in schools each District, in order to preserve and disseminate;
- Strengthen cultural identity as an essential factor for social cohesion and development;
- Encourage research in the country's historical-scientific, ethnic-anthropological and geographic domains;
- Publicize the respective results in cooperation with the media, with a view to enhancing historical and cultural heritage;
- Encourage the qualitative production of products intended for tourist consumption;
- Manage and disseminate artistic creations and cultural heritage, both internally and externally outside the country;
- Improve the quality of life of citizens through the enjoyment of social activities, cultural, artistic and recreational;
- Defend freedom of cultural and artistic expression;
- Integrate program content related to national art and culture into educational institutions;
- Promote creative writing in national languages, with emphasis on the most spoken one, Forro, and with translation into Portuguese and English;
- Preserve and enhance the national historical and artistic heritage;
- Protect the cultural, urban or natural landscape;

- Preserve the various forms of manifestation of movable and intangible heritage and of oral traditions and the appreciation of our museum;
- Implement greater coordination between central administration and local authorities, with a view to improving urban planning procedures and safeguarding heritage;
- Deepen knowledge of national history;
- Define a focal point for investment in culture, covering international applications, the restoration and requalification of classified heritage, reducing bureaucracy, in conjunction with local authorities;
- Legislate copyright and copyright infringement.

4.3.3. The Integrated Health and Social Protection System

The main challenges of the national health system in São Tomé and Príncipe are, on the one hand, related to factors related to the health system, namely, the existence of inadequate and insufficient health infrastructure; difficult geographic accessibility of the population to primary care and health services; inadequate quality of services and human resources available; lack of qualified professionals; lack of equipment and supplies; limited capacity in health system management; and inadequate coordination between different public health structures and services.

On the other hand, there is the existence of factors and constraints not related to the health system, such as the limited capacity of community health agents; prevalence of unconventional popular sociocultural beliefs and practices in health, which precede the search for a doctor or health services; gender inequality; and negligent behavior in seeking health care.

4.3.3.1. Health

The right to health is an integral part of social rights and aims to achieve not only formal equality, but also material equality in access to healthcare. The right to health, in itself, is a mechanism that allows poverty or its worsening to be avoided, promotes peace and social inclusion, and enhances the country's economic growth and development. It is a right enshrined in the Constitution of the Republic Democratic Republic of São Tomé and Príncipe, understanding the principles of universal coverage; equity of access to services; and solidarity in financing.

The obstacles to the materialization of this legitimate right of São Toméans are immense, starting with the worsening of the country's socioeconomic situation, when the Government began its functions, whose impact on the health sector was essentially characterized by a series of constraints, among which are list the following:

- Sharp limitation of populations' access to the provision of quality health care, which leads to an increase in the level of poverty among populations without the financial capacity to bear the costs arising from the rise in the price of providing such care;
- Poor care of users by health professionals;
- Existence of obsolete equipment, lack of medicines and other consumables;
- Poor installation conditions for users;
- Poor working conditions for healthcare professionals;
- Poor hygienic-sanitary quality of health infrastructures and equipment, especially in aspects relating to hygiene and food quality;

- Lack of effective information, education and communication policies for populations about risk factors for public health in communities;
- Insufficiency of disease prevention strategies and promotion of better health for people populations.

An efficient and effective health system in fulfilling its mission depends, in all contexts and circumstances, on some fundamental and interdependent pillars for the operationalization of its objectives and management goals, namely:

- Governance that includes sector leadership, the definition, coordination and management of resources for the implementation of policies and programs and ensuring transparency in accountability;
- Financing from the OGE, Social Security, bilateral cooperation and multilateral, private system, user contributions and other sources and funds;
- Human resources in quantity, qualified, appropriately distributed among the various system structures;
- A supply system (medicines, equipment, reagents and materials) that guarantees the availability of the necessary products, at the most competitive price, with good quality in the right place and at the right time;
- Physical, technological, transport and communication infrastructures in line with the geographic and demographic distribution of the population;
- A health information system that allows the evaluation and guidance of strategies and health policies as well as health care.

It is noteworthy, however, that, in all the pillars in question, the national health system faces great difficulties, to which are added new challenges inherent to the changes recorded in the country's epidemiological profile and socio-demographic profile; the insufficiency of resources to meet the demands of the sector; citizens' growing expectations regarding health; and the fact that successive National Health Development Plans do not contain respective operational implementation plans.

The complexity of these challenges requires urgent measures embodied in a reform program that allows the sector's performance to improve. The purpose of the reform is to reorient the sector to overcome current difficulties, continuing to be a privileged instrument of national development, through the implementation of a regulatory model appropriate to the size of the country and in line with the common and essential objectives of health policy .

Thus, in order to fulfill the State's constitutional obligation to provide healthcare to good quality for all, the Government decides to implement the following policy measures:

- Ensure efficiency in the functioning of the public health system, encourage the provision of promotional, preventive, primary and specialized public care, and regulate the private sector in the health sector;
- Guarantee a strong social policy in the health sector in order to respond to the principles of universal coverage, equity of access and solidarity in financing.

Provision of care

In these terms, in terms of care provision, the following is proposed to be carried out:

- Ensure the requalification and development of the Dr. Ayres De Menezes Hospital, aiming to provide the country with greater and better assistance capacity in specialties and

secondary care, better management, equipment and equipment of the aforementioned hospital. The implementation of this program will depend on the financing made available and the support obtained for its implementation;

- Support and reinforce the provision of the integrated package of promotional, preventive and primary care in all health districts of São Tomé and the Autonomous Region of Príncipe, providing complementary means of diagnosis and compatible therapies.
- Resume the periodic provision of specialized care in the Districts and RAP, promoting national screening mechanisms for certain pathologies and the consequent guidance of users towards timely assistance;
- Promote all the potential of telemedicine to allow support in specialties, especially those that do not exist in the country, to allow for adequate assistance to patients as well as the continuous training of national staff.
- Maintain and reinforce programs to combat communicable diseases, especially Malaria, HIV/AIDS and Tuberculosis. Structure and promote the various epidemiological surveillance mechanisms and action plans to achieve satisfactory goals for the prevention and control of the aforementioned pathologies;
- Pay special attention to national sexual and reproductive health programs and the fight against non-communicable diseases, strengthening their various components with a view to improving the country's health indicators and capitalizing on their positive impact;
- Create a national program aimed at people with disabilities, in close collaboration with social security, with other ministries, namely the Ministry of Employment and Training, the Ministry of Education, aiming to promote their training, full integration and inclusion in society ;
- Emphasize the development of public health through information, education and health promotion, in close collaboration with the media and the ministry of education and culture;

Human Resources

- Value health professionals in qualitative terms and establish specific agreements for their implementation, particularly with United Nations agencies and other multilateral and bilateral cooperation institutions;
- Reassign staff to health districts to promote the decentralization of care provision and equal access to services throughout the country;
- Pay due attention to the equipment maintenance, administration and management sector, promoting the training of staff in these areas.

Governance, financing and management of the sector

The challenge of maintaining the system's financial sustainability requires the simultaneous combination of several measures, namely:

- Maintenance of equipment, administration and management, promoting the training of staff in these areas;
- Control and transparency in the management of available resources;
- Improved coordination between the State and different international partners;
- Increase in the financial contribution of international companies with contracts for the exploration of the country's natural resources;

- Adherence to the recent initiative related to Investment in Human Capital launched by the World Bank, on October 18th, in Bali, and the conditional cash transfer mechanism *for* the most vulnerable sections of the population;
- Improved performance and greater rigor in the management of the country's health structures, through the implementation of quality plans and continuous improvement in the provision of care;
- Create a specific office, under the responsibility of the minister of health, equipped with means and mechanisms for timely and adequate monitoring of sanitary evacuations for Portugal, in collaboration with the General Directorate of Health (DGS) and the Embassies of São Tomé and Príncipe and Portugal, based on health benefits for patients and the degree of urgency or emergency of evacuations;
- Install a Health Information System (SIS) and a Studies and Planning Office (GEP) with the mission of gathering and managing information related to the provision of care, monitoring and evaluating public health policies with the aim of improving management and administration of the sector, as well as assistance to the population.

provisioning

- Create an efficient, effective mechanism capable of identifying the sector's needs for medicines, materials, reagents, consumables, spare parts and other inputs; select products and suppliers taking into account the price/quality factor; manage your scheduled import, customs clearance, storage, distribution and *stock* management and inventory control;
- Install a specific computer application to help manage the *stock* of medicines and other medical materials. This networked equipment with ICT support will allow real-time monitoring from any warehouse, pharmacy or laboratory.

Infrastructures

- Redevelopment of the Dr. Ayres De Menezes Hospital and promotion of the technological infrastructures provided for in the previous points (SIS, Telemedicine and equipment);
- Special attention to the requalification of health centers and posts in São Tomé and the Autonomous Region of Príncipe, as well as the Dr. Manuel Quaresma Dias Da Graça Hospital;
- Mobilization of FDI and ODA for the **construction, equipment and operation of a regional reference hospital unit in the country**, as a way of providing guarantee additional benefit to São Toméans and visitors of excellent health care.

4.3.3.2. Protection and Social Inclusion

The Government considers the reform of the national social security system to be of capital importance, through the implementation of a policy aimed at greater social cohesion, as well as the increase in the minimum survival pension.

The possibility of optionally increasing the age of reform as a way to improve the sustainability of the system.

The Social Security reform **is justified** by the disparity in the replacement rates of pensions; widespread dissatisfaction among users and the general population; procedures

administrative (collection of contributions and payment of installments), undefined; low personal coverage rate; low debt recovery rate.

The **power lines** are based on the following measurements:

- Promote, even in the first year of the legislature, the inclusion in the Public Investment Program (PIP) of the design and initiation of the minimum income program for social inclusion (RMIS), to combat precariousness and extreme poverty. This is a program of a socioeconomic nature, which aims to include the most disadvantaged, giving them the opportunity and possibility of self-employment, having a minimum survival income and/or a study scholarship. This program will also include special attention to elderly people who are in extreme poverty;
- Rethink social security in order to make it more transparent, efficient and closer to citizens, in close coordination with social partners. Public services will be instructed, in accordance with article 32 of Decree-Law no. 25/2014, to pay, in advance, all subsidies, especially to pregnant women and patients, making subsequent account checks with the Security Social;
- Analyze the relevance of extending Social Security to all citizens who fulfill the requirements and are denied this right, whether through new benefits, progressive increase in the amount of pensions, implementation of independent regimes for domestic workers and implementation of rights in training;
- Reconfigure investment governance, respecting tripartism²⁷, aiming for a greater participation in the economy.

The strategic axes of intervention focus on the following policy measures:

- Extension of personal and material coverage;
- Modernization of system governance;
- Autonomization of investment governance;
- Review of the benefit regime;
- Increased knowledge base on social security;
- Legislative reform: actions to be designed, legislated and implemented;
- Extension of the old-age pension reference remuneration to the entire career contributory;
- Creation of benefits linked to health care;
- Segregation of the contribution rate for each eventuality;
- Improvement and formalization of administrative procedures for managing the social security system;
- Redefinition of the system's management structure;
- Extension of electronic governance to the entire system;
- Training of human resources;
- Promotion of user-friendly management;
- Participation in the modernization of public administration: contribution to the extension of electronic governance;
- Introduction of content or a subject on social security into the social security system school;
- Preparation of the guide for taxpayers and beneficiaries;
- Reinforcement of collection mechanisms;

²⁷ Tripartite cooperation is understood in a broad sense and designates, in general, all agreements between the State, represented by governments, employers' and workers' organizations that deal with the formulation or application of economic and social policy, aimed at promoting social justice .

- Increase professional human resources training internships.

4.3.3.3. Gender Equality and Inclusive Development

The first institutional framework for the promotion of women in São Tomé and Príncipe was created by Decree-Law No. 43/92, under the name “Office of Support for the Development of Women and the Family”, attached to the Ministry of Health. Through the Decree -Law nº 37/97, of October 1997, the General Directorate for the Promotion of Women, Family and Youth was created, as one of the services of the Prime Minister's Office.

In 2002, with the technical and financial support of the United Nations Population Fund (UNFPA), the “National Strategy for Gender Equality and Equity” was drawn up and with the support of the Republic of China (Taiwan), it was built from scratch , a 2-floor building to house the Women's Institute.

Still with technical assistance from UNFPA, the institutional scheme planned for the implementation of ENIEG was analyzed, which after two years had not yet started to operate. Overall, it can be said that, over the years, the institutional framework for the promotion of women and gender was considered a marginal and floating body, due to the political instability that has characterized the governments of the so-called “Second Republic”. It took several years for the Government to truly assume an institutional framework and provide it with some resources, especially human ones.

The first study on domestic violence was carried out in 2002, under the initiative of UNICEF, which led to the creation of the Counseling Center Against Domestic Violence (CACVD), one in São Tomé and another in Príncipe, whose role has been important , considering that Santomean society, culturally, does not attribute the same value to women and men.

For this reason and given the ineffectiveness of legal and institutional mechanisms for defending and protecting victims, the majority of women victims of violence did not report it due to the fact that society is sexist and tolerant towards the aggressor; of being economically dependent on the aggressor, due to shame, feelings of guilt, family pressure, among other factors.

In 2007, the Government adopted, by decree, the National Strategy for Gender Equality and Equity (ENIEG) and it was only in 2012 that domestic violence was classified as a crime, for the first time, in the Penal Code of São Tomé and Príncipe, approved by Law No. 6/2012 of 6 August. However, in 2008, two legal diplomas were already published, Laws nº 11 and 12/2008, of 29 October, to punish this type of crime, however, without it being typified in the Santomean criminal legal system as such.

In 2014, with the support of UNFPA and the European Development Fund, the National Strategy for the Fight Against Gender-Based Violence was developed and adopted for the period 2014-2018, with the aim of making the problem of Gender-Based Violence more visible. Gender; harmonize the actions carried out by different actors in this domain; strengthen the capabilities of the CACVD and implement one of the objectives of axis four of ENIEG “Contribute to the reduction of violence against women.

However, one of the biggest limitations is the number of Centers existing in the country. To address the problem, a network called “Rede Vida” was recently created, made up of focal points from eighteen institutions, namely District Police Commands, Police Criminal Investigation, NGO, Public Prosecutor's Office, that is, institutions that in one way or another also provide assistance to victims or with which the CACVD has already established protocols.

It is important to highlight an aspect common to the different constitutional texts on the principle of the relationship of equality between men and women, in the case of São Tomé and Príncipe. Although equality before the law is enshrined for all citizens (No. 1), “women are compared to men, establishing the latter as a standard (No. 2), that is, instead of stating that “men and women

women are equal before the law”, states that “women are equal to men [...]” (Law 1/03:6) establishing, to a certain extent, a hierarchical relationship between the two sexes. This situation does not occur, for example, in the Constitution of the Republic of Cape Verde, that of the Portuguese Republic, among others”.

Gender equality is one of the fundamental pillars of sustainable development and aims to ensure that women and girls, as well as men and boys, have the same opportunities to participate, access and benefit from the development process. This principle makes it possible to integrate the specific needs, experiences and expectations of Santomean women and men in the design, implementation, monitoring and evaluation of the National Sustainable Development Plan, in its three structuring pillars: Sustainable Economy, Social Development and Sovereignty/Democracy, aiming to eliminate gender inequalities and promotion of inclusive development in the country.

The mainstreaming of the gender approach in the PNDS guarantees the adoption of measures to correct gender inequalities, at the level of different sectors, thus promoting justice and social inclusion and the sustainable development of the country.

São Tomé and Príncipe continues to face important challenges in achieving full gender equality, with emphasis on women's economic autonomy, their participation in politics and decision-making, and gender-based violence (GBV). In terms of institutional policies, programs and practices, despite some progress, weaknesses persist in the Transversalization of the Gender Approach at the sectoral, regional and district level. Regarding the economic empowerment of women, the following obstacles are noted, in particular:

- Lower participation of women in key economic sectors (areas linked to tourism, such as agribusiness, blue economy, green economy, creative industries, etc.);
- Specific constraints of women, in terms of entrepreneurship, which need to be taken into account in approaches to promoting entrepreneurship, focusing on capacity development, better conditions of access to markets and credit, among others;
- Gender stereotypes (prejudices) that limit women's options, in terms of areas of study and training, making it necessary to promote their greater presence in technological areas, non-traditional and cutting-edge areas, capable of promoting employability ;
- Strong presence of women in the informal sector, recommending their inclusion in the definition of policies and programs for transition to the formal sector, so that they benefit economically from the transition;
- Persistence of gender discrimination in the labor market, requiring measures to promote equal access to work and salary, measures to promote environments free from moral and sexual harassment in the workplace, both in the public and private sectors;
- Overload of women with unpaid work, in a context of disruption of the traditional care network, as only a small portion of Santomean families are in a position to purchase care services to support dependents: children, the disabled, the elderly;
- Difficulties in reconciling work and family life.

Progress in the representation of women in decision-making and management positions is very modest, particularly in the private sector and in terms of political participation. Factors to take into account, in order of priority, include:

- Insufficient legal framework regarding the representation of women in politics and in management positions decision;

- Culture and institutional practices of political structures that are not gender sensitive;
- Barriers on the demand side, such as fewer opportunities for women to develop political and leadership capabilities, lack of co-responsibility in caring for the family and home (men/women, State/families), insufficient understanding of gender barriers and instruments to promote increased political participation by women, such as quotas, parity law, etc.

Law No. 6/2012 of August 6, 2012, which, for the first time, classifies domestic violence as a crime in the Penal Code of São Tomé and Príncipe constitutes a great gain for the country, however, its effectiveness requires profound changes in practices of the various systems: justice, health, social action, education. Among the obstacles are mainly:

- Slow judicial response;
- Weak institutionalization of victim support services, with a view to their sustainability;
- Gender norms and roles that are not consistent with sexual and reproductive rights of the women;
- Deep roots of machismo in society, dictating the need to promote new models of masculinity in the way health and self-care, fatherhood, gender-based violence (GBV), homophobia are viewed.

The mainstreaming of the gender approach needs to be consolidated, highlighting the following factors:

- Insufficient production, use and dissemination of disaggregated statistics and gender-specific indicators, especially in the economic domain (salaries/income, tourism, agriculture, informal sector);
- Gender integration, especially in social areas, at first sight more prone to gender analysis, with the need to promote such integration in all sectors and themes, including economic issues, competitiveness, finance, etc.
- Capacities to ensure a gender approach are still insufficient at all levels, sectoral, regional and district, being a fundamental theme within the framework of the decentralization process;
- Gender is not yet systematically taken into account in efforts to mobilize financing and partnerships, which requires capacity to formulate investment projects with this approach.

With a view to overcoming the challenges identified, especially that of economic empowerment and taking into account the obstacles and opportunities identified, the following axes of intervention are outlined, during the period of implementation of the PNDS:

Table 9: Main areas of intervention and strategic gender options

Areas of Intervention Measures	
Mainstreaming the gender approach	Implementation of gender-responsive budgeting, implementation of the Gender Observatory and follow-up as tool of the transversalization process.
Violence based on gender	Implementation of the comprehensive care program for victims of GBV, in the legal, psychological, medical sphere, gender protection (shelter houses, CACVD in the assistance dimension and security).
Political participation and exercise of power	Preparation, approval and implementation of the parity law in political, economic and social context.
Economic empowerment	Implementation of a programmatic approach that encompasses several aspects, namely: training of women and the creation of dignified and permanent jobs; guarantee of access to credit; implementation of programs that allow the transition process from informal to formal, recognizing informality as a strategy for accessing economic resources; access to the labor market in a non-discrimination environment; valuing work does not remuneration and reconciliation of work and family life, with the creation of the Care System, as a central axis.
Health, sexual rights and reproductive sexuality	Implementation of programs and measures that promote sexual as a right, within the scope of sexual and reproductive systems, from a perspective of diversity and autonomy of the body, as well as promoting the physical autonomy of women.
Education and training professional	Development and implementation of programs and measures promoting a culture of equality in education and professional training (curriculum, manuals, and training of teachers), ensuring the transversalization of the approach gender in the sector.

4.4. Goal 4: Strengthen Sovereignty, Deepen Democracy and Renew Diplomacy for Development

4.4.1. Democracy

Fulfilling this legislative challenge challenges the Government to the urgent need to refound and consolidate the pillars of the democratic rule of law, with the aim of truly reorganizing the State as a whole, strengthening democracy and institutions at the national, regional and local level.

Some principles underlie the understanding of the democratic rule of law. It is about governments respecting individual and collective rights, placing the constitution and laws above authority and group interests. Thus, political power submits to the law and rulers to the exercise of alternation in legal terms. Indeed, it is up to the State to ensure the regular functioning of democratic institutions. In this process, justice constitutes one of the pillars of the democratic rule of law.

Efforts in this direction will be in vain if the Country does not have the capacity to preserve its sovereignty, the operability of State action and safeguard individual freedom, popular will, social justice, security and well-being of its citizens. These assumptions contribute to institutional reform not only to reinforce existing institutions, but also to analyze the relevance of new institutions to face new challenges.

In this sense, it is also important to ensure the neutrality and independence of public media, through the implementation of the following measures:

- Redefine, in consultation with public and private media bodies and socio-professional organizations in the sector, the modalities for appointing members to the Superior Council and to the directors of public communication bodies, aiming to ensure independence, neutrality and impartiality in the exercise of this type of functions;
- Take steps to convert media bodies, namely, the National Radio and Television in self-sustained public companies;
- Implement, in partnership with AGER, the migration of the analogue transmission system for digital;
- Ensure national Radio and Television coverage;
- Provide public communication services with modern infrastructure, including construction of a new building;
- Review cooperation agreements with radio and television in partner countries STP development.

In the field of human rights, the Government's policy is based on safeguarding the fundamental rights, freedoms and guarantees of the human person enshrined in the Constitution and laws of the Republic. Respect and scrupulous compliance with these standards constitute the best way to safeguard human rights. Therefore, the Government proposes to be attentive to the actions of the bodies responsible for its application, with a view to their scrupulous compliance.

To this end, it is proposed to create the Human Rights Defense Office with a view to monitoring actions and alerting whenever situations linked to human rights violations are at stake.

Civil society organizations (CSOs): the involvement and participation of civil society will be the subject of special attention, particularly in terms of the Government's dialogue with civil society, as a way of promoting active and enlightened citizenship, capable of monitoring and supervising actions of State. This action will be carried out through specific consultations, organization of forums or thematic conferences.

Therefore, campaigns will be organized to raise awareness and educate citizens on pertinent issues that concern society, including education for active citizenship.

4.4.2. State reform

4.4.2.1. Reform and Modernization of the Judicial System

The Government views with great concern the issue of accessibility and proximity of justice to citizens, the type, nature, and need for higher and intermediate appeal bodies, as well as the analysis and supervision of the performance of its main actors. From this perspective, within the scope of State reform, a justice reform preceded by a thorough dialogue with the interested party and other sovereign bodies becomes urgent.

With the aim of promoting and developing a culture of peace, rights and justice, it is proposed to modernize, dignify, honor and hold judiciaries accountable through the promotion of proactive, credible and effective policies for the judicial system.

There is an urgent need for a restructuring and modernization program for the judicial system as a whole, in terms of organization, management, development of human resources, physical and ICT infrastructure, and the provision of equipment and materials.

Nevertheless, the specific and sectoral work that will be carried out, with the legitimate institutions of justice, it is important to highlight the relevance, urgency and imperative of implementing the following measures:

- Creation of courts with specialized jurisdiction, namely, family and minors, labor and administrative, commerce, maritime, among others, with the purpose of producing good quality, speedy justice, in order to improve access conditions from citizens to justice;
- Creation of a multipurpose center aimed at training and updating magistrates and other justice actors;
- Promotion and operationalization of permanent individual assessment instruments for judicial magistrates and Public Prosecutor's Office employees, in order to stimulate work quality and productivity;
- Promotion of child protection actions and policies;
- Creation of a General Directorate for Prevention and Combating Crime that will cover the areas of domestic violence, prevention and combating the consumption of alcohol and other drugs.

Likewise, it is also intended to create an action plan to decongest the courts, which will include faster sanctioning regimes; creation of exceptional tax incentives for withdrawal of shares; conversion of transgressions and misdemeanors into administrative offenses; alteration of judicial holidays and outline of a long process of dematerialization of justice acts and processes, which will require a broad program of renewal and modernization of the judicial system's IT park.

With regard to combating corruption and impunity, the implementation of the following measures stands out:

- Drafting and proposing a law against corruption, as well as reviewing diplomas relating to immunities and incompatibilities;
- Strengthening interconnections between the Ministry of Justice, Courts and Public Prosecutor's Office;
- Establishment of standards for productivity, efficiency, effectiveness, procedural simplification, strengthening citizen guarantees and State accountability;
- Adherence to all international instruments for repressing crime transnational;
- Preparation of the national strategic plan to combat drug trafficking and consumption;
- Combating organized crime and other forms of attacks against the security of the State, its heritage, its fundamental values, the security of people and property, public and private;
- Encouragement of partnerships with eligible NGOs and the media in order to carry out education and awareness campaigns focusing on the harmful effects of illegal drug sales and consumption.

As a way of ensuring greater operability and efficiency for the Judiciary Police, It is proposed to carry out the following measures:

- Installation of an integrated information system, relating to national and international crime, which allows faster and more effective access to information essential to combating crime;
- Installation, within the framework of preventive and educational actions, of a specialized investigation laboratory, in order to facilitate and give credibility to the revelation of evidence, as well as a legal medicine institute, with the purpose of allowing greater speed and credibility in the investigation of material truth;
- Promotion of training programs for the Judiciary Police with legal, technical, human and material means, which allows it to intensify the fight against manifestations of crime that affect the country and constitute a decisive deterrent factor against new forms of crime that seriously threaten the future of Country, with particular emphasis on economic-financial, transnational, corruption, pedophilia, youth prostitution, human trafficking, trafficking, manufacture and consumption of drugs;
- Adherence to international instruments for repressing transnational crime.

With regard to the **social reintegration policy**, the following measures will be taken:

- Definition of an organizational model suitable for the management, promotion and development of employability, professional training and productivity projects for prisoners, with a view to their reintegration into their respective communities;
- Development of actions aimed at attracting public and/or private partners aiming to implement the projects in question;
- Development of actions aimed at replacing the prison sentence with the provision of work in favor of the community, encouraging the effective participation of the whole of society in the reintegration and resocialization processes of young people subject to precautionary, educational and confinement measures.

In this domain, it is also proposed to create an automated database in order to enable the exchange of information using digital means, thus reducing the delay in this type of process, via traditional means, and speeding up direct computer access to data relating to identification, the prison situation of defendants and convicts, magistrates who exercise functions in criminal courts or sentencing courts.

Construction of a new prison establishment: the location of the current building places the surrounding population at permanent risk. On the other hand, overcrowding and the advanced level of degradation of the aforementioned building put the physical integrity of inmates at risk.

In view of the deterioration in the reception conditions for prisoners, there is an urgent and definitive need to build, from scratch, a new prison establishment in São Tomé, with all the hygiene, safety and other conditions inherent to facilities of this nature, and adoption of urgent measures aimed at the rehabilitation of prison facilities in the Autonomous Region of Príncipe.

Arbitration-redefinition centers: with a view to decongesting the courts, It is proposed to pay attention to the creation of a specialized commission to carry out work to identify the areas of activity that may be included in extrajudicial conflict resolution mechanisms, as they contain matters that constitute significant focuses of judicial litigation and justify the projection of arbitration.

Arbitration centers designed in this way will allow conflicts to be resolved in a more faster, cheaper, simpler for the parties.

In the field of **records and notaries**: the aim is to improve the process of registering newborns in the health establishment where the birth takes place, without the need to visit a civil registry office.

The basis of the Government's policy is the administrative simplification of registry and notarial acts and practices; decentralization of Registry and Notary services to other more vulnerable and less accessible districts; review of fees currently in force, with a view to reducing them, particularly for students.

Particular attention will be given to vehicle registration, aiming to modernize and simplify procedures.

IT and reprography services: with a view to improving the publicity of acts of the Government and Administration proposes the development of actions to improve reprography services.

4.4.2.2. Modernization of Public Administration

The Government proposes to review, agree and decide on the appropriate levels of centralization or decentralization of power, and take on the challenges of modernizing public administration in terms of rationalization and efficiency, using innovative mechanisms.

Santoméan Public Administration is extremely cumbersome, inefficient, expensive and a poor provider of services, both for citizens and companies. In this sense, a transversal reform is required across all administrative structures of the State, with the aim of simplifying all administrative and legislative acts, reducing costs, increasing the sector's productivity and improving its relationship with citizens and companies.

It is proposed to carry out a policy of bringing administration closer to the population, based on transparency and legality of administrative actions and acts, and guarantee the development and consolidation of administrative careers, through periodic performance evaluation.

Doing so means "Modernizing Public Administration" and catapulting São Tomé and Príncipe into the digital era, facilitating electronic governance and the principle of cost rationalization expressed under the acronym "zero PTB" that is, "zero paper, zero telephone, zero bureaucracy", predominantly using new information and communication technologies to exchange information in digital format.

This project will have a national scope, coordinated by a central structure, with the responsibility of coordinating with all Ministries (and their respective management units) on the measures and procedures to be adopted at each moment. The coordination will also have the mission of developing a master plan for the Public Administration's information recording system, which aims to create a single network for recording and sharing information within the public administration, thus avoiding costs and wasted time. in unnecessary bureaucracy.

Another result/product of this Project is the creation of a public user card, for each citizen, which must include the following cards/documents: identification card (BI), taxpayer card, health card, professional card, driving license, voter card.

This will contain a *chip* (interface) that will allow its use by some private company services, such as the provision of information such as name, address, etc., as long as the private party has a receiving interface.

It is expected that these measures will increase the productivity of Public Administration. The initial phase of this process consists of simplifying administrative and legislative processes, grouped into four areas:

- Facilitating access to public services: articulation and integration of different services and sharing of information;
- Elimination of paper: (dematerialization) reducing management costs;
- Replacement of conventional certificates in the different Public Services, making them available electronically;
- Simplification: reducing bureaucracy and better regulation to avoid necessary costs and constraints;

The main measures of the first phase of this process consist of the following:

- Preparation of the master plan for the public administration information system;
- Issuance of a public user card that combines all identification functions;
- Issuance of a business identification card that contains tax identification, license and permit;
- Automation of enrollments in pre-school, primary, secondary and higher education;
- Booking appointments electronically;
- Creation of a single point of contact for job offers and searches: through a physical structure and/or an electronic portal;
- Creation of a virtual consulate: make available, via the internet, information and services that allow São Tomé citizens, whether resident or abroad, to request inquiries and interact with public administration services, without having to travel to São Tomé and Príncipe or a consular post;
- Simplification of the accountability process and other company information via electronics;
- Simplification of the motor vehicle legalization process; incorporation of companies and associations on the spot;
- Implementation of citizen store projects in a streamlined and decentralized model, unique guiche;
- Creation of a centralized database to record service information public.

Finally, the reform of public administration also has an important dimension, which consists of strengthening and consolidating the powers of the Independent Administrative Authorities, namely the Central Bank and the General Regulatory Authority (AGER), which may, eventually, imply changing the respective organic laws.

4.4.2.3. National defense

The technological revolution globalized economic, social, political and cultural progress. Therefore, it has also enabled a globalizing dynamic of a multiplicity of threats and risks, which include both the projection of terrorist and organized crime networks, as well as cyber attacks.

The international economic and financial crisis has made these risks and threats even more imminent, while, in the country, the living conditions of São Toméans have worsened in recent years.

Within the framework of the reform of the State in question, in addition to strengthening democratic institutions, justice and those of a military nature and combating crime, priority should also be given to the creation of other institutions that contribute to strengthening the power of the State in terms of anticipating and implementing policies that make the country more cohesive and

more resilient to these threats and contribute to the security and economic, social and cultural well-being of São Toméans.

In the era of knowledge societies, progress goes hand in hand with knowledge and security. In this sense, the Government in the exercise of the legislature will establish an academy of sciences as guardian of knowledge, an institute of national culture to safeguard and disseminate the country's cultural identity heritage and services for policies and processing of geopolitical information.

In the globalized world, what happens in one country can have an impact on all others. The strategic defense concept that is around a decade old is out of step with time. São Tomé and Príncipe needs to evolve towards the strategic concept of security in the broadest sense, to encompass non-military components, among which, of a geostrategic nature to allow the observation and interpretation of the dynamics of the external environment, the repercussion of which will require the São Tomé State anticipation of policies aimed at preserving its peace, its sovereignty and the well-being of its citizens.

The Government proposes to guarantee the defense of national sovereignty, unity and integrity in a broader concept of territory, with the territorial space being predominantly constituted by the Exclusive Economic Zone and the corresponding airspace.

In this assertion, it is clear that the country's geostrategic location appears as a capital to be valued, resulting in the need to protect economic interests, particularly at sea, and national security.

In this context, there is a need to reassess, redefine and better adapt the role of the Armed Forces, on the one hand, considering their current situation and the STP development perspectives established in the Government Program and, on the other hand, the international context that, in terms of security, challenges and threats take on worrying and increasingly less predictable contours, putting the stability, security, progress and well-being of populations at risk.

Creation of policy services and processing of geopolitical information: in the current circumstances, the creation of this service is justified by the fact that the external environment is extremely dynamic and the phenomena resulting from them can improve or condition national collective survival.

In the same way as one anticipates climate phenomena by observing nature, STP must learn to observe and correctly interpret external phenomena and anticipate them, making qualitative decisions that reinforce its resilience and guarantee its sustainable development. In this sense, the Santomean State lacks a policy service and processing of geopolitical information of a strategic nature.

Therefore, the creation of a geopolitical observatory and council is essential. While the first analyzes and interprets the phenomena from the perspective of their importance and impact on the country and on the attitude to be taken, the second validates one or more options, if so understood, and submits them to the superior consideration of the Government, which will decide accordingly. the best interests of the Nation.

This new institution must focus its observation, analysis and interpretation on, whether directly or indirectly, in the short, medium and long term, the external environment reinforces, conditions or threatens collective survival, whether from the point of view of security in the broadest sense. (economic, political and cultural), and the affirmation of STP in the world.

This time, this institution will help the Government to gain awareness about potential external threats and opportunities and, at every moment, to anticipate decisions about the future that best guarantee the security, economic and social well-being of its citizens.

Therefore, it is proposed to adopt and implement the following measures:

- Review of the strategic concept of national security in order to encompass the both military and non-military defense components;

- Fulfillment of commitments assumed regarding the country's active participation in international missions;
- Development, with the main strategic and traditional partners of the country, of technical-military cooperation projects for the sector;
- Guarantee, in collaboration with the competent authorities, the participation of the Forces Armed in actions to prevent, inspect and monitor activities linked to organized drug trafficking networks and related crime;
- Assumption of the strategic importance of the sea as a vital area of the Nation, giving priority actions leading to research, monitoring and security of the ZEE;
- Guarantee and improvement, in partnership with friendly countries, of the operational level of the Coast Guard, in joint patrolling of the sea under national jurisdiction;
- Promotion, in combined actions with the army, the mobilization of all available resources aimed at combating the depletion of marine resources, maritime pollution, reinforcing the mobility of beach inspection services (beach chiefs and others);
- Involvement of the military engineering unit in carrying out civil works;
- Control of the collection of weapons that are under the control of third parties;
- Restructuring of the information and military intelligence system (collection, processing, sharing them);
- Increase in the level of readiness and operationality of the Armed Forces, improving the level of military accommodation;
- Assessment of the relevance of reviewing the Military Programming Law, to address the constraints of the country's current economic and financial situation, listening to the Institutions.

4.4.2.4. Internal security

Security constitutes one of the founding pillars of the construction of democratic societies, being, at the same time, an unquestionable factor of development and a vital political, social and economic asset from a strategic point of view.

Therefore, the Government will actively commit to building and maintaining a safe State, capable of promoting and guaranteeing security for resident citizens and visitors; to elevate STP to the status of an increasingly attractive and safe country for doing business, for living, for investments in tourism, the main axis of development of the country's economy.

Therefore, it is proposed to implement the following measures for the sector:

- Promote and instill within the security forces a culture of interaction with people, cultivating the image of a more citizen-friendly police force that respects their freedoms and guarantees;
- Adopt a proximity policing model, whose attitude is not only reactive but, above all, educational and persuasive, intelligently preventing and anticipating all possible sources of tension that may be subject to the use of force;
- Operations to neutralize violent rioters must observe the principles of freedoms, guarantees and defense of citizens and applied with a streamlined and efficient approach, avoiding, at most, collateral damage.

In this context, it is proposed to implement the following policy measures:

- Promote greater coordination between security forces and services, which is capable of certifying the operability of the dual security system;

- Concentrate and rationalize the use of existing means, some of which are currently dispersed across the most varied participants in the security system;
- Establish solutions that guarantee increased rigor and effectiveness in the planning and execution of operations that may involve operational and organic coordination mechanisms;
- Value the strategic role of information, highlighting measures to reinforce centralization and coordination of its activity;
- Promote measures that value the role and status of security forces, encouraging efficiency, training and internal mobility.
- Promote the connection of forces with civil society institutions, especially with regard to the evaluation of public action and social integration programs in sensitive urban areas, covering areas such as education, housing, employment and drug addiction, involving local authorities, Institute National Social Security (INSS), Misericórdias and non-governmental organizations;
- Strengthen the civil protection system, intensifying the use of synergies resulting from joint action between internal security and national defense, incorporating and articulating related entities;
- Provide the Fire Services with adequate conditions for the effective performance of their activity, at the most diverse levels of operational intervention;
- Improve the health system of police forces, ensuring quality support for their employees users and greater use of installed capacity;
- Intensify the fight against road accidents, carrying out a rigorous assessment of the currently existing system and reinforcing, in coordination with civil society institutions, the focus on prevention and selective inspection of higher risk behaviors.

4.4.3. Foreign Policy at the Service of Development

Strengthening diplomacy, international cooperation and regional integration and of São Tomé and Príncipe constitutes the Government's biggest and priority challenge.

As the new international order brings immense benefits, the country must be in a position to take advantage and appropriate them, namely, the opportunities that existing global networks provide in crucial areas such as tourism, the environment, the production and development of knowledge, technologies, international trade, telecommunications, financial services, energy and transport.

STP must work to conquer and consolidate its place as a credible and respectable country, instituting and developing a culture of good governance, transparency and accountability in the careful management of resources generated internally and those raised through international cooperation, oriented towards objectives, whether in terms of development or in meeting the needs of its population, namely the poorest and most vulnerable groups in the country.

The Government has the ambition to participate in the global economy, through the production of tradable goods and services, in the areas of tourism, the maritime economy, air transport, financial services and various specialized services, supported by a strong commitment to innovation and in knowledge. The aim is to integrate STP into dynamic economic spaces, which allow the country to attract investments and access to markets, technology, knowledge and security, and should allow it to accelerate economic growth, exports, reduce external vulnerabilities and ensure sustainability.

Therefore, overcoming the urgent problems that the country faces presupposes a set of challenges that, due to their magnitude and transversality, will in no way be possible to achieve an exclusively internal solution.

From this perspective, respecting constitutional precepts and in line with national aspirations, the Sustainable Development Goals and the African Union's Agenda 2063, São Tomé and Príncipe's foreign policy should aim to: preserve national sovereignty; the promotion and defense of the country's interests, with particular emphasis on the diaspora; the establishment and reinforcement of strategic partnerships for development; promoting the country's external image; active participation in the international concert to promote well-being, human dignity, peace, security and stability on a global scale.

In this context, aiming to overcome the aforementioned challenges, it is proposed to carry out following measures:

- Proclaim the protection and promotion of national interests, human or property, of natural or legal persons, of a private or public nature;
- Reaffirm the country's total commitment and determination to maintain, on a basis of reciprocity, relations of friendship and cooperation with all peoples and countries of the world, with respect for sovereignty and territorial integrity, cooperation for development and non-interference in the internal affairs of each one;
- Reaffirm its firm purpose in honoring all internationally assumed bilateral and multilateral commitments resulting from Treaties, Conventions International and Agreements of which it is a co-signatory;
- Agree to participate in international organizations of which it is a member through a stance of respect, attachment and defense of established ideals, in order to improve the representation of São Tomé and Príncipe in the regional and international context, as a *sine qua non* for the *promotion* of image of the country and the internationalization of the Santomean economy;
- Promote international peace, security and harmony, through cooperation with bilateral and multilateral partners, maintaining alignment in relation to the main issues of international life, such as respect for human rights; gender equality; development in a sustainable environment; the peaceful resolution of conflicts; combating climate change and any type of oppression and discrimination; combating terrorism, maritime piracy, drug trafficking and all other forms of organized transnational crime;
- Confirm the need to readjust, reinforce and consolidate friendly and cooperative relations with the people and countries of the sub-region, of the Community of Speaking Countries Portuguese, as well as those who have contributed significantly to the process of its development;
- Value the action of communities residing abroad in disseminating national culture and improving the inclusion and participation of the São Tomé diaspora in the country's development process;
- Strengthen cooperation with eligible bilateral partners to optimize the national security state in the broadest sense.

4.4.3.1. Inclusion of the Diaspora in the Development Process

To better safeguard the interests of São Tomé and Príncipe citizens in their respective host countries, strengthen their ties with the country of origin and promote their contribution and commitment to the development of São Tomé and Príncipe, a set of measures is proposed for better inclusion of the diaspora, namely:

- Development of the technical assistance project to improve monitoring of the diaspora and to respond more effectively to their needs, an ongoing process, in consultation with the International Organization for Migration (IOM);
- Improving the protection of migrants in all situations and assistance to detained migrants and protection of their rights;
- Reorganization of the national diplomatic and consular network and its reinforcement in human resources, namely, with the appointment of women in key positions aiming at better coverage of the countries where the diaspora is concentrated, better capacity to respond, quickly and effectively, to their assistance needs and to ensure their regular participation in national electoral processes;
- Regular organization of the Santomense Diaspora Forum, constitutes an appropriate framework for discussing various issues of interest to the diaspora and identifying measures to be taken by the authorities to improve their protection and participation in the country's development;
- Improved communication and information with and for the diaspora about the situation of the Country, providing quality, updated and disaggregated data on the different sectors of the economy and society, as well as the definition and implementation of measures to encourage specific savings and investment in the Country, including the development of appropriate financial products;
- Development of specific financial mechanisms for the diaspora.

The Government, aware of the country's geopotentialities, proposes to pursue the above objectives with permanent resort to strategic consultation with other sovereign bodies, development partners and civil society organizations with projection in the thematic area of international relations, where the diaspora, as an extension of the sainthood in the world, there will be a special role of greater connectivity and proximity.

Finally, with a vital strategic sense, the Government proposes to strengthen relations with some partners, aiming to make international cooperation a complementary instrument for the country's economic and social progress.

5. PNDS OPERATIONAL FRAMEWORK

It is important to highlight that the PNDS intends to be a coherent Plan, basically built around five main stages:

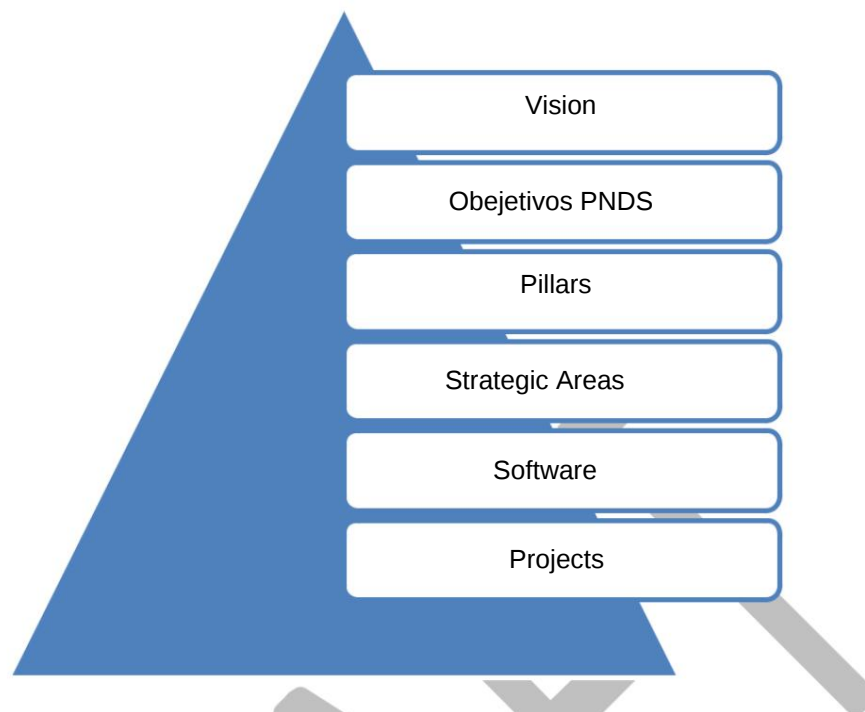
- Identification and analysis of the main problems and challenges of São Paulo development
Tomé and Príncipe;
- Definition of development objectives and results (i.e. changes recommended);
- Definition of strategies to achieve objectives and results in the medium term;
- Definition of an articulated set of sectoral and transversal programs to achievement of these results;
- Definition and implementation of a feedback mechanism , based on monitoring and evaluation, aiming to ensure effectiveness.

In accordance with Law No. 6/2017, Basic Law of the National Planning System and Law No. 3/2007, of February 13, which approves the State Financial Administration System (SAFE), the PNDS will be implemented through a programmatic approach, with the design and planning of sectoral and transversal programs aimed at

to the realization of the Government's Program and Vision for the future of São Tomé and Príncipe, within the framework of the implementation horizon of the PNDS 2020-2024.

The Planning System of São Tomé and Príncipe tends towards the integration and articulation of the planning-programming-budgeting cycle, linking the strategic planning and budgeting phases, whether from a long-term perspective (such as the Government Program and the Objectives of Sustainable Development), either from a medium-term perspective (with the macrofiscal and medium-term expenditure frameworks), or annually, with the General State Budget.

The Government of STP adopted the Program approach as a new planning methodology, which allows the phased operationalization of a set of new principles and practices such as the program budget and management by objectives. With this initiative, the Government intends to extend the concepts of program budget and budget management by objectives to the preparation, presentation and execution of the State budget, as a whole, including all areas of the public sector, defining and carrying out public expenditure, in table of detailed programs by body, function, project or activities to be developed. The chaining is done through the definition of programs. Therefore, the programs defined in the PNDS will be the same programs that will be part of the Medium-Term Expenditure Framework (QDMP) and the General State Budget (OGE) (for the years the PNDS is in force).

Graph 16: Summary of the design and preparation structure of the PNDS

The aforementioned programs are arranged in a matrix, according to their nature and the objectives to which they contribute, grouped into three pillars: Sustainable Economy, Social Development and Sovereignty and Democracy.

The definition of the programs was guided by two methodological questions:

- The first concerns the concern with identifying and defining the particular objects of each program (what they are and the objectives) and, concomitantly, knowing how these programs ensure sustainable economic growth in strategic areas, and how the gains from this growth will be shared;
- The second was the identification and definition of specific programs to complement segments of the population susceptible to exclusion from the inclusive and sustainable growth process.

In this sense, gender equality is one of the fundamental priorities of sustainable development and aims to ensure that women, girls, men and boys have the same opportunities to participate, access and benefit from the development process.

This principle highlights that the incorporation of the specific needs, experiences and expectations of women and men in program planning is fundamental to achieving sustainable development objectives in São Tomé and Príncipe.

Therefore, the mainstreaming of gender across all sectors and levels of administration (direct and indirect) of the State, local authorities, private sector, civil society organizations (CSOs), communities and the population in general guarantees the adoption of policies to correct gender inequalities. gender and promoters of justice, inclusion and social peace in the country.

Therefore, with the integration of the gender approach in the design, implementation, monitoring and evaluation of the National Sustainable Development Plan, the Government intends to provide itself with a strategic and effective instrument to eradicate all forms of inequalities between women and men, and promote women's empowerment and sustainable and inclusive development for all.

The PNDS matrix presents a set of 34 Programs, to which is added the Management and General Administration Program, transversal to the 3 Pillars, with 19 Programs of the

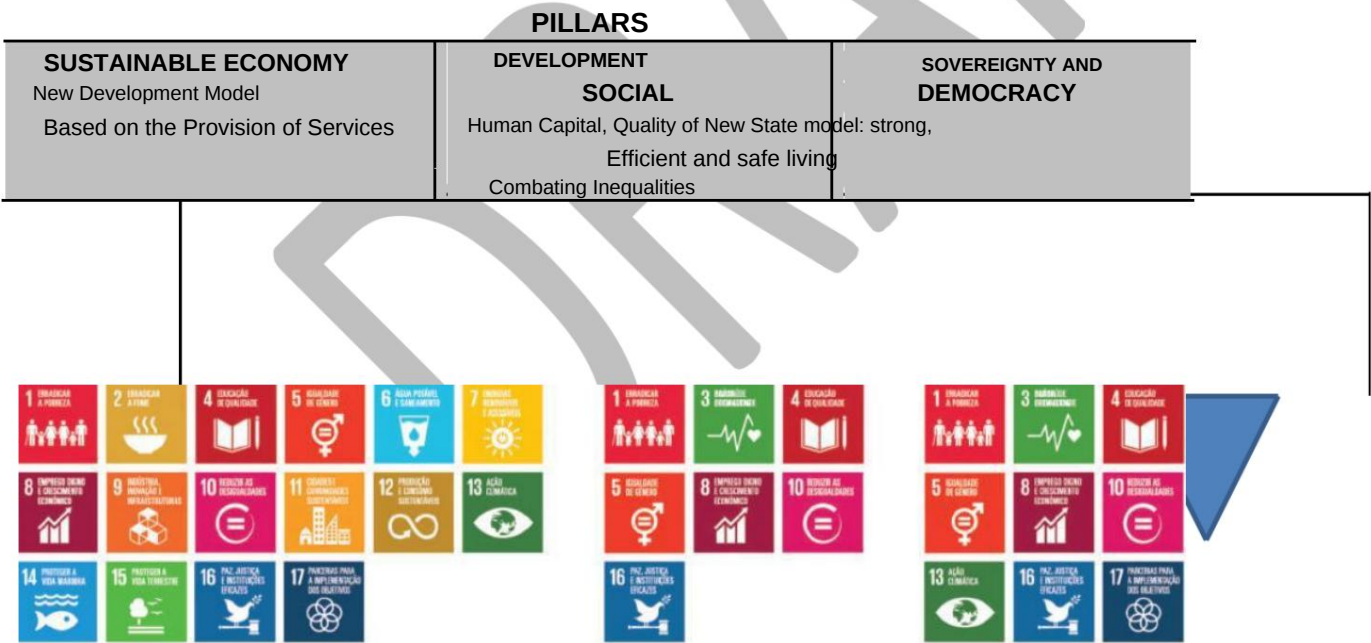
Sustainable Economy Pillar, 8 Programs of the Social Development Pillar and 7 Programs of the Sovereignty and Democracy Pillar, identifying the objectives to which they contribute, according to the presentation of the table below.

Table 10: The PNDS pillars and programs

OBJECTIVES OF THE PNDS	PNDS PROGRAMATIC PILLARS		
	SUSTAINABLE ECONOMY DEVELOPMENT New Model Development based on Services provision	SOVEREIGNTY AND SOCIAL Human capital, Quality of life Combat Inequalities	DEMOCRACY New model of Condition: strong, efficient and safe
	SOFTWARE		
Objective 1 To transform STP in a Saving Provision of Service in Center of Atlantic	*Tourism sector *Maritime sector *Airline sector *Commercial and industrial sector *Financial sector *Digital and innovation sector *Business environment *STP accessible and open country *Modern and resilient infrastructures *Energy sustainability *Quality of production and dissemination statistics *Culture and creative industries *Research, science and technology	*Excellent education, effectiveness of justice *Gender equality *Development work flexible and inclusive integrated healthcare *Export of services of health *Sport for inclusion and renewed national cohesion	*Consolidation of democracy *State reform *Independence and *Market of *Defense and security *Diplomacy *Diaspora to third island
Objective 2 Promote Growth Economic Inclusive and Sustainable	*Tourism sector *Maritime sector *Airline sector *Commercial and industrial sector *Financial sector *Digital and innovation sector *Business environment *STP accessible and open country *Modern and resilient infrastructures *Energy sustainability *Quality of production and statistical dissemination *Culture and creative industries *Research, science and technology *Young entrepreneurship *Transformation of agriculture *Water and sanitation *Protection of biodiversity *Environmental risk management, climatic and geological *Decentralization, local development and community	*Excellent education; *Consolidation of *Dignified employment and democracy qualified *Gender equality *Export of justice efficiency services of health *Development work flexible and inclusive integrated healthcare *Protection social inclusion *Sport for inclusion and national cohesion renewed and intensive	*State reform *Independence and *Market of *Defense and security *Diplomacy *Diaspora to third island from STP
Objective 3 Ensure inclusion and	*Tourism sector *Maritime sector *Airline sector *Commercial and industrial sector *Financial sector	*Excellent education; *Consolidation of *Dignified employment and democracy qualified *Gender equality; *Development of justice effectiveness	*State reform *Independence and

protection innovation , reduce inequalities social and regional resilient asymmetries	*Digital sector and social Business environment *STP country accessible and open *Modern infrastructures and *Energy sustainability *Quality of production and dissemination statistics *Culture and creative industries *Research, science and technology *Young entrepreneurship *Transformation of agriculture *Water and sanitation *Protection of biodiversity *Environmental risk management, climatic and geological *Decentralization, local development and community	integrated healthcare; *Guarantee rights and protection for children, adolescents and the elderly *Protection social inclusion *Sport for inclusion and renewed national cohesion	*Market of work flexible and inclusive *Defense and security *Diplomacy renewed and intensive *Diaspora to third island
Objective 4 Reinforce Sovereignty, Deepen Democracy and Renew a Diplomacy for Development	*STP accessible and open country *State reform *Quality of production and statistical dissemination *Culture and Creative Industries	*Gender equality	*Consolidation of democracy *State reform *Independence and effectiveness of justice *Market of work flexible and inclusive *Defense and security *Diplomacy renewed and intensive *Diaspora to third island from STP

Table 11: Alignment and contribution of the Pillars to the SDGs



Aiming at harmonization, articulation and effectiveness of implementation, follow-up and evaluation of the PNDS, based on the principles and practices of results-based management,

The importance and need for actors responsible for implementing the PNDS and development partners to have adequate ownership of the performance indicators and goals of the strategic plan is highlighted.

The monitoring and evaluation of PNDS impact indicators are anchored to the Statistical Agenda and, therefore, guaranteed by INE, through an agenda stipulated by the National Planning System, which will be described in point 6.2. of the next chapter. The logical framework, summarizing the PNDS indicators and targets, is presented in the table below.

5.1. PNDS Logical Framework - Indicators and Targets

Table 12: Logical framework, indicators and goals of the PNDS

Goals	Impact indicators	Value base year 2019	Goals				
			2020	2021	2022	2023	2024
Objective 1 STP in an Economy at ports 163390.7 159,591 Delivery	Foreign Direct Investment 8.66 (% GDP) (2017)		9,10	10,90	13,60	18,80	25,50
	Current Account Deficit 20.80 Transform (% GDP) (2016)		20,40	19,80	18,40	17,30	17,00
	Volume of handled loads			173.487	210.315	240.053	280.000
	Delivery of the Country (tons) (2018)						
	109,721 passengers boarded and disembarked in the country (2017)		120.000	144.000	160.000	180.000	210.000
Service in Center of Atlantic	(n°)						
	Accommodation/catering/tourism direct contribution to GDP (%)	2,77 (2018)	3,00	4,90	6,30	8,80	9,40
	GDP growth rate	3,90 (2017)	2,70	4,50	6,30	7,20	7,50
	Unemployment rate (%)	13,6	14	13,3	11,3	10,8	10,0
	GDP at par		3081,50	4040,70	4590,30	5452,90	5561,00
Objective 2 Promote Purchasing power growth (PPP) 3052.71 Economic per capita (USD) (2017) Inclusive and units	N/R Number Sustainable informal production		Census Creation Reduction ment de from basic informal data age to age to	Reduction informal	Reduction informal	Reduction informal	
	Position in the ranking doing business	170th (2019)	170th	167th	162nd	160th	155th
	Position in the tourism competitiveness ranking	N/R	No.	117th	113th	110th	105th
	Tourist tickets	29.000 (2016)	35.000	53.000	76.000	120.000	130.000
	% of population covered by the standard mobile network	35 (2017)	40	49	60	75	85
	Weight of renewable energies in electricity consumption (%)	4,80 (2017)	5,00	7,50	10,10	15,00	19,20
	3.00 growth rate credit to the economy (2017)		2,90	3,90	4,70	5,50	7,00
	Public debt in % of 91.25 PIB pm (2016)		91,50	92,50	88,30	80,60	80,00
	Debt service in 3.20% of exports (2016)		4,20	5,10	3,50	2,90	2,50

	Forest cover (ha)	50,000% of marine and	50.000	50.025	50.040	50.060	50.090
	0.20 terrestrial protected areas (2017)		0,20	0,20	0,50	1,90	2,10
Objective 3	Poverty incidence rate 66.20 (%) (2010)		65,20	63,70	61,20	60,30	55,50
Ensure social inclusion and protection, reduce inequality (unit) social and regional asymmetries	1.05 GDP per capita growth rate (%) (2018)		1.50	1,17	1,90	2,0	2,00
	IDH 0,56 (2016)		0,58	0,59	0,61	0,62	0,65
	Gini coefficient _	30,80 (2010)	30,50	29,70	28,35	26,19	25,00
	Prevalence rate of growth retardation (moderate and severe)	17,20 (2017)	17,20	16,50	16,00	15,30	13,90
	Prevalence rate of weight loss (moderate and severe)	4,00 (2017)	4,00	3,60	3,10	2,80	2,50
	Inflation rate	9,04 (2019)	7,70	6,40	5,10	4,50	3,50
	% of population with connection to the public water distribution network (2016)		50	58	63	70	80
	% of population with 80 access to electricity (2016)		84	89	92	95	100
	% of children aged 5 to 17 working Mortality rate	50 (2014)	48	43	39	35	30
	infant by birth Mortality rate	1.000	38,00 (2015)	36,80	33,10	30,00	28,20
	maternal due to childbirth	100.000	76 (2015)	65	57	50	45
	Coverage rate essential health services (%)		25,82	26,00	27,8	28,3	32,50
	Taxa roof	and 1.94		1,62	2,50	2,90	3,50
	social protection % % total frequency	(2017)					
	school for children under 5 years old		36,40 (2017)	38,80	40,50	45,90	50,60
Gross charge of schooling in the 12th year (%)		106	107	109	110	112	
	Youth unemployment rate 29.10 (2010)		30,33	28,40	26,10	20,20	18,20
	Unemployment rate of 19.70 women (%)		19,30	18,40	16,80	14,50	11,80
Objective 4							
	Corruption Perception Index	64th	62nd	60th	57th	53rd	49th
	Participation rate of citizens in elections	80,65 (2018)			85,00		
	Percentage of chairs occupied by women in the National Assembly	12,72 (2018)	12,72	12,72	20,00	20,00	20,00
	Resolution rate of court proceedings N/R		5,00	11,50	18,50	24,40	27,80

Develop (%) bring it							
	Emigrant remittances as a percentage of GDP 4.60 (2016) pm		5,00	6,40	8,50	10,80	12,50
	Weight of women in N/R Armed forces (%)		2,00	3,50	5,30	7,60	8,50
	Women's weight in N/R Police (%)		4,10	6,80	9,50	11,20	13,50

5.2. The PNDS Programmatic Pillars

The PNDS has a programmatic structure consisting of three pillars, with a total of 34 programs, which includes a Management and General Administration program. This program aims to deal with administrative issues of the entire reform process within the scope of the implementation of the PNDS, whether at the level of the State's central administration or at the level of regional and district authorities.

The PNDS has an estimated budget of **48,280,767,563 Dobras** (equivalent to **1,970,643,574 Euros**) destined to the materialization of its four macro objectives, with the following distribution:

- Objective 1: 22.5%;
- Objective 2: 35.0%;
- Objective 3: 27.5%;
- Objective 4: 15.0%.

The relatively high percentage of Pillar 1 - *Sustainable Economy: New Model of Development Based on the Provision of Services* of 27,761,441,348.73 Dobras, 57.5% of the PNDS budget (equivalent to 1,133,120,055.05 Euros) is mainly due to economic infrastructure development programs essential to achieving the general objective of the Plan.

Regarding Pillar 2 - *Social Development: Human Capital, Quality of Life Combating Inequalities*, the Excellence Education (30%), Protection and Social Inclusion (25%) and Integrated Health Development (20%) are the three main priorities of the PNDS, in this Pillar, totaling 75% of a budget of **13,277,211,079.82 Dobras** (equivalent to 541,926,982.84 Euros).

Pillar 3 *Sovereignty and Democracy: A new State Model* is budgeted at **7,242,115,134.45 Dobras** (equivalent to 295,596,536.10 Euros), with the Security Programs and State Reform are Pillar's two biggest priorities, absorbing 48% of its budget.

The following table presents a description of each of the three pillars, with brief information on the objectives of each program, as well as the relationship and contribution of each pillar and each program to achieving the objectives of the PNDS.

It is important to remember that the PNDS is linked to the Government Program, aiming for its operationalization, on the one hand and, on the other hand, the PNDS Pillars and Programs are linked to the Sustainable Development Goals to which they contribute.

5.2.1. Pillar 1 - Sustainable Economy: New Development Model Based on Service Provision

The *Sustainable Economy* Pillar consists of 19 programs, with the Government Head, Finance, Infrastructure, Agriculture, Education, Tourism, Culture and Youth as its oversight sectors.

This pillar contributes predominantly to objectives 1, 2 and 3 of the PND and only marginally to objective 4. It contributes to SDGs 1,2,4,5,6,7,8,9,10,11,12,13, 14,15,16,17. Its indicative budget, for the PND period, is 27,761,441,348.73 Dobras, intended to finance the following programs:

Table 13: Sustainable economy pillar programs

Program	Program objective	Sector	Hugs in do PND	ODS	Total Folds
sector Tourism	Strengthen the role of tourism as a driver of inclusive growth of STP, job creation Tourism decent, diversification and /Ministry competitiveness of the Finance economy, sustainability social and environmental, driven by private investment.	Ministry of	1,2,3,41, 8, 9, 12, 5		1.388.072.067,45
Maritime Sector approaches	Develop a port logistics supplies and fleet transshipment international that passes or STP, Ministry associated with a quality transport Finance system, reliable, sustainable, resilient at the service of development and well- being of São Toméans.		1, 2	1, 8, 9, 10, 12, 14, 17	2.776.144.134,90
Airline Sector	Develop a Logistics airport for the international distribution of passengers and cargo, and connecting the Atlantic continents and countries.	Ministry the Infrastructure w/ Ministry of Finance	1, 2	1, 8, 9, 10, 12, 17	832.843.240,46
Commercial Sector Tourism/Mini and Industrial location center	Transform STP into a Ministry of companies, attracting the stern of FDI and Finance Promotion national business community. Promote industrialization inclusive and sustainable, with easy access to credit.		1,2,3	1, 5, 8, 9, 10, 12, 17	832.843.240,46
Sector Financial	Transform STP into a International Center for Business Ministry and an international financial Finance square .		1,2,	1, 5, 8, 12, 17	832.843.240,46
Digital sector and digital Finance skills	Transform STP into a by the model of development of digital economy; Ministry of Innovation develop		1,2,3	1, 4, 5, 8, 9, 10, 11,	1.388.072.067,45

	humanities and promote a business environment in ICT and R&D lathe.			12, 17	
Improvement of Environment of Business	Adoption of policies, Leadership of legislation and processes Government / administrative generators Ministry of Finance business, promoters of private investment, the competitiveness of economy, growth economic, more and better job.		1,2	1, 5, 8, 9, 10, 11, 14, 16, 17	416.421.620,23
STP Country Accessible and Open	Develop transport quality, reliable, sustainable, resilient and equitable measures to support economic development and human well-being.	Ministry of Infrastructure	1, 2, 3, 4	17	138.807.206,74
Infrastructure sectoral priorities for Modern and social development Ministry Resilient	Build infrastructure quality, reliable, sustainable and resilient; ensure conservation, exploration and maintenance of public infrastructure according to _ and economical, with access to equitable prices Infrastructure accessible to all; s implement, in partnership with _ local authorities, equipment with urban a positive impact on women's lives ; increase access to ICT		1, 2, 3, 4	9	4.164.216.202.35
Sustainable sustainability; reduce the Ministry and energy dependence on fossil fuels; and Infrastructure	Operate the transition to an efficient energetic, safe, sector ensure universal access and energy security.		1,2,3	1,4,7,8,5 2.220.915.307,89	
Quality of Production and Diffusion Statistic	Strengthen capacity institutional and quality Ministry of statistical Finance data production .		1, 2, 3, 4	17	1.110.457.653,92
Culture and	Promote research and professionalization of cultural and creative sector, aiming for development of the country brand "São Tomé and Creative Prince"; citizenship through historical heritage and Ministry of		1,2,3	1, 4, 5, 11,	971.650.447,20

Industries Creative	cultural; of the incubation of Tourism/Mini MPME28 as attractive sterio of tourism, guaranteeing the Finance development sustainable from investment allocation create enhancers decent employment , generate income, value the human capital and social well-being, correct regional asymmetries and the social imbalances and cultural.			16	
Search, Science and Technology	Contribute to development o sustainable through the Ministry of Scientific Research in Education economic domains , social and environmental.		1,2,3	2,12	1.665.686480,88
Entrepreneurial <i>startup</i> of Youth/Mi tax incentives, under the jurisdiction of	Promote an environment favorable to both the no business and to do social and cultural no domains; create, in partnership with universities and sector private sector, incubators and accelerators Ministry of young people; a system training, organization Finance and development of initiatives.		1,2,3,	1, 4, 5, 8,10, 17	555.228.826.96
Transforming the resilience of Agriculture ecosystems and rural	Creation and innovation of logistical conditions and technologies aimed at increased production, yield e competitiveness of agricultural and livestock farms; guarantee a balanced management and forest participatory to increase the populations in the face of climate change and the land degradation; Promote agriculture and agroindustry sustainable, inclusive, modern, competitive, income generating and socially recognized.	Ministry of Agriculture	1,2,3	1, 2, 12, 5	1.388.072.067,45
	Ensure the right to				

28Micro, small and medium-sized companies.

Water, Sanitation and Hygiene	water, sanitation and hygiene; ensure access to services Agriculture/ (water, sanitation, Ministry hygiene) of good quality , aiming for quality Infrastructure environmental, gender equality and social inclusion , public health and improvement social conditions and economic populations across the Country.	Ministry of and accessibility	2,3	6,12	555.228.826,96
Biodiversity Protection	Promote and preserve the biodiversity as a basis of environmental resources for the promotion of sectors of activity economic, such as tourism, agriculture, forestry, livestock and of fishing, and implement the Ministry of Protection management plans for protected areas. deforestation Stop the Ministry and restore degraded forests ; Infrastructure ensure environmental quality ; promote the ecological citizenship ; It is reinforce the systems of licensing and audits environmental.	Agriculture/ the s	2,3	1, 13, 12, 14, 1.388.072.067,45 15	
Management of environmental, climatic and geological risks	Adoption of technologies modern and capable operational to measure, store and disseminate systematically information meteorological, climatological, seismological and oceanographic; meteorological and geophysical monitoring and surveillance; quality control and dissemination of relevant data and information about the state of the weather, of the sea, the quality of the air and climate.	Ministry of Agriculture/ Ministry the Infrastructure s	2,3	13	1.943.300.894,41
Decentralization development O, Development sustainable, valuing Community endogenous resources	Strengthen autonomy and institutional capacity local authorities; promote a balanced economic and ecologically to Local and sustainable, valuing endogenous resources locations and their	Head of Government/ Ministry of Justice	1,2,3	1, 8, 11, 12, 5	832.843.240,46

	communities.				
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5.2.2. Pillar 2 - Social Development: Human Capital, Quality of Life and Combating Inequalities

The Social Development Pillar consists of 8 programs, overseen by the Education, Health, Labor and Youth sectors.

The programs in this pillar contribute directly to objectives 1, 2 and 3 of the PNDS, having an indicative budget, for the PNDS period, estimated at 13,277,211,079.82 Dobras. Contributes to SDGs 1,3,4,5,8,10,16.

The programs in this pillar are as follows:

Table 14: Social development pillar programs

Program	Program Objective	Sector	Objective of the PNDS	ODS	Total Folds
universal education and free excellence up to the 6th year of schooling; improve education	Implement a system formal universal pre - school education, quality; guarantee access equitable and free excellence Ministry up to the 6th year of schooling; improve education	Education	1,2,3	1, 4, 5, 10	3.983.163.323,94
Job worthy and Qualified	Ensure the qualification of workforce in connection with the areas strategic strategies for the Ministry's economy , aiming at the massification of youth and women's employment, through market dynamization of work.	do Work	2,3	1,4,8,5	1.327.721.107,98
Equality Gender	Promote and ensure the effectiveness in equality of gender, giving body and visibility participation of women	the Ministry of	1,2,3,4	1,5	265.544.221,59

	and girls in all work domains and levels of life social, political economic, implementing the transversalization of gender approach in of development process of the country.				
Export of private, national and foreign Ministry Services, in the Health sector Health health tourism,	Promote an environment favorable to investment diversifying production domestic and exports.		2,3	3,5	132.772.110,79
Development of the Health	Strengthen the provision of health care , ensuring accessibility, effectiveness, equity and humanization of services; reinforce actions health promotion and ensure access to essential medicines and health technologies, particularly to groups specific (children, teenagers, sick chronic, elderly, LGBTI29 and disabled).	Ministry of Integrated Health Research ; of health	1,2,3	1,3,5	2.655.442.215.96
Ensure Protect children, Rights and adolescents and the elderly situations in the Children, social staff, Work Adolescents and ensuring their well-being and ensuring respect	Ministry Protection of risk for your rights.		3	1,6, 5	531.088.443,18
Protection and Inclusion Social	Combat inequalities social and poverty, increase yield _ to the most vulnerable, guaranteeing them access to the Ministry's basic social services (health, care and work education), well-being and quality of life, of including to the your family members.		2,3	1, 10, 5	3.319.302.769,95
Sport for Inclusion and Cohesion Nationals	Promote the sport as a tool for healthy and sustainable youth development; generalize and Youth streamline practice	Ministry of	1,3	1,3,5	1.062.176.886,38

	sports, with the society involvement civil society and communities, promoting inclusion and social cohesion, the creation of wealth and prestige of STP no world.				
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5.2.3. Pillar 3 - Sovereignty and Democracy: A New State Model

The Sovereignty Pillar is made up of 7 programs, which are overseen by the Defense and Internal Affairs, Justice, Finance, Youth, Labor and Foreign Affairs sectors. The pillar's contribution covers all four macro objectives of the PNDS (1,2,3,4), contributes to SDGs 1,3,4,5,8,10,13,16,17, having an indicative budget in amount of 7,242,115,134.45 Dobras, for the period 2019-2022.

The programs in this pillar are as follows:

Table 15: The sovereignty and democracy pillar programs

Program	Program objective	Sector	Objective of the PNDS	ODS	Total Folds
Consolidation, promotion of citizens' rights and the effective functioning of the	Guarantee a democracy more participatory aiming at the politicization of society and democratization of State, protection and Democracy Rule of law democratic, while active for the development.	Justice ministry	1,2,3,4	1, 4, 10, 16, 5	1.086.317.270,16
Reform of user time and Justice/State stability, Ministry	Guarantee a public administration transparent, efficient and innovative, committed to the quality and aligned with the Ministry credibility and predictability Finance monetary, budgetary and tax, aiming to trust macroeconomic.		1,2,3,4	16, 17	1.303.580.724,20
Independence, observance of duties, Ministry and Efficacy of citizens; Justice independent justice, effective, inclusive, sensitive to the issue	Promote and consolidate a culture of peace, of knowledge and defense of rights and		1,2,3,4	1, 4, 10, 16, 5	1.231.159.572,85

	of the genre.				
Market of Work Flexible and Inclusive	Promote a market of flexible work and well-regulated Labor greater inclusion ; encourage all people of working age to participate by providing them with a framework for development professional; create one protection system social that also encourage a market accessible and well regulated for temporary and staffing agencies temporary job.	Ministry of	1,2,3,4	1,8,5	72.421.151.34
Defense and Security	Ensure defense and National security, aiming to guarantee the constitutional order democratically established.	defense Ministry	1,2,3,4	4, 16, 10, 5, 17, 8	2.172.634.540,33
Diplomacy Renovated and Intensive	Actively promote the advantageous safe integration of STP into world, aiming at the Ministry of sustainable and inclusive development, Business well-being, dignity Foreigners human, peace, justice social and security global scale.	Ministry of	1,2,3,4	1, 4, 8, 16, 17, 3	1.158.738.421,51
Tomé Diaspora and business	Promote integration, well-being empowerment of the São their descendants in the host countries; create a favorable environment, Foreigners including a system of incentives for diaspora invest and participate in development of Country.	of the	1,2,3,4	1, 8, 17	217.263.454,03

The PNDS also includes a general management and administration program across all sectors, with the objective of managing and supporting all ministries, including regional delegations, Regional Government and District Chambers, with a budget of 9,656,153,512.60 Dobras .

Table 16: General management and administration program

Management	Objectives of the Program	Total in Folds
and Administration Program	Management and support program for all	
General ministries, regional delegations, regional government and chambers	districts.	9.656.153.512,60

5.3. Regionalization of the PNDS

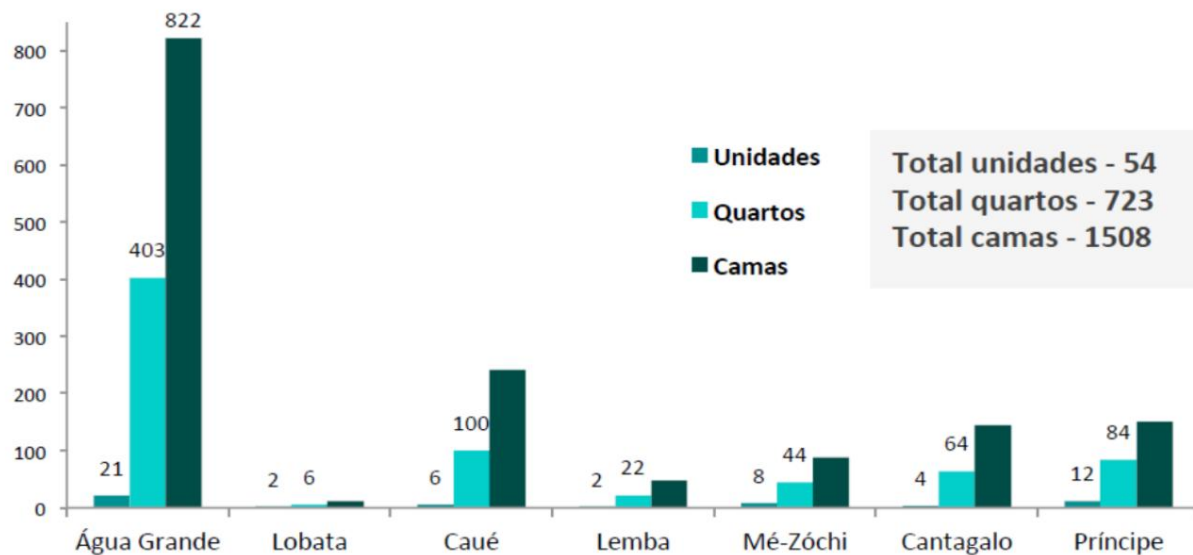
São Tomé and Príncipe is a country of regional asymmetries resulting from its insularity and public policies that did not seek to reduce the costs of insularity, which, almost always, impose the creation of basic service production units on the two islands, which does not favor the economy of scale. The focus on polarization has meant that spatial planning has belatedly gained the centrality it deserves within the scope of the country's development policies.

Young people on the island of Príncipe do not have the same opportunities to access training, knowledge and, consequently, employment, as those in São Tomé, particularly those in the Água Grande District. The 4 higher education institutions in São Tomé and Príncipe are located in the capital, so it appears that the vast majority of people with higher education and who have studied in São Tomé and Príncipe are from the capital and/or districts and cities Upcoming.

The 2010 IOF estimated the rate of the population with a secondary education level or higher at 6%. It is clear that STP urgently needs to produce quality, updated, disaggregated and timely statistical data.

With regard to the provision of primary health care services, both in the public and private sectors, the residents of São Tomé are at a great advantage in relation to the residents of the Autonomous Region of Príncipe and the poorest and most vulnerable districts. far from the capital, such as Caué and Lembá.

Regarding tourism services, the number of hotel establishments, tourist villages, tourist apartments and other accommodation amounts to 54 units. The geographical distribution of these establishments, illustrated by the table below, demonstrates a clear predominance of hotel units in the District of Água Grande, the country's capital. The island of Príncipe ranks in second place, followed by the District of Mé-Zóchi. The current hotel offer in São Tomé and Príncipe is 723 rooms, with a total of 1508 beds, with more than half of the country's accommodation capacity concentrated in the Água Grande District.

Graph 17: Geographic distribution of the supply of tourist establishments in STP

Source: Strategic and Marketing Plan for Tourism in São Tomé and Príncipe

Likewise, despite the expansion in the **supply of basic goods and services** and the inclusion and social cohesion policies already implemented, income and consumption inequalities are very significant. Analysis of inequality indices shows that the poorest 20% of the population accumulate only 7.9% of total national income while the richest 20% earn 41% of this income (IOF, 2010).

Furthermore, according to the IOF (2010), the percentage of young people aged 15-24 who in 2010 were neither in the educational system nor in employment is estimated at 29.10%, with 45.8% being women and 18% men.

The lack of updated data on poverty and other social and environmental issues in São Tomé and Príncipe is dramatic. The lack of data hinders and frustrates efforts aimed at reducing poverty in the country. Data from the last household survey were collected in 2010. Data and information from the latest survey carried out on household budgets are expected to be made available soon.

The reduction of inequalities and regional and local asymmetries is a matter of consensus among political decision-makers and constitutes an international commitment of STP as a country signatory to the 2030 Agenda, which advocates that no one will be left behind.

In a country with such profound inequalities, so that no one is left behind, it is necessary to promote and consolidate decentralization, bringing power, services and decision-making closer to communities, aiming to value development potential and generate, at local level, more economic, political, social, cultural and environmental opportunities.

The regionalization of the National Sustainable Development Plan 2020-2024 and the Government's firm commitment to territorialization offer an excellent opportunity to prepare the economies, administration and society of the Autonomous Region and Districts for greater engagement and commitment in the planning process and management of local and community development. On the other hand, this process will also provide the Government and Local Authorities with mechanisms for technical and political dialogue, and positive discrimination, aiming to reduce inequalities, mobilize and value the potential of each island, region and district and, above all, incorporate the local vision of development, boost and develop endogenous capabilities.

The sustainable development plans for the 6 Districts of São Tomé and the Autonomous Region of Príncipe will carry out public policies and investments, aiming, in particular, to improve the business environment on the islands, signal business opportunities and allow for due appropriation and better involvement of local authorities. and other local development agents in the execution of national development programs.

These plans will facilitate the implementation of programs such as youth *start-up* , and will create conditions for the Government, Districts and RAP to agree on a level of convergence, in terms of social, economic and well-being opportunities. On this basis, the Government, Districts and RAP will agree, for the implementation of the PNDS 2020-2024, measures of positive discrimination permitted for the progressive and programmed correction of regional inequalities and asymmetries.

The regionalization of the PNDS represents a greater commitment of these, for the quality and transparency of public expenses, for financial decentralization, and will translate into more resources and better intervention by local authorities in promoting the local economy, in meeting social demand, that is, through the General State Budget, the main instrument for implementing plans and managing development.

Social programs, housing, social inclusion income, scholarships for professional or higher training, and school transport will serve the islands differently, according to public criteria established in terms of positive discrimination.

Therefore, it is proposed that in 2020 the start of a broad program to reinforce the training of District Chambers and the Regional Government to increase the effectiveness of the powers of these authorities and, in this way, the effectiveness of decentralization.

Strengthening capacity includes the modernization of regional and district administration, through the rationalization of structures; the development of skills through mobility, training and the creation of skills centers in these municipalities; for the modernization of tax administration; knowledge management; preparation of development plans; implementation of forecast management instruments, that is, the Medium-Term Expenditure Framework; results-based management; and strengthening the technical and financial autonomy of local and regional authorities.

Intermunicipal solutions will be valued, namely in the operation of water and sanitation services, solid waste, the environment, spatial planning, health, civil protection and tourist development.

Executed through the General State Budgets from 2020 to 2024, the PNDS will contribute to the integration of the national market by improving the accessibility of the islands, improving the impact of tourism on family income, access to information and knowledge and reinforcing the combating digital exclusion.

Thanks to regionalization, the PNDS will mark a new cycle of governance, focused on results, valuing islands and endogenous resources, promoting island economies and focusing public interventions on reducing inequalities and promoting inclusive economic growth.

6. FINANCING AND IMPLEMENTATION MODE OF THE PNDS

6.1. PNDS Financing Plan

The imminent fact that, in the coming years, São Tomé and Príncipe will be upgraded to a middle-income country, the economic vulnerabilities worsened by the country's high level of debt are conditions that require the country's leadership to adopt a new stance and approach in terms of mobilization of resources to finance the PNDS and the Public Investment Program.

Even though there is the possibility that part of the infrastructure component of the PNDS will be carried out using concessional external loans, the Government knows that, with graduation, access to concessional financing will gradually decrease, so it will have to devise solutions so that, medium-long term, the country is increasingly less dependent on this type of external aid, namely through the reinforcement of the mobilization of internal resources and the attraction of private investment.

The 2020-2024 PNDS will be financed 31.25% by the General State Budget and 40% by the private sector, through the Public-Private Partnership. There is also a need to finance 28.75% of the total PNDS budget, in the amount of 13,880,720,674.29 Dobras (equivalent to 566,560,027.52 Euros).

The State's contribution, through the OGE, will be 15,087,739,862.82 Dobras (equivalent to 615,826,116.85 Euros). The priority actions foreseen by the PNDS in the field of State efficiency and in the field of economic and environmental governance should allow this level of financing to be achieved thanks to the control of current expenses and sustained efforts to mobilize tax revenues.

Control of current expenditure will consist of improving public financial management procedures, strengthening the control and inspection of public expenditure, reducing expenditure on goods and services of government departments and services under their supervision. Controlling public expenditure will make it possible to save financial resources and gradually reduce total current expenditure as a percentage of GDP, between 2021 and 2022, without, however, compromising transfers to priority social sectors.

The Government's efforts to mobilize tax revenue should mainly prioritize indirect taxes, namely VAT, implement tax reforms to broaden the tax base, share the tax burden equitably, combat tax evasion and generate revenue to improve public services, namely, health and education, and increase investment in infrastructure.

The Public-Private Partnership may focus mainly on the development of port and airport infrastructure, transport, energy and Information and Communication Technologies. Within the scope of the Public-Private Partnership, the State's contribution could be 13% and the private sector's contribution could be 87%.

To mobilize the PNDS financing deficit, the Government will adopt a new aid policy, the objectives of which are:

- Mobilize substantial financial and technical resources to increase physical infrastructure, provide adequate support to growing sectors, strengthen institutions, and promote good governance and human development;
- Promote the effective use of technical assistance and improve national knowledge, regional e local;
- Establish new forms of partnership between public and private actors, closely associating private companies, small and medium-sized companies, local communities, civil society, NGOs and the Santomean diaspora;
- Start a fruitful and sustainable dialogue between STP and development partners.

The Government must also ensure its leadership in the process of coordinating and managing international aid, in order to effectively contribute to the achievement of the country's development objectives and priorities.

During the 2020-2024 period, the Government will have to boost and intensify bilateral cooperation in all areas and for all sources of financing with traditional partners; take measures to establish or re-establish cooperation with Scandinavian countries, countries of the former Eastern European bloc, non-members of the European Union; focus on identifying new partnerships in the countries of Southeast Asia, Latin America and the Arabian Peninsula, with the same offensive also directed at multilateral development partners, financial organizations and international NGOs.

From this perspective, South-South cooperation³⁰ should be seen as necessary and opportune. At the same time, however, São Tomé and Príncipe's access to a good part of the most innovative and promising potential sources of financing will require the country to develop specific national technical capabilities, such as capabilities to map and understand the nature and functioning of some financial instruments.

In turn, it will be necessary to develop bankable project design capabilities that can meet the high-performance and results-based requirements associated with certain funds, sine qua non conditions of *current* financial partners, both private and public.

Support from international experts for the transfer of high-level knowledge and *know-how*, including through more effective South-South and triangular cooperation, will be essential for this purpose.

Furthermore, it will be crucial to develop coordination and implementation mechanisms for mobilized resources, in order to create synergies and optimize the results achieved with their use.

In view of the above, it is important to emphasize that it is essential to continue diversifying financing sources and mechanisms, as a guarantee of debt sustainability in the medium-long term. Controlling growing debt and maintaining investment capacity will involve improving revenue collection and greater involvement of the private sector in priority investments.

Therefore, actions will be implemented to increase tax revenue, through the expansion of the tax base, reduction of informality, modernization and training of the State's tax administrative machinery (at Central, Regional and District levels) and optimization of rates, without undue penalty to companies.

In this sense, the Government, under the leadership of the Minister of Finance, must continue to make a strong commitment to greater attraction and diversification of Foreign Direct Investment (FDI) flows, a process in which the Trade and Investment Promotion Agency and the Chamber of Commerce will have to play an active and aggressive role in promoting and publicizing existing business opportunities in the country.

On the other hand, it is also essential to improve the business environment and promote a broad program to attract and retain FDI, deepening and accelerating the continuous process of improving business framework policies and promoting investment policies, in accordance with the best international practices, taking into account the relevant role that the private sector plays in the country's development process.

The role and importance of channeling remittances to finance the economy of the STP will not be neglected and will therefore be encouraged and promoted.

³⁰South-South Cooperation refers to technical cooperation between developing countries in the Global South. It is about a tool used by States, international organizations, academics, civil society and the private sector to collaborate and share knowledge, skills and successful initiatives in specific areas, such as agricultural development, human rights, urbanization, health, climate change, etc.

Assertive policy measures to include the diaspora in the economic, social and cultural life of the country must be implemented, with a view to strengthening their ties with the country and its communities, and their participation and contribution to national development.

Furthermore, it is important to improve diaspora information about the country's situation and provide updated data and information about the different sectors of the economy; provide better remunerated and safer financial products and investment opportunities, such as, for example, facilitating access to housing properties, encouraging investments in mutual funds, and more tax incentives for financial savings. The importance of reducing commissions charged by national banks when transferring emigrants' remittances is also highlighted.

Protection and assistance measures for emigrants aiming for their better integration in the host countries.

Table 17: PNDS financing plan (estimate in millions of Dobras)

	Dobras	Euro	%
Contribution of 15,087,739,862.82 State through do TIME		615.826.116,85	31,25
Contribution from 19,312,307,025.10 private sector PPP/ Donors?		788.257.429,59	40
Need for 13,880,720,674.29 financing		566.560.027,52	28,75
Financing at 14,484,230,268.90 to be mobilized		591.193.070,20	
	48,280,767,563.00	1,970,643,573.99 Total	100

Estimate based on Financing Agreements and Conventions, PIP 2018 and 2019

6.2. Actors and Implementation Instruments

The State, through its central and deconcentrated administrations, regional authorities and district districts, the private sector, civil society organizations and technical and financial partners, are the main actors in the implementation of the PNDS, who will contribute to the implementation of the PNDS through their respective instruments.

The State will resort to economic policy instruments, following the macroeconomic framework scenarios to achieve the Plan's objectives. The principle of sustainability will underpin fiscal policy; integrity, rigor and transparency will guide revenue and expenditure estimates and prudence will prevail in terms of debt.

With regard to monetary and exchange rate policies, the stabilization of the prices of tradable goods, following the adoption of the exchange rate anchor, directly and indirectly reduced the inflation rate, allowing for greater macroeconomic adjustment. In turn, the exchange rate anchor generated a force mechanism that prevents the adoption of excessively expansionary budgetary policies that generate inflation. Consequently, this exchange rate regime restricts the autonomy of the Central Bank of STP in exercising monetary policy, no longer being able to use the interest rate to combat possible macroeconomic imbalances, and prioritizing the objective of maintaining the sustainability of the exchange rate parity.

To finance development programs, the State will operationalize the Public-Private Partnership, strengthen its capacity to mobilize and manage resources

and, at the same time, continue to strengthen the fiduciary fiscal management framework, reduce waste, combat corruption and ensure a good quality of public expenditure.

The Government's expectation is that an increase in private sector participation through PPP will significantly improve productivity and substantially increase the material basis for the development of São Tomé and Príncipe, once projects that have transformative potential for development are prioritized and implemented. sustainable and inclusive of the country.

The implementation of the PNDS will be framed by the legal and regulatory provisions in force and by appropriate administrative processes and procedures. At the level of sectoral ministries, the instruments for implementing the PNDS are sectoral (or thematic) policies and strategies, medium-term sectoral expenditure frameworks; Public Investment Program (PIP); State's budget; Action Plans/ministerial activities.

The Regional and District Authorities: the authorities of the Autonomous Region and the Districts will contribute to the implementation of the Regional and District Sustainable Development Plans, which are an integral part of the PNDS, through instruments provided for in the Statute of the Municipalities of São Tomé and Príncipe, in Law No. 6/2017, Basic Law of the System National Planning, as well as Budgets and Annual Programs of Regional and District Activities.

The Private Sector is a key player in growth and development economic, social and environmental of São Tomé and Príncipe. It plays a leading role in the production, processing, marketing of local products and job creation and constitutes an important source of public revenue.

Thus, valuing the private sector is imperative to achieving the PNDS objectives. This assessment will be based on the benefits of an efficient Public-Private Partnership (PPP). The authorities intend to use this modality to co-finance structuring investments, in particular infrastructure (economic and social), whose huge deficit constitutes a major obstacle to the development of STP. These PPPs serve as key tools to reduce overall public expenditure, while benefiting from private performance gains, namely in innovation, efficiency, quality of service.

Civil Society Organizations: civil society is today a fundamental actor in public affairs management and key partner in the implementation of development programs and projects, given its proximity to communities and populations and its knowledge and experience of their socioeconomic situation and development needs.

Furthermore, they will be actors and mediators in the process of information, awareness, training and defense of the appropriation of the PNDS by grassroots citizens. That is why, in addition to participating in the development, monitoring and evaluation bodies of the PNDS, civil society organizations will be involved in the development, implementation and monitoring of grassroots development programs and projects. For this purpose, program agreements and/or participation agreements will serve as a partnership framework.

Technical and Financial Partners: cooperation frameworks and partnership agreements (budget support, project support, etc.) are the main PTF instruments in the context of implementing the PNDS. Policy dialogue will be organized within the framework of consultation and coordination between the Government and the PTF, which will be strengthened for this purpose. This dialogue will be conducted under the leadership of national authorities, namely the Minister of Foreign Affairs, in strict accordance with the principles of the Paris Declaration.

The Government will also focus on better coordinating PTF support. The PNDS is, from this perspective, the reference framework in which the PTFs will have to align themselves, with the Government expecting more joint approaches in support of the PNDS, in favor of more effective interventions. To this end, the Government will strive to establish an efficient fiduciary framework that facilitates the use of national public expenditure procedures and the mobilization of budgetary support.

6.2.1. Operationalization of the Planning System

The operationalization of the PNDS will take place through an integrated approach and aligned with the medium and short-term planning instruments defined by the National Planning System, based on results-based management of public programs, with strong participation from civil society and the private sector, in the provision of public goods and services.

6.2.2. Roles and responsibilities

At the level of central administration, monitoring the physical and financial execution of programs, projects and units and evaluating performance are ensured by the Ministry of Finance, with monitoring of physical execution and performance assessment carried out by the Planning Department (DP), which has the function of:

- Technically coordinate the preparation, monitoring and evaluation of sectoral and transversal programs, ensuring the respective global strategic framework;
- Design the methodology for preparing and evaluating public investment projects, and carry out their monitoring and evaluation.

Financial execution will be carried out by the Administrative and Financial Directorates of the respective ministries and the central budget service, whose mission is to propose and execute the national budget strategy, prepare the State Budget, coordinate and monitor its management.

Budgetary oversight **and control**, under the responsibility of the General Inspectorate of Finance, the Court of Auditors and the National Assembly, will be carried out more efficiently, as a result of the implementation of the public finance management reform plan.

At the sectoral level, the **Sectoral Planning Directorates** (DSP) or equivalent bodies are responsible for coordinating the preparation and controlling the execution in relation to the physical and financial management of long, medium and short-term planning instruments, as well as monitoring and evaluation sectors.

Furthermore, in each sector there are **Program Managers** who, together with the Sectoral Planning Directorates, are responsible for coordinating the entire process of defining and updating the programs' logical frameworks, particularly their impact, integration and global coherence indicators. of the defined indicators, ensuring the alignment of project/unit objectives with the results of the programs in which they are part. Therefore, Program Managers are primarily responsible for implementing the projects of each program under their responsibility.

For monitoring and evaluation, program managers must monitor and evaluate the execution of the set of projects and units, in synchrony with project and unit managers. This favors the coordination of key activities for the realization of products to be delivered by projects and units, avoiding duplication of efforts and activities, ensuring that the program's objectives are achieved.

Program Managers and DSPs will be technically supported by a **Monitoring and Evaluation**, designated by the Ministry of Finance for the areas of monitoring and

evaluation of programs, projects and units. The S&A Agent also collaborates with the Planning Department and the National Statistical System (SEN) in collecting data on indicators for the respective sectors. The information will be systematized in the Monitoring and Evaluation Module (MSA), based on the State Financial Administration System (SAFE), contributing to greater efficiency in the management of scarce national resources, monitored and evaluated for their efficiency and effectiveness.

6.2.3. Monitoring and Evaluation Mechanism

The Government will ensure the implementation of the National Planning System in all structures, reinforcing the monitoring and evaluation system, in order to guide the action of actors involved in the sustainable development strategy.

Monitoring and evaluation encompass continuous and systematic monitoring of the physical and financial execution of programs, projects and units; of planning instruments, namely, their relevance, efficiency, efficacy, effectiveness and impact. The purpose is to identify progress and weaknesses, and recommend corrective measures to optimize results.

A monitoring and evaluation mechanism is essential to measure and evaluate the performance of actions planned in the PNDS. To ensure its effectiveness, the PNDS conceives this mechanism as an institutional structure, bringing together different interested parties, using techniques (methods, procedures and tools), to monitor and evaluate sectoral or thematic actions of the PND at different administrative levels.

The mechanism in reference is operationalized through the following components indicated and described:

6.2.3.1. Performance approach

PNDS reforms, programs and projects aim to have impacts on the standard of living (economic dimension), lifestyle (social dimension) and living environment (environmental dimension) of populations. However, to implement these actions, financial, material, human and institutional resources will be needed to be used in the production of goods and services intended for consumption by the beneficiaries of the reforms, programs and projects in question. Changes in the living conditions of populations and impacts will be measured according to the development goals established in the PNDS.

6.2.3.2. Technical component of the follow-up

On an ongoing basis, the technical follow-up component aims to collect and analyze data that demonstrate progress in the implementation of reforms and programs, as well as the results achieved. Monitoring the implementation of the PNDS (reforms, programs and projects) comprises three important phases:

The first phase is **expense control**. It consists of monthly monitoring the evolution of expenses in relation to forecasts, ensuring the availability of resources and compliance with disbursement deadlines.

The second phase is related to **monitoring the financial implementation** of the programs. The objective is to ensure the appropriate use of resources for program activities, ensuring that these resources are actually used to carry out the activities for which they were intended.

The third phase concerns **monitoring the technical implementation** of the programs. Its purpose is to guarantee the proper execution of program activities and ensure that (i) the activities to be carried out are effectively completed; (ii) the expected products of these activities are realized; and (iii) the level of execution of ongoing activities is progressing as planned.

6.2.3.3. Technical component of the assessment

The technical component of the PNDS evaluation aims to make an episodic and objective evaluation of reforms and programs, their design, implementation and results obtained. It comprises (i) auditing program performance and (ii) impact assessments.

Performance audit is effectively an audit of good financial management. Per Therefore, it analyzes the extent to which the Ministries and other government entities audited used the financial resources allocated in accordance with the principles of economy, efficiency and effectiveness (3E).

Impact assessment: two types of assessment are foreseen within the PNDS framework: one mid-term assessment and final assessment. The **mid-term evaluation** makes it possible to prepare a PNDS progress report, with the aim of influencing or reorienting the implementation of the reforms, programs and projects included in the Plan. It consists of an analysis of the degree of use of resources, the efficiency and effectiveness of actions, and their socioeconomic and environmental consequences. The mid-term evaluation also identifies the factors that contributed to the success or failure of the implementation of the actions. It may intervene in mid-2022.

The final evaluation of the PNDS is an **ex post evaluation**, as it intervenes at the end of the journey, enabling a global evaluation of the Plan in all aspects of its implementation. It is used to analyze whether the results obtained can be considered positive at the end of the Plan's execution.

6.2.3.4. Performance Supports

PNDS performance supports are the performance tracking tools and documents.

Performance tracking tools: the **results framework** (QDR) is the basic tool for monitoring PNDS performance. This framework is articulated around a chain of results at two levels: intermediate results and final results.

This table contains (i) the indication of each result; (ii) the impact indicators associated with it; (iii) the source (or sources) of the data necessary to calculate the indicators; (iv) the structure responsible for its production; and (v) values of the base (reference) year and targets (intermediate in 2022 and final in 2024).

The PNDS **performance measurement frameworks** (QMD) constitute the second performance tracking tool. Three types of QMD are foreseen corresponding to the dimensions (components) of the PNDS: (i) a framework for measuring the performance of the PNDS itself, the general QMD; (ii) four (4) performance measurement frameworks at the level of the PNDS macro-objectives (QMD of objectives); and (iii) eight (8) thematic performance measurement frameworks corresponding to one or more priority areas of the PNDS.

QMDs are excerpts from the results table (QDR) populated by annual achievement columns. Thematic QMDs result from the consolidation of the QMDs of ministries or regions/districts, contributing to the effects/impacts of the thematic areas. With a view to the timely preparation of annual performance reports (RAD), the preparation of performance measurement frameworks will begin in January with ministerial, regional and district QMDs. The process will continue in February and March, respectively, with thematic QMD and objective QMD, ending in April with the general QMD.

6.2.3.5. Performance tracking documents

For the monitoring and evaluation needs of the PNDS, two types of documents are foreseen: the annual programming documents (DAP) and the annual performance reports (RAD), to which are added the evaluation reports (performance audit, mid-term evaluation and ex post evaluation).

The DAP for year n includes actions extracted from the synthesis of priority actions (SAP) for that year year, as well as the actions from the previous year (year n-1) in execution. According to current administrative practice, ministerial, regional and district DAPs are known as action plans or activity plans.

The general DAP presents, for each year, the actions to be carried out within the scope of the Plan for the year in question, the budgetary implications of these actions and the performance indicators associated with them, depending on the components of the PNDS, the hierarchy of objectives and of the results chain.

DAPs are prepared by objectives, with ministerial, regional and district action plans as base documents. Thematic DAP, objective DAP and general DAP are produced by progressive consolidation. The preparation of the DAP extends from February to May, so that the first biannual review of the PNDS can be carried out at the beginning of June. These are initial DAPs that should be refined during the month of December, after the second biannual review of the PNDS.

The annual performance report (RAD) for one year makes it possible to extract in year n, the lessons from the implementation of the DAP of year n-1, with a view to preparing the DAP of year n+1. RAD responds to the requirements of accountability and feedback reports , one of the guiding principles of the PNDS.

The annual performance report follows a format similar to the annual programming document, except that it places more emphasis on the results obtained. RAD describes the actions carried out during the year under review, as in a traditional implementation report. It then interprets and presents the results in terms of performance, based on monitoring the indicators contained in the DAP and possibly other elements.

Just like the annual programming documents (DAP), the annual performance reports (RAD) are prepared in phases, based on the annual ministerial, regional and district performance reports with a view to obtaining the annual global performance report, through thematic RAD and the RAD of the objectives. Production of the annual programming document begins in July, after the first biannual review of the PNDS and ends in October, in order to allow for the second biannual review of the PNDS in November.

Assessment reports are of three types: (i) performance audit reports, (ii) interim evaluation reports and (iii) *ex post evaluation reports*.

6.2.3.6. Information system for performance tracking

The data that feeds performance tracking comes from a system of information. This observes reality and then translates it into data which, in turn, is

collected, verified, synthesized, transmitted and presented in ways that best reflect the products and results of the public action in question.

The establishment of a specific information system for monitoring the performance of reforms, programs and projects in ministries must be supported by competent structures at the level of the Office of the Head of Government and the Ministry of Finance, in close collaboration with the National Institute of Statistics .

For the monitoring and evaluation of the PNDS, the data necessary to inform the performance indicators, including those related to the monitoring of the SDGs, will be identified and classified according to their source. Once needs have been identified, the second step is to ensure data availability. Three data sources must be considered: the census, surveys and administrative data (current statistics). INE is the structure empowered to guarantee the availability of data from censuses and surveys. In turn, the production of data from administrative sources depends on the organization of the statistical system at the level of ministries, regions and districts.

With the PNDS monitoring and evaluation system, the Government intends to ensure the following components:

- **Monitoring the execution of programs, projects and units related to the PNDS objectives, observing the following procedures:**
 - o Monitoring will be done mainly on programs and respective projects and units;
 - o Management and Support Programs will be subject to basic financial monitoring;
- **At the beginning of each budget year, the Planning Department will define, with the sectoral ministries, priority projects and activities for special and systematic monitoring during the year, aiming to:**
 - o Monitor the allocation of budgetary resources to the activities of units and projects priorities of final and investment programs;
 - o Analyze the relationships between the *inputs* used and the *outputs* produced in the units and priority projects of PNDS programs;
- **Evaluate the impact of sectoral policies and programs that contribute to achieving the PNDS objectives:**
 - o Annual assessment, focused on the analysis of the PNDS' strategic objectives, its programs and respective objectives;
 - o Assessment necessarily applied to all investment programs and finalistic.
- **Annual program evaluation reports must highlight the following aspects:**
 - o Program performance up to the previous year: intermediate results achieved;
 - o Analysis of the original objectives comparing them with the current scenario;
 - o Main conditions for achieving the program's objectives;
 - o Recommendations for overcoming constraints.

6.2.3.7. Performance Reviews

To be effective, performance tracking must be based on a revision.

Definition and purpose: the PNDS conceives the review as a meeting or series of formal meetings between actors at different levels of implementation. It brings together the decision-making level, the technical level and the operational level. The reviews aim to (i) evaluate the progress of the PNDS; (ii) discuss its remarkable results; (iii) inflect certain strategic choices; (iv) take corrective measures; and (v) adopt programming documents.

Two types of ordinary reviews are provided for in the PNDS: implementation reviews and programming reviews. PNDS revisions must be aligned with the budget cycle calendar. The frequency of reviews is therefore biannually, with implementation reviews in the first semester and programming reviews in the second semester.

Semiannual implementation reviews will be carried out from March to June of year n, in order to impact the adoption of macroeconomic assumptions (April, year n) and development of new medium-term budgetary framework (MTQ) and medium-term expenditure framework (QDMP) (May, year n), if applicable.

Review format: depending on the PNDS composition levels, four types of revisions are envisaged: (i) ministerial, regional and district reviews; (ii) thematic reviews; (iii) technical reviews; and (iv) plenary reviews. These reviews may be ordinary or extraordinary. Whatever the level, ordinary reviews are biannual and organized in stages. Thus, the ministerial, regional and district reviews will be carried out in March (and August respectively), to feed the thematic reviews in April (and September respectively), which will serve the technical reviews in May (and October respectively) to prepare the plenary reviews of June (respectively November).

Extraordinary reviews are organized at different levels if necessary. They will be cases: (i) the review of audit reports on ministerial performance or reports of assessing the impact of standard actions, or (ii) reviewing mid-term evaluation reports or end of the route. Furthermore, specific studies carried out within the scope of the PNDS also may lead to the organization of extraordinary reviews.

The schedule of ordinary reviews will be prepared according to the specifics of each biannual review. Therefore, reviews for the first half of year n should focus on (i) examining performance reports for year n-1; and (ii) in the analysis of the budget allocations contained in the initial budget law of year n. The reviews for the second half of year n concern: (i) the examination of the annual programming documents for year n+1; and (ii) performance objectives and related budget options.

6.2.4. Follow-up Plan

It is recommended to use the Logical Framework (QL), the programming instrument, represented by a matrix that links the cost of activities, the products delivered within the scope of the execution of projects and units and the objectives of the programs. The logical frameworks of programs, projects and units must be inserted into the Monitoring and Evaluation Computer Module (MSA).

Managers of projects and final units must update information regarding physical execution on a monthly basis, to understand the evolution of product indicators, providing a comparison of the evolution of observed values with the annual goals of the same indicators, aligned with the level of execution financial.

6.2.5. Assessment Plan

It has been proven that it is harmless to collect, process and analyze information that is not accessible, validated and used by decision-makers in the formulation of policies and development strategies and made available to the general public.

The evaluation of the long-term planning instrument must be carried out annually and forwarded to the DP. The systematic sectoral and global assessment will be carried out using the public expenditure review (RDP). Sectoral and global RDP reports are submitted to sectoral ministries and the Ministry of Finance for assessment and possible correction measures.

6.2.6. Institutional Monitoring and Assessment Device

6.2.6.1. Device mission

The **main mission** of the institutional monitoring and evaluation device (DISA) is the formalization and facilitation of dialogue between all interested parties in the performance of PNDS development actions, in accordance with the Plan's guiding principles such as: national leadership; solidarity and partnership; results-based management; proactive coordination; equity and reduction of inequalities. Thus, two objectives are attributed to this device: i) reporting to interested parties on the implementation of the PNDS; and ii) recommend readjustments, revisions and updates to the Plan.

The first objective allows the Government to respect the accountability obligations imposed by the principles of good governance, particularly in matters of development management. The scope of these obligations includes the presentation to Parliament and the Court of Auditors of (i) a report on the results of public action; (ii) respect for the principle of mutual responsibility (in accordance with the letter and spirit of the Paris Declaration), according to which governments and donors are obliged to report (to each other); and (iii) respect for social responsibility that obliges the Government to report its actions to citizens and civil society actors.

With the second objective, the Government seeks flexibility in conducting the PNDS for better management of the *feedback* (comment) required by the conclusions of the Plan's performance analyses. The objective is to allow the Government, while maintaining the direction established by the Plan's vision and general objective, to capitalize on the lessons learned as implementation proceeds and, in doing so, (i) reorient the Plan's strategic priorities; (ii) change the pace of change in reforms, programs and projects; iii) reallocate financial resources; or (iv) review the indicator targets.

6.2.6.2. The organs

Two principles support the choice of DISA bodies: (i) the capitalization of the existing; and (ii) mutual responsibility. The first principle recommends that the implementation of the PNDS should not create new bodies, but rather be based on those that already exist and whose capabilities are considered sufficient to animate the device. The second principle commits the Government and its partners to be responsible for the results obtained in the implementation of the PNDS. This means that both parties must be mutually responsible for improving the management of assistance (aid) provided within the framework of the implementation of the PNDS.

Based on these principles, the bodies for monitoring and evaluating programs, projects and units are:

- Concertation and Coordination Framework (QCC) (existing or to be created by the Prime Minister) between the Government and Development Partners;
- Technical Monitoring Committee (CTS), composed of the competent structures of economic and financial administration (from the Ministry of Planning, Finance and Blue Economy);
- Thematic Dialogue Groups;
- Ministries' Studies and Planning Office (or equivalent structure);
- Regional and District Monitoring and Assessment Committees.

The Concertation and Coordination Framework

The Concertation and Coordination Framework (QCC) will be the governing body of the PNDS, under the supervision of the Prime Minister, with the mission of facilitating and strengthening concertation and coordination between the Government, bilateral partners, multilateral partners and NGOs. Among other QCC responsibilities, the following stand out: (i) organization of monitoring and evaluation of development actions in accordance with PNDS guidelines; (ii) establishment of a permanent dialogue with the various interested parties on the results of the PNDS; (iii) streamlining the PNDS review mechanism and coordinating the implementation of the recommendations resulting from it. The composition of the QCC needs to be as broad as possible and should include all members of the Government, civil society organizations, private sector organizations and local government associations. Furthermore, QCC thematic groups will need to be aligned with PNDS priorities.

The QCC facilitates and streamlines dialogue on the performance of the PNDS through two biannual plenary reviews, in June and November. The June review focuses on the implementation of the PNDS. On this occasion, the QCC analyzes and validates the draft annual general performance report for year n-1, making recommendations to the Government. This review is preceded by the biannual technical review of the implementation of the Technical Follow-up Committee. The November review focuses on programming, supported by the annual general programming document, and aims to ratify the budget options and project performance for year n+1.

Technical Monitoring Committee

The Technical Monitoring Committee (CTS) is the technical body for monitoring the implementation of the PNDS, with the following responsibilities:

- Coordinate monitoring and evaluation activities of PNDS actions;
- Ensure good horizontal and vertical communication;
- Produce, based on the inputs provided by the Thematic Dialogue Groups (GTD) and the Regional and District Commissions, all documents/reports to be submitted to the QCC for analysis and decision making;
- Present proposals to the QCC to improve the PNDS implementation process;
- Organize, in close collaboration with the GTD, the various technical or thematic reviews. To this end, the CTS is responsible for defining monitoring and evaluation methods and tools, around two axes: one functional and the other operational.

The **functional axis** of the CTS's work is the organization of DISA around the key monitoring and evaluation functions, such as: (i) the statistical function; (ii) the analysis and evaluation function; and (iii) the decision support function. Through the statistical function, the CTS must ensure the timely and regular production of reliable indicators capable of reporting the performance of the PNDS. The analysis and evaluation function requires the CTS to go beyond the stage of describing indicator trends to understand, through causal and contextual analyses, what they reflect in terms of the evolution of the economic, social and environmental situation. The decision support function consists of CTS capitalizing on analysis and assessments through PNDS performance supports to clarify the QCC decision.

The **operational axis** of the CTS work initially consists of structuring DISA into three technical and interdependent monitoring components: (i) a monitoring component of aggregated indicators of macroeconomic management and structural reforms; (ii) a monitoring component of the implementation of programs and projects; (iii) a component of living conditions and the SDGs.

In a second stage, CTS's work consists of making DISA functional, through:

(i) a network of actors whose nucleus is made up of the National Statistics Institute, Study and Planning Offices (GEP) of ministries, Regional Monitoring and Evaluation Commission and District Monitoring and Evaluation Commissions; (ii) a battery of performance tracking tools; and (iii) an automated platform for managing investment programs and projects.

The **CTS is structured** into three functional monitoring units: (i) a functional unit to monitor macroeconomic management and structural reforms (UFS Macro); (ii) a functional unit to monitor the implementation of programs and projects (UFS Programas); (iii) a functional unit to follow living conditions and the SDGs (UFS SDGs). The activities of the functional units are coordinated by a Technical Secretariat (ST/PNDS). The PNDS ST also ensures the connection between the QCC and the GTD. It is particularly responsible for: (i) the synthesis, by program, of the PNDS and performance tracking documents; (ii) for the preparation of the performance measurement framework, the annual programming report, and the annual programming document (iii) for the preparation and implementation of the evaluation program; and (iv) for organizing technical reviews and plenary sessions.

The **CTS is under the supervision** of the Ministry of Planning. It is chaired by the Secretary General (or equivalent function), assisted by an executive secretary responsible for the ST/PNDS. The CTS is made up of representatives from the Ministry of Planning, Finance and Blue Economy (namely, the Planning Directorate, the National Institute of Statistics, the Accounting Directorate, the Budget Directorate, the Public Investment Directorate (or equivalent), among others .) and the Central Bank of São Tomé and Príncipe. At CTS, the Management of Planning is responsible for UFS Macro, the Public Investment Department responsible for UFS Programas and INE responsible for UFS ODS.

The CTS facilitates and streamlines dialogue on the performance of PNDS programs through two biannual technical reviews. The biannual technical review in May of year n is dedicated to the review and validation of draft Annual Program Performance Reports. The biannual technical review in October is dedicated to the approval of the projects of the Annual Programming Document for the programs for year n+1.

Thematic Dialogue Groups

Aiming to establish an effective monitoring and evaluation mechanism, the priority areas of the PNDS were grouped into themes. A number of eight themes were selected. Thus, the GTD will work on the following topics:

- Democratic governance;
- Economic and environmental governance;
- Agriculture and food security;
- Industry, infrastructure, research and innovation;
- Commerce, tourism, hotels, crafts and culture;
- Demography and social sectors;
- Employment and social inclusion;
- Environment, living environment and climate change.

Each GTD constitutes the coordination framework at the level of the topic in question. To this end, it is responsible for (i) producing, based on contributions from member ministries, reports/documents on thematic performances to be transmitted to the CTS and (ii) stimulating dialogue on performance through two biannual thematic reviews of implementation (in April of year n) and programming (in September of year n+1). The GTDs are co-chaired by the Secretary General of the Ministry designated in this capacity and by the leader of the

partners working on the topic. For an efficient functioning of the institutional device, each thematic group will have to regroup the Studies and Planning Offices (GEP) of the ministries involved in the theme, at least one representative of the ministry responsible for the plan, as well as representatives of the private sector, civil society and technical and financial partners. The technical secretariat for each GTD is provided by the GEP of the ministry that holds its presidency, with technical support from the ministry responsible for the plan.

Ministry Studies and Planning Office

The GEP (or equivalent bodies) are the pillars of monitoring and evaluation at the level of ministries. The mission of the GEP is to ensure the coordination of all activities related to the design, elaboration, implementation and follow-up of the development policy of their respective ministries. Specifically, they are responsible in particular for:

- Coordinate the elaboration of the Ministry's development policy and strategy, in connection with technical directives and the Ministry of Planning;
- Define the objectives, sectoral strategies regarding the development and preparation of semi-annual and annual performance reports of the sectoral components of the PNDS and the Investment Programs;
- Coordinate the activities of the different structures of your department in the areas of statistics, planning, programming, monitoring and evaluation;
- Ensure the programming, control and monitoring of sectoral investment projects.

Thus, the PNDS entrusts the GEP with ensuring dialogue with the main stakeholders in their ministries regarding the performance of the actions included in the sectoral plans, such as: (i) technical directions; (ii) project execution units; (iii) the PTF of the ministries; (iv) the private sector; and (v) civil society organizations operating in areas within the ministries' competence.

The GEP are, therefore, responsible, within the specific DISA animation structure, of (i) developing the performance measurement framework for their ministry; (ii) coordinate the production of the action plan projects and the annual sector performance report; (iii) organize the review of ministerial performance; (iv) ensure liaison with the Technical Monitoring Committee; and (v) represent your ministry in the Thematic Groups (GTD).

Regional and District Monitoring and Evaluation Committees.

At the Region and District level, the regional and district monitoring and evaluation units (CRSA and CDSA) constitute the consultation frameworks for regional and district actors. These Committees are chaired by the directors of the offices of the President of the Regional Government and the Presidents of the District Chambers and technically supported by the regional and district director of planning (or equivalent bodies). The vice-presidency is held by a representative of civil society. The Commissions in question bring together the directors/delegates of the ministries, region and districts, the coordinators of programs and projects at local level, representatives of local civil society and local elected officials.

Within the framework of promoting DISA, these Committees are responsible for (i) preparing the performance measurement framework for the respective region and districts; (ii) coordination of the production of draft action plans and annual performance reports for the region and districts; (iii) organization of regional and district performance reviews; (iv) establishment of the connection with the CTS and the GTD.

6.2.7. National Statistical System

The National Statistical System (SEN) is an organic set made up of public and private entities involved in the exercise of official statistical activity of national interest.

The implementation of ENDE 2018-2021 will be an important reference for establishing the SEN's priorities and also an opportunity to strengthen its capacity aimed at the production and availability of quality statistical information, that is, the Government will strive to create institutional conditions conducive to the development of national statistical activity.

The SEN must provide information, through a previously established schedule, that meets the needs of producers and users of official statistics for the monitoring and evaluation of strategic-sectoral plans and PNDS programs.

Therefore, the data production capacity of the government administration sectors and the National Statistical System needs to develop substantially to respond to the needs for producing specific statistical data for the S&A of the implementation of the SDGs and Samoa Roadmap, namely, in the areas of quality; amount; frequency; disaggregation; distribution; availability; accessibility; systematic integration of data into policies; implementation and systematization of S&A throughout public administration; and systematic use of S&A to evaluate performance and impacts.

During the PNDS period and within the framework of ENDE 2018-2021, the institutional and organizational vulnerabilities of the Delegated Bodies of the National Institute of Statistics, needs for capacity building and changes to the model itself, if not the SEN management mechanisms, will be analyzed and addressed. and improving working conditions.

Human capital is one of the most important resources for statistical production. Their availability, in number and quality, is a priority for the SEN to fulfill its mission assigned by the State.

Priority will be given to strengthening its main pillars, namely Censuses and Statistical Unit Files, National Accounts and independence. The 2022 Census should reinforce the quality and usefulness of statistics and census databases and meet, in particular, the data needs for planning and management at local and regional levels, guided by the SDGs.

Special attention will be paid to national accounts, an instrument of economic synthesis with the deepening of the ongoing reform, in dialogue with the Ministry of Finance and the Central Bank, thus increasing its usefulness and reinforcing the credibility of INE and dialogue and cooperation with the International Monetary Fund.

ENDE's alignment with the current planning cycle must also translate into effective self-governance of the National Statistical System, guaranteed by the National Statistics Council, affirming the interests of users in setting priorities, selecting best practices and, above all, focusing on commitment to science and the user community.

In this cycle, priority will be given to the implementation of new methodologies for measuring the labor market, based on the Recommendations of the 2013 International Conference of Labor Statisticians (CIET), the conformation of the methodological framework of official statistics to best international practices and approval by CNEST , of the essentials of statistical methodologies, as a guarantee of the independence and broad consensus of the scientific community and user of statistical information.

Aware that the investments and advances that São Tomé and Príncipe have experienced in recent years in the field of ICT and, in particular, electronic governance create great potential for the production of official statistics. Special attention will be paid to the valorization of administrative sources that will qualify economic and social statistics in terms of diversity, relevance and quality, with the rationalization of production costs.

DRAFT

7. RISK ANALYSIS

Developing economies have been characterized, over the last few decades, by cyclical instabilities in their economic growth process, especially in Small Island Developing States (SIDS). Therefore, effectiveness in the management of economic policies depends on understanding the nature of the shocks that affect the economy and their economic interactions, as is the case in the external sector, mainly for SIDS such as STP, characterized by a high degree of economic openness and integration financial, derived from the existing exchange rate regime and other national particularities.

In these circumstances, monitoring the country's partner economies, namely the Euro Zone, the United Kingdom and the United States, is necessary for the best macroeconomic framework in the country, as they influence the evolution of Foreign Direct Investment (FDI), tourism, exports, external remittances and budgetary aid.

Regarding the PNDS, its successful implementation may be frustrated by the occurrence of these and other endogenous or exogenous risk factors. These factors include: sociopolitical instability; weak national leadership; weak mobilization of endogenous resources; persistent capacity deficit; unfavorable sub-regional and/or international situation; climate risks and humanitarian emergencies resulting from epidemic outbreaks.

Political risk, inherent to every democracy and, particularly in STP, resides in change policy and strategic development priorities, resulting from political and governmental alternation, aggravated if the Government does not have a parliamentary majority or in the absence of cohabitation between the Government and the President of the Republic.

The occurrence and persistence of these situations may result in the slowdown and interruption of economic activities, hinder the adequate appropriation of the PNDS and the Country Transformation Agenda in the 2030 horizon, as well as delay or even make impossible the implementation of the reforms proposed by the PNDS to sustain development sustainable and inclusive STP.

This risk could be mitigated by the convergence of the following factors:

- Clear will of sociopolitical actors to build consensus, respect the country's laws, political and social agreements, as well as maintain an environment of peace and harmony;
- Strengthening the country's democratic foundations, through social dialogue, consultation at all levels of decision-making for socioeconomic and environmental development.

Social risk are threats that can compromise social cohesion and, therefore, the stability of the country, if significant progress is not made quickly in terms of satisfying the legitimate needs and aspirations of the population, in accessing better living conditions; in the elimination of all forms of discrimination against women; improving the supply and quality of public services; in creating jobs, particularly for young people and women, and in significantly reducing poverty.

Likewise, this risk could be mitigated with an assertive public policy to reduce socioeconomic inequalities and regional disparities, focusing on improving access to basic social services, improving the redistribution of wealth, strengthening the fight against impunity and corruption, and strengthening the authority of the State.

Weakness of national leadership: exacerbation of divisions and maintained internal conflicts by political leaders; lack of a shared vision of the country's future; weak ability of leaders to mobilize, communicate and maintain a constructive dialogue with technical and financial partners (PTF) on development policies would be detrimental to the ownership and success of the PNDS.

To mitigate this risk, national authorities are determined to work towards the following objectives:

- Instill credibility and respect in all its interlocutors, both regionally and internationally, aiming to promote a partnership of trust that truly takes into account the deep aspirations of the people of São Tomé;
- Incorporate an enlightened, solid, unifying and effective national leadership, through, in particular, strengthening responsibility, transparency and accountability, with a focus on respecting their roles in matters of information, animation or guidance;
- Constantly innovate, contributing to strengthening sociopolitical resilience and economic situation of the country;
- Face major challenges, including compliance with agreements, treaties and conventions national and international in the interests of the country.

Weak capacity to mobilize endogenous resources: since independence National financing of public investment programs continues to depend on external resources. This trend may still persist in the coming years in the absence of significant responses.

Responses to mitigate this risk include:

- Continuation of public financial management reform programs, namely, its internal resource mobilization component;
- Making important progress in creating the Public-Partnership Framework Private;
- Implementation of incentive measures to stimulate national savings;
- Establishment of innovative mechanisms to mobilize alternative resources to official development assistance;
- Establishment of a mechanism to mobilize diaspora resources and channel their transfers into productive investments that generate growth and income.

Persistent capacity deficit: once adopted, the PNDS must be implemented, its results monitored and evaluated. However, Planning, Programming, Budgeting, Monitoring and Evaluation (PPOSA) capabilities at central, sectoral, regional and district levels are limited in terms of institutional arrangements, tools and methods, as well as in terms of qualifications and number of employees. Ultimately, the persistence of these restrictions would likely compromise:

- The alignment of sectoral policies and strategies with the PNDS;
- The development of sectoral medium-term expenditure frameworks;
- The implementation of the Regional Plan and District Sustainable Development Plans, as well as the programs and projects included in the PIP;
- Performance monitoring;
- Finally, it would be the pace of implementation of reforms, policies, programs and projects included in the PNDS that would be delayed, thus reducing their possibilities for success.

The Government is aware of the negative impact of this risk on the performance of the PNDS. For this reason, it will certainly support the implementation of the PNDS with an integrated, multi-annual training program in planning, programming, budgeting, monitoring and evaluation. This program will include institutional support (grants in resources

human, material and financial), training, development of tools and methods for better management of the different functionalities of the same (program).

Unfavorable subregional and international circumstances: development

Sustained and sustainable economic and social development is only possible in an environment of peace, stability and security. São Tomé and Príncipe is a member of several sub-regional, regional and international institutions, namely, ECCAS, AU and the UN. Naturally, the country needs to take advantage of all the economic, commercial, intellectual and security opportunities that exist in its immediate environment. Any political or socioeconomic crisis within the subregion would be a risk to the success of its development policy. At an international level, fiscal pressures in donor countries and low foreign direct investment are major challenges.

Taking into account the abundance of natural resources (oil, gas, fisheries resources, and others) the Gulf of Guinea is not free from real or potential, sub-regional or internal conflicts in one of these neighboring States, which could have harmful repercussions on stability from other States, including São Tomé and Príncipe. This risk is even more evident when certain States in the sub-region face established terrorist groups, in addition to already facing organized crime groups; human trafficking; of weapons and drugs; in armed robberies, or even maritime piracy; counterfeiting and money laundering.

Factors mitigating this risk mainly include:

- Improvement of external relations;
- Promotion of peace and security at sub-regional and regional levels;
- Conquest of markets and economic opportunities offered by globalization;
- Successful implementation of key structural reforms to strengthen the country's resilience to exogenous shocks (lower raw material prices, reduced development aid flows);
- Strengthening the fight against illegal migration.

Climate risk and humanitarian emergencies: São Tomé and Príncipe is a SIDS with limited capacity for adaptation and resilience to the consequences of climate change. The country is simultaneously mountainous, forestry and maritime. Fishing, agricultural and farming activities, which occupy a significant part of the active population, remain highly dependent on the effects of climate variations.

These risks manifest themselves, namely, in coastal erosion, sand extraction on beaches, deforestation, changes in precipitation patterns that can cause floods, affecting citizens, productive activity and the country's economy, given their impact on sectors- key areas such as tourism, agriculture, livestock and fishing.

The fragility of mitigation and adaptation measures at the physical (sensitive and dangerous areas) and human levels (urban and rural populations dependent on precarious living conditions) is a potential risk for the successful implementation of the PNDS.

Natural disasters and their humanitarian consequences also remain practically unpredictable and constitute a great risk to the continuity of any dynamic of economic and social development. The country needs to strengthen adaptation and resilience measures by integrating environmental priorities into strategic planning and annual budgets, allocating substantial financial resources to them.

In the international context, the performance of the world economy for the period 2017-2021 is marked by some risks and growth rates are below the averages prior to the 2008 crisis. In the particular case of the Euro Zone, despite revisions by the International Monetary Fund (IMF) in July 2017, with upward projections for 2017 and 2018, the growth trajectory has been downward since 2016, with growth slowing from 2% in 2015 to 1.7% in 2018.

The end of 2018 and the initial months of 2019 were characterized by an increase in uncertainty and a loss of dynamism in the world economy. The main sources of uncertainty are the slowdown in international trade, partly resulting from trade conflicts, particularly between the United States and China; political issues, with emphasis on the complex process of leaving the United Kingdom (*Brexit*) from the European Union (EU); economic issues related to the risk of a recession in Europe, especially in Germany and Italy, and the growth prospects in the USA. In China, the tendency for a greater reduction in the pace of growth (than that already included in projections) remains a relevant risk for the global economy, despite the fiscal and monetary stimulus measures that have been adopted³¹.

In the Euro Zone, according to the IMF, two specific problems still remain that could condition growth in the region. Firstly, in some countries, banks' balance sheets report weaknesses in terms of their profitability perspective, which can interact with higher political risks and reactivate financial stability problems. The second concerns an increase in long-term interest rates, which negatively affects the dynamics of public debt and, consequently, financing conditions.

In the USA, growth projections are conditioned by the uncertainty of fiscal policy, indicating that it will be less expansionary in the future than expected. It also stands out, the risk of a normalization of the monetary policy of the *Federal Reserve System* (FED)³², more faster than previously expected, with impacts on global foreign exchange and capital markets.

However, the risks are not just external. There are, equally, sources of internal risks related, in particular, to reforms, the business environment, the State's business sector, the diversification of financing sources and the operationalization and monitoring of programs and projects. The inability or inertia to correctly identify and evaluate the real impacts of the reforms and projects implemented, both in terms of their relevance and the time of their implementation, constitute a failure in the management of risk and vulnerabilities with regard to planning results, among the which are macroeconomic and budgetary and, therefore, those relating to the sustainability of public debt.

The radical improvement of the business environment is essential to raise the level of private investment, generate growth and employment, as well as the requalification of tourism, as a factor that generates scale and the central nucleus of the country's development process. With the graduation of São Tomé and Príncipe as a middle-income country, the Government has to design new sources of financing, which include the development of the capital market, the creation of guarantee funds, the establishment of Public-Private Partnerships and concession contracts.

Regarding the reform of the State's business sector, it is important to move forward with the program of public-private partnerships and privatizations, mainly in relation to companies

³¹Available at:

http://www.ipea.gov.br/portal/images/stories/PDFs/conjuntura/190417_cc_43_economia_mundial.pdf. Accessed on May 27, 2019.

³²

The *Federal Reserve System*, commonly referred to as the *Federal Reserve* or simply "FED", is the central bank of the United States created by Congress to provide the country with a safer, more flexible and stable monetary and financial system.

key public institutions, aiming to boost the sectors of activity in which they are inserted, creating, directly and indirectly, new opportunities, both for FDI and for national entrepreneurs.

In this context, the Government must assertively ensure the coordination and execution of privatization processes and public-private partnerships. A proposal for a measure to mitigate the fiscal and budgetary risk that the State's business sector represents could be the creation of an entity to monitor this sector in support of the Minister of Finance in exercising the State's shareholder role and in intervening with companies affiliated with the State, as well as in the leadership and coordination of privatization processes and public-private partnerships.

With regard to the operationalization and follow-up of programs and projects, necessary conditions need to be created to maximize the results of the PNDS and make available, at all levels of the Government, Regional Government and District Chambers, concrete planning tools, aiming for a correct implementation of the national planning system (SNP), monitoring and evaluation, in line with the public excellence management criteria, based on results. In this sense, in addition to guaranteeing qualified human resources, a quality information and statistics system is required, so that the monitoring and evaluation processes are effective.

Finally, the proper appropriation of the PNDS by all SNP stakeholders is essential, as an instrument of strategic guidance, which should translate into an effective working instrument for the productive sector and be part of São Tomé and Príncipe's current development agenda.

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