



## STRAIGHT TO THE POINT

- » Even as a net absorber of greenhouse gases (GHGs), São Tomé e Príncipe is committed to reducing its national emissions by 24 percent compared to the 2030 business-as-usual (BAU) scenario.
- » Changing climate patterns and extreme weather events embody significant threats to the national efforts to reduce poverty and achieve the Sustainable Development Goals (SDGs).
- » Significant adaptation actions focus on improving capacities and tools for disaster risk management, reducing risks and vulnerabilities, and increasing resilience of the agriculture, fisheries, and health sectors;
- » São Tomé e Príncipe prepared its National Adaptation Program of Actions (NAPA) and Nationally Determined Contributions (NDCs), and has recently developed, with the support of the World Bank, a comprehensive multisector investment plan to identify and prioritize its climate actions.
- » The Ministry of Finance, Commerce and Blue Economy, and the Ministry of Infrastructure, Natural Resources and Environment are currently leading important climate initiatives. In addition, to promote cross cutting strategies, the country created the National Committee on Climate Change (CNMC) and the National Council for Prevention and Disasters (CONPREC).
- » Key opportunities for the NDC Partnership include supporting the CNMC and the CONPREC to promote multisector approaches and mainstream the NDCs into development planning and budgeting; improving measurement, reporting, and verification (MRV) mechanisms; promoting coordination and synergies amongst different international donors; and building capacities to access funds, manage, and implement the NDCs.

## BACKGROUND

### STRIVING TO PROMOTE SUSTAINABLE DEVELOPMENT

The Democratic Republic of São Tomé e Príncipe is a small volcanic archipelago in the Gulf of Guinea. The country is one of Africa's smallest nations with a total area of approximately 1,100 km<sup>2</sup> and a population of 199,910<sup>1</sup>, of which 65.1 percent live in urban areas. A young nation that became independent in 1975 has also a young population, with 62.9 percent of people below 24 years. Promoting inclusive social and economic development, while conserving the natural resources and preparing to the adverse effects of the climate change are key priorities of the country's development agenda.<sup>2</sup>

São Tomé e Príncipe has a Human Development Index (HDI) of 0.574 and ranks 142nd among 188 in the Index.<sup>3</sup> According to the last national census (2009), 61.7 percent of the population was below the national poverty line and 32.3 percent earned less than USD 1.90 per day (2011 PPP)<sup>4</sup>. Using the Multidimensional Poverty Index (MPI), a more comprehensive approach to measure poverty that accounts for deprivation

<sup>1</sup> <https://data.worldbank.org/country/sao-tome-and-principe>

<sup>2</sup> <https://esa.un.org/unpd/wpp/DataQuery/>

<sup>3</sup> [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/es/STP.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/es/STP.pdf)

<sup>4</sup> [http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Report\\_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=STP](http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=STP)



on health, education, and living conditions, 47.5 percent of São Tomé e Príncipe's inhabitants live in multidimensional poverty, and 21.5 percent near the multidimensional poverty line.<sup>5</sup> These figures highlight some of key national challenges that are being targeted in the National Development Plan to achieve the 2030 agenda and the Second Strategy for Poverty Reduction.

São Tomé e Príncipe's GDP in 2016 was USD 351 million.<sup>6</sup> Agriculture has historically been very important for the national economy. The sector employs 30 percent of the labor force, and cocoa and coffee represent respectively, 62 percent and seven percent of the national exports.<sup>7</sup> In addition, agriculture plays a central role in subsistence and food security.<sup>8</sup> Fisheries is also a highly relevant sector, responsible for 70 percent of the national protein intake, five percent of the GDP, and 15 percent of the labor force.<sup>9</sup> Tourism, a growing sector in São Tomé e Príncipe, directly employs 14.2 percent of the population and accounts for 14.8 percent of the GDP.<sup>10</sup> Considering its indirect linkages, tourism's contribution to the GDP and employment increases to 31 percent and 29.4 percent respectively.<sup>11</sup> A central driver to economic growth has been government spending, which amounted to 34.2 percent of the GDP in 2015.<sup>12</sup> The State is also the country's main employer through state administration services and public companies, at both central, regional, and district levels.<sup>13</sup> A still embryonic but relevant sector in terms of the climate change is the oil sector. There are big expectations about oil production, but so far, commercially viable reserves were not proven.<sup>14</sup>

The country's economy faces significant challenges. The high reliance on foreign aid and loans (90 percent of the general state budget), a small export base, and significant levels of external debt (70 percent of GDP) make the national economy fragile and vulnerable to economic shocks.<sup>15,16</sup> In addition, limited potential for public investment and challenges to expand the private sector credit due to high indebtedness, and low loans' performance compromise the expansion of investment and higher growth rates.<sup>17</sup>

However, in spite of all the adversities, the annual average growth of the GDP has been four percent since 2012, and the country managed to reduce the inflation from 28 to four percent in the last couple of decades.<sup>18</sup> The economic medium-term outlook for the country is positive, with real GDP growth expected to reach five to six percent, supported by the construction, agricultural, and tourism sectors.<sup>19</sup> The country HDI has also improved in the last decades. Between 1990 and 2015, the index enhanced 26.4 percent. Life expectancy increased from 61.8 to 66.6 years, mean years of schooling from 2.9 to 5.3 years, and the GNI per capita raised from 1,973 to 3,070 (2011 USD PPP).<sup>20</sup> At the same time, the country has been committed to the climate and sustainable development agenda. São Tomé e Príncipe's 2030 vision focus on reducing poverty and vulnerabilities, increasing human capital, improving infrastructure and business environment, strengthen public capacities and transparency, and protecting the environment. In the climate agenda, São Tomé e Príncipe has ratified the Paris agreement, committed to emissions' reductions, and has been working on plans and actions to adapt to climate change.

5 [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/es/STP.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/es/STP.pdf)

6 <https://data.worldbank.org/country/sao-tome-and-principe?locale=pt>

7 <http://atlas.media.mit.edu/en/profile/country/stp/#Destinations>

8 *Plano multi-setorial de investimentos para integrar a resiliência às alterações climáticas e o risco de desastres na gestão da zona costeira de São Tomé e Príncipe* (World Bank, 2017).

9 *Plano multi-setorial de investimentos para integrar a resiliência às alterações climáticas e o risco de desastres na gestão da zona costeira de São Tomé e Príncipe* (World Bank, 2017).

10 <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/saotomeandprincipe2017.pdf>

11 <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/saotomeandprincipe2017.pdf>

12 <http://www.worldbank.org/en/country/saotome/overview>

13 <http://www.worldbank.org/en/country/saotome/overview>

14 <https://eiti.org/sao-tome-principe#production>

15 <http://www.worldbank.org/en/country/saotome/overview>

16 [http://www4.unfccc.int/ndcregistry/PublishedDocuments/Sao%20Tome%20and%20Principe%20First/STP\\_INDC%20\\_Ingles\\_30.09.pdf](http://www4.unfccc.int/ndcregistry/PublishedDocuments/Sao%20Tome%20and%20Principe%20First/STP_INDC%20_Ingles_30.09.pdf)

17 <https://www.imf.org/external/pubs/ft/scr/2016/cr16174.pdf>

18 <http://www.imf.org/external/lang/portuguese/pubs/ft/scr/2016/cr16174p.pdf>

19 <http://www.imf.org/en/News/Articles/2017/10/05/pr17389-imf-staff-completes-review-visit-to-sao-tome-and-principe>

20 [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/es/STP.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/es/STP.pdf)



## REMOVING MORE THAN CONTRIBUTING

According to the last national GHG inventory (2005), removals of GHGs were higher than emissions.<sup>21</sup> Total emissions were 99.2 ktCO<sub>2</sub>e (thousand metric tons of carbon dioxide equivalent) whilst GHG removals were 629.3 ktCO<sub>2</sub>e, resulting in net removals of 530.2 ktCO<sub>2</sub>e. Energy accounted for 71.41 percent of total emissions, followed by agriculture (14.71 percent), industrial processes (6.73 percent), and waste (6.68 percent). Within the energy sector, 45.78 percent of emissions came from energy industries and 40 percent from transport. In the agriculture sector, prescribed burning of savannas, enteric fermentation, and manure management, represented 56.13, 26.77 and 11.34 percent of the emissions, respectively. The biggest potential for emissions reductions are in increasing the share of renewable energies and low-carbon transportation, and reducing prescribed burnings in the agriculture sector.

However, focusing on adaptation and reducing vulnerabilities are certainly the priorities regarding the climate agenda in São Tomé e Príncipe. A changing climate embodies significant threats to the already delicate social and economic situation of the country. Observed increasing temperatures and decreasing rainfall, as well as lengthened dry seasons, and changing rainy seasons affect significantly agricultural production and the availability of water in the country.<sup>22,23</sup> In addition, extreme weather events have the potential to damage infrastructure, houses, and the economy due to increased risks of floods, coastal erosion, storms and landfalls.<sup>24</sup>

## COUNTRY AMBITION

### FOSTERING RENEWABLE ENERGIES

Even as a net absorber of GHGs, São Tomé e Príncipe has committed to reduce its GHG emissions by 57 ktCO<sub>2</sub>e. This represents a 24 percent emission reduction from the 2030 BAU scenario. Mitigation actions focus on increasing the share of renewable energies in the national electricity system to 47 percent of which 34 percent of hydro and 13 percent solar energy. To achieve this goal, the country estimates that USD 59 Million will be necessary.

### PREPARING TO CLIMATE CHANGE IMPACTS

In 2006, the country elaborated a National Adaptation Programs of Action (NAPA)<sup>25</sup> and outlined 22 priority projects and actions. NAPA's actions focus on (i) creating capacities and tools for disaster risk management; (ii) reducing risks and vulnerabilities in the housing and real-state sectors; (iii) developing resilience measures in the agriculture, fisheries, and health sectors; (iv) conducting actions to reduce coastal areas erosion and flood-risks; and (vi) promoting the sustainable management and use of forestry resources.

Another relevant initiative is the *Multi-sectoral investment plan to integrate resilience to climate change and disaster risk in São Tomé e Príncipe's coastal zone management*. The investment plan identifies 26 priority projects in three main areas (1. Reinforcement of institutional capacity, data, and knowledge; 2. Disaster Risk Reduction; and 3. Resilience of Communities and Infrastructures). The investment plan concluded in June 2017, involved key stakeholders from the government and international organizations. The estimated cost to implement the priority actions is USD 34 Million.

<sup>21</sup> [https://unfccc.int/files/ghg\\_data/ghg\\_data\\_unfccc/ghg\\_profiles/application/pdf/stp\\_ghg\\_profile.pdf](https://unfccc.int/files/ghg_data/ghg_data_unfccc/ghg_profiles/application/pdf/stp_ghg_profile.pdf)

<sup>22</sup> Plano multi-setorial de investimentos para integrar a resiliência às alterações climáticas e o risco de desastres na gestão da zona costeira de São Tomé e Príncipe (World Bank, 2017).

<sup>23</sup> <http://unfccc.int/resource/docs/napa/stp01.pdf>

<sup>24</sup> Plano multi-setorial de investimentos para integrar a resiliência às alterações climáticas e o risco de desastres na gestão da zona costeira de São Tomé e Príncipe (World Bank, 2017).

<sup>25</sup> <http://unfccc.int/resource/docs/napa/stp01.pdf>



São Tomé e Príncipe claims that, due to the country's conditions, mitigation and adaptation actions depend on the availability of financial, technological and capacity-building support provided by the international community.

## STATE OF PLAY

### PLANNING AND ADVANCING THE CLIMATE AGENDA

São Tomé e Príncipe has been committed to advancing in mitigation and adaptation actions. The Ministry of Finance, Commerce and Blue Economy, and the Ministry of Infrastructure, Natural Resources and Environment are key ministries involved in the climate agenda. In addition, two governance structures were created to promote crosscutting strategies and actions. The National Council for Prevention and Disasters (CONPREC) with the mandate to assess vulnerabilities and risk factors; and propose and develop prevention, preparedness, response, and coordination actions to eliminate and mitigate climate-related risks; and the National Committee on Climate Change (CNMC) responsible to implement, coordinate, monitor, and evaluate all climate-change related actions and programs. The CNMC has also the mandate to oversee the integration of climate change in the various national ministries and directorates, as well as in planning and finance policies.

In 2006, the country elaborated its first NAPA (National Adaptation Program of Actions) and identified 22 priority measures for climate adaptation and mitigation. Four of these projects were concluded or were under way by mid-2017, such as the initiative to create a national climate alert system, the relocation of communities in high-risk areas, and measures to reduce climate change impacts in the fisheries sectors. In 2015, the country revised its actions and included 17 of the original NAPA projects into its NDC. In addition, 11 initiatives with a total investment of approximately USD 40 million are underway with the support of international organizations (i.e. Global Environment Fund (GEF), Least Developed Countries Fund (LDCF), United Nations Development Programme (UNDP), the World Bank, and European Union). The main focus of these projects is on (i) reducing vulnerabilities in coastal areas, (ii) building institutional and technical capacities for climate action, and (iii) supporting policies for energy investment, integrated water-basin management, and sustainable management of natural resources.<sup>26</sup>

## NDC PARTNERSHIP ENGAGEMENT

### COORDINATING AND SCALING-UP CLIMATE ACTION

The Government of São Tomé e Príncipe raised interest in joining the Partnership at its launch during the United Nations Climate Change Conference in Marrakech, Morocco (COP22). Since joining, the government appointed as its focal points the Director of Planning and Prospective from the Ministry of Finance, Commerce and Blue Economy, and the Director of the National Institute of Meteorology, from the Ministry of Infrastructure, Natural Resources and Environment. On 28 April 2017, an NDC Partnership workshop took place in São Tomé e Príncipe. Both the Minister of Infrastructure, Natural Resources and Environment and the Minister of Finance, Commerce and Blue Economy were at the workshop. The workshop enabled

<sup>26</sup> Plano multi-setorial de investimentos para integrar a resiliência às alterações climáticas e o risco de desastres na gestão da zona costeira de São Tomé e Príncipe (World Bank, 2017).



sharing information about the NDC Partnership and the initiative's guiding principles and support opportunities; an exchange with key stakeholders; a pre-assessment of potential NDC Partnership in-country engagement; and avenues for concrete cooperation.

After the workshop, the NDC Partnership held bilateral meetings with representatives from UNDP, focal points from the government, the Embassy of Portugal and the European Union. During this process, UNDP has accepted to be the NDC Partnership facilitator. This is strategic for the partnership due to the strong presence of UNDP in the country and its permanent staff in São Tomé e Príncipe.

In addition, the second round of the World Bank Partnership Support Facility awarded São Tomé e Príncipe USD 300,000 to support the integration of adaptation and resilience measures into national policies and planning, support government officials to use climate data and models to better understand climate risks, and improve coordination across national institutions, and international partners.

The NDC Partnership implementing partners are committed to promote direct exchanges and advance to promote the implementation of the NDC in São Tomé e Príncipe. One concrete example is the coordination between UNDP and the World Bank with the Directorate General for the Environment in the spatial distribution of early warning systems. UNDP is working on inland systems and the Directorate General for Environment, supported by the World Bank, is implementing the coastal zone system. Building on previous engagement and initiatives, the NDC Partnership is now working with a broader number of actors to move towards the NDC Alignment Plan.

## OPPORTUNITIES FOR THE PARTNERSHIP

### SUPPORTING COORDINATION, MRV, CAPACITY-BUILDING, AND ACCESSING FINANCING

During the NDC Partnership engagement, diverse opportunities to support São Tomé e Príncipe in achieving and increasing its climate commitments emerged. The country has different projects and initiatives underway. Coordination and monitoring all these initiatives will increase synergies and reduce transaction costs for actors involved in the national climate agenda. In this sense, a centralized monitoring and evaluation of initiatives will help the country to track results, evaluate its current and future initiatives, and report its advances.

The country highlighted the need to build capacities amongst local actors and increase the legitimacy of the CNMC. Moreover, a recent World Bank assessment highlighted the importance of strengthening the CONPREC. The NDC Partnership can collaborate with different Ministries and international donors to support these institutions, and help to create synergies and more interaction between them. The reinforcement of both institutions will contribute to integrate the NDC into government planning and policies.

As the country has recently concluded a multi-sectoral investment plan for climate action, a relevant contribution is to support the preparation of projects for funding and assisting the country in accessing international funds, such as the Green Climate Fund, the Pilot Program for Climate Resilience (PPCR), the Global Facility for Disaster Reduction and Recovery (GFDRR), the Least Developed Country Fund (LDCF), and the Adaptation Fund. Furthermore, implementing the multisector investment plan will require technical and management capacities that can be built with the support of the NDC Partnership.



### SOUTH-SOUTH COOPERATION: WORKING WITH NEIGHBORS

As a Small Island Developing State (SIDS), São Tomé e Príncipe can engage and learn through initiatives conducted by countries in the same conditions. The Pacific Islands and The Caribbean States are certainly useful sources of collaboration and knowledge sharing. Initiatives related to planning, adaptation, and mitigation can provide inspiration and strategies for the country.

In this sense, interesting initiatives include the Caribbean Catastrophe Risk Financing Facility (CCRIF)<sup>27</sup>, a risk pooling mechanism supported by different donors and 16 Caribbean State to limit the financial impact of extreme weather events, and the Climate Risk Adaptation and Insurance (CRAI)<sup>28</sup>, supported by German cooperation. CRAI created a weather-based index risk and insurance products aimed at low-income individuals and lending institutions exposed to climate stressors.

From the investment side, initiatives such as the OECS<sup>29</sup> Forum Investment can be an interesting strategy to meet investors and inspire the country to engage in similar initiatives to attract and identify funds to invest in the country. Finally, other source of valuable information is the SIDS Action Platform. The platform congregates different initiatives pertaining not only to climate change but also to different SDGs and relevant São Tomé e Príncipe development challenges.

<sup>27</sup> <http://www.ccrif.org/content/about-us>

<sup>28</sup> <http://www.climate-insurance.org/projects/climate-risk-adaptation-and-insurance-in-the-caribbean/>

<sup>29</sup> *The Organisation of Eastern Caribbean States.*

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*The NDC Partnership is guided by its partners and assisted by a Support Unit hosted by the World Resources Institute (WRI). The Partnership is co-chaired by the Governments of Germany and Morocco.*

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