



# Committee for Development Policy 20<sup>th</sup> Plenary Session

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Sao Tome and Principe: graduation road map at a glance

Sao Tome and Principe for the first time met two of the three thresholds of graduation from LIC status (see p. 1 and p. 2). The Committee for Development Policy (CDP) accordingly found Sao Tome and Principe pre-eligible for graduation. This finding brought no immediate change to the



Sao Tome and Principe's eligibility for graduation from LDC status  
in the 2017 review of the list of LDCs

To pre-qualify for graduation in the 2017 review of the list of LDCs, a country had to meet at least two of the following three graduation thresholds:	Eligible to have a gross national income per capita of at least \$1,031 (2011-2013 three-year average)	Eligible to have a score of 32.1 or higher under the Human Assets Index (GHI) among LDCs (lowest human assets) and 1.2 or higher (highest human assets)	Eligible to have a score of 32.1 or higher under the Economic Vulnerability Index (EVI) among LDCs (highest vulnerability) and 1.2 or higher (lowest vulnerability)
Score of Sao Tome and Principe under the relevant criterion	1,031 (3-year average GDP per capita)	32.1 (GHI score)	32.1 (EVI score)
Score of Sao Tome and Principe in B of the graduation threshold	at or above the graduation threshold	at or above the graduation threshold	at or above the graduation threshold (see footnote 3)

Source: UNCTAD (2017) based on CEP data

At the end of 2016, the graduation threshold in 2017 and a provisionally estimated 13, B in 2017. Sao Tome and Principe has demonstrated relatively fast economic progress within a decade. This brought the country to exceed the graduation order for the first time in the 2017 review of the list of LDCs a performance not confirmed in the 2017 review. Steady economic growth as measured through the gross domestic product at constant prices over the past decade (near 7% per annum on average) enabled the country to rise from a gross national income per capita of \$1,244 in 2011, to \$1,024 in 2016 (graduation threshold at \$1,031 in 2017).

Sao Tome and Principe (STP) gets most of its income from the services sector (trade and tourism), agriculture and fishing, as well as construction. Together, these sectors represented 78% and 1.3% of GDP in 2012 and 2013, respectively.<sup>3</sup>

<sup>3</sup> #A (J) 7 SC (2016) (P: 2017) African Economic Outlook

The Gross National Income per capita (GNI per capita) has been growing rapidly in recent years, multiplying three folds over twelve years, from I"24 in 2443 to I1114 in 2442.

'6- is not very unequally distributed in STP. # 2414 publication .y -6\$ indicated that the top 24B richest people were getting !1B of total in

#id dis. ursed for Sao Tome and Principe (2414 L 241!)0 I 5 S million

' rants	*4.2	!/.3	!1/.1	2!."	243.2	1"4.2
loans (ne%)	14.2	/.!	12.*	3.,	/.*	/.,

Source: S-S#& Sistema de -nformaMNo e Segmento das #0udas. (esem. olsos por Parceiro. 2411&241!



distance from the graduation threshold  
under the human assets criterion  
(.ased on the

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Source: A#7 Statistical Pocket 2011

However, despite these achievements on nutrition in the overall population, the nutrition situation for children under 5 years old is significantly worse than average in the country. In fact, according to the World Bank between 2004 and 2011, 11.1% of these children were underweight and 1.2% were stunted, with a height less than required for children under five years old, mainly a consequence of malnutrition.

Such acute malnutrition for one out of every six children under 5 is a real obstacle for the long term development of human resources in Sao Tome and Principe. It is well known that stunting affects not only negatively the development of the brain of such young children and irreversibly, but also their siblings in next generation according to some studies.

In order to mitigate the impact of malnutrition on those children, a special programme for nutrition for those under 5 seems to have been put in place. However, the dependence of

Sao Tome and Principe has therefore registered considerable progress in child mortality rate in recent decades. This trend should continue after graduation from LDC status. However, given the strong links between child mortality and child malnutrition, the same worry explained above is also justified here: there is a real risk of reversal to higher mortality if aid is suddenly suspended after graduation.

### 3.3 Maternal mortality

According to the World Bank, maternal mortality rate in Sao Tome and Principe was estimated at 124 per 100,000 live births in 2010, a decrease of more than half compared to 1990 when it was at 334 (Table 1). This is a very good performance compared to other countries in Sub-Saharan Africa (SSA), and to the world average (210). The rate could even be halved (124) according to national estimates for annual average between 2008 and 2010.

This low mortality rate is explained by better access to health services for pregnant women in Sao Tome and Principe compared to other SSA countries where only 28% of pregnant women benefited from prenatal health care and only 18% of them were attended by professionals at delivery, compared to 28% and 23% respectively for Sao Tome and Principe.

Maternal mortality rate per 100,000 live births (1990 & 2010)



Secondary school enrolment rate in Sao Tome and Principe (B) 2443&241 "

Total enrolment	3,."	"2.1	"2.2	/!2
Boys	3!.,	!2.3	"",.	/4.,
Girls	!4.3	"!./	*2./	/2.3

Source: 5 6 SSC7 and World Jan80 241,

Evolution in time shows that enrolment in secondary school has doubled over the 12

According to the 2012 census, only 57% of men and 28% of women could read and write. Therefore, the country still has a long way to go in order to fulfill its objective of near universal writing capacity for the people above 15 years old, especially given that the adult literacy programme for the 15-24 years old has registered a higher drop-out rate in 2013-2014 due to the termination of incentives previously in place.

Adult literacy rate (B) 2013-2014

	2013	2014	2014
	*2	*3	*1
	/2	/1	/"

12 in 2412 and 2B of the population with less than 24 years. 7nly 1B of the population as more than \*" years old.

distance to the graduation threshold  
under the economic vulnerability criterion  
(based on the Economic Vulnerability Index!)

NB: data until 2010 are based on actual GDP findings \*

## 1.2 Economic remoteness

In the light of the remoteness index within the composite Economic Vulnerability Index (EVI) Sao Tome and Principe is economically less remote (by 14B) than other LICs considered on average. The moderate degree of remoteness was one of the factors of the upturn in the country's performance under the graduation threshold in 2017, an upturn synonymous with lesser economic vulnerability. The same moderate level of remoteness did not keep the EVI score of Sao Tome and Principe from undergoing a downturn in 2018/19 (increased distance to the graduation line).

## 1.3 Share of population living in low-lying areas

According to World Bank, the share of population of Sao Tome and Principe living in coastal areas at less than 100 metres above sea level was 1.32B in 2014, slightly more than 1224 when it was 1.17B (Table 12). It is a very small proportion of total population. But it could have increased a bit and may continue to grow in the future given the rapid urbanisation near the sea, especially around the capital Sao Tome where some areas are visibly below sea level. Moreover, for the rest of the country, the landscape rises sharply at higher ground as soon as one goes away from the beach.

Share of population living at less than 100 metres above sea level

This continuous decrease is in sharp contrast to trends in other countries in Africa and even the rest of the world. In Africa, the primary sector grew slightly from 11.7% in 2000 to 12.43% in 2010. The world on average saw the primary sector growing from 3.1% to 3.1% over the same 10 years.

Share of primary sectors in the GDP of Sao Tome and Principe (in B) 2000-2010

Sao Tome and Principe	24.0%	21.0%					
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This higher concentration and lower diversification make Sao Tome and Principe more vulnerable to shocks such as a sharp decrease in prices/income or a quantity exported for any of its major exports such as cocoa or tourism.

!.\* Victims of natural disasters

According to authorities in the Environmental Service of Sao Tome and Principe, the country has not experienced any major natural disaster over the last years. The last important event was an epidemic due to a bacterium that took place in October 2014. It caused 22 deaths and affected 1312 people (Table 1). However, it was the 12/3 drought that affected the highest number of people: 23444 almost half the population of

#gricultural production and evolution in Sao Tome and Principe 2444&241"

+alue added (+ #) agric. 5SI million		24.,	2!."	24.3	22.1	3,,
+ # agric. constant 2414 5SI million						

\$ )ports of goods and services from Sao Tome and Principe in 5 S I million 0 2444 241\*




significant margin. This dispels the risk that graduation will be dictated by temporary or insignificant economic circumstances.

Two other elements of the graduation rule also imply durable structural progress in the graduating country:

Y at least two of the three graduation thresholds must normally be met for the relevant LIC to qualify for graduation whereas a symmetrical application of the admission rule and graduation rule would imply that ceasing to meet one of the three criteria under which the country was once identified as an LIC would be a sufficient reason for that country to qualify for graduation (see the 'income only' exception to the graduation rule in the table below);

Y a recommendation to graduate a country will not be made until the relevant graduation



