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**Draft country programme document for Sao Tome
and Principe (2012-2016)**

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Situation analysis.	1-6	2
II. Past cooperation and lessons learned.	7-11	3
III. Proposed programme.	12-15	3
IV. Programme management, monitoring and evaluation.	16-18	4
Annex		
Results and resources framework.		6



I. Situation analysis

1. The Democratic Republic of Sao Tome and Principe is an archipelago situated some 300 km west of the continent of Africa. It has a population of 170,000, of which 51 per cent are women. The population is very young and has a growth rate of 2 per cent, which demonstrates the scope of socio-economic needs to be met.

2. Despite good macroeconomic performance in some areas in recent years, the country is facing several socio-economic challenges. Growth improved marginally compared to 2008 and 2009 to reach 6.5 per cent in 2010. Although the country experienced a slight decrease in foreign direct investment in 2010, economic activity was stimulated by an increase in official development assistance (ODA), which was used to finance public investment. In addition, the decision to adopt a fixed exchange rate in January 2010 led to an easing of the inflation rate (which peaked at 37 per cent in 2008) to 13 per cent by the end of third quarter 2010.

3. This macroeconomic performance did not necessarily translate into significant improvement in the living conditions of the population. In fact, some empirical evidence shows that the poverty situation has deteriorated since the last survey conducted in 2001, although the lack of reliable statistical data on poverty makes it impossible to gauge the current situation in Sao Tome and Principe with any accuracy.

4. With gross national income of \$1,918 per capita in purchasing power parity, the country is committed to consolidating the tangible progress achieved in the implementation of some of the Millennium Development Goals (MDGs), namely, Goals 2, 4 and 6, in order to improve the country's human development index, which stood at 0.488 (in 127th place) in 2010. In the education sector, significant results have been achieved in the first cycle of primary education (first to fourth years of schooling) with an estimated net enrolment rate of 98 per cent and a significant reduction in dropout and repeat rates. Substantial success has been observed in the health sector, particularly with the decrease in the infant and under-five mortality rates. In 2009 those rates were, respectively, 38 and 63 deaths per 1,000 live births. In addition, the malaria prevalence rate dropped exponentially from 478 cases per 1,000 inhabitants in 2002 to 34 in 2009.

5. The development outlook for the oil sector is a source of both hope and concern for most inhabitants of Sao Tome and Principe. While the arrival of the oil industry might mean faster economic growth and greater wealth for the population, it might also have a detrimental effect on governance, with an increase in corruption and social tensions caused by growing gaps between the poorest and the wealthiest.

6. The Government has drafted a concept paper on the elaboration of a strategic development and poverty reduction plan for the period 2011-2015. The paper sets out the priority pillars of intervention: decentralized and participatory development of good governance; sustainable and distributive economic growth; strengthening human capital and basic social sectors; construction and development of economic infrastructure; and social cohesion and cross-cutting issues. The new cooperation framework is organized around the priorities set by the Government in the strategic development and poverty reduction plan as well as its commitments under the United Nations Development Assistance Framework (UNDAF) 2012-2016. The document is based on lessons learned from past cooperation.

II. Past cooperation and lessons learned

7. The country programme review for 2007-2011 and the midterm assessment of certain projects implemented jointly with the Government highlighted the relevance of these country programme interventions with respect to the national priorities.

8. In the area of good governance, UNDP action is focused on: (a) strengthening the democratic process with support for the holding of legislative and municipal/regional elections in 2010 and technical assistance to the National Assembly on the legislative process; (b) revitalizing the decentralization process through capacity-building in municipalities and the autonomous region of Principe and the elaboration of development plans for Caué district and the autonomous region; (c) the justice sector, with capacity-building for court officials and international technical assistance for the Public Prosecutor's Office; and (d) modernizing the public administration by computerizing the civil service.

9. With respect to poverty reduction and achievement of the Millennium Development Goals (MDGs), UNDP has supported the Government in a number of areas: (a) strategic planning through the design of planning tools and strengthening national capacities for monitoring and evaluation of policies and strategies; (b) data production and analysis to improve the basis for decision-making; (c) coordination of official development assistance (ODA) and the donor community with the establishment of the ODA coordination unit; (d) regional and trade integration through improvement of the business climate and capacity-building in the Directorate of Trade; (e) combating the main endemic diseases, including malaria, HIV/AIDS and tuberculosis, through community awareness-raising, epidemiological and entomological surveillance, and institutional capacity-building under the aegis of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

10. On environmental sustainability, UNDP intervention has focused on: (a) putting sustainable environmental management on the country's agenda with the strengthening of national capacities and the development of sectoral and national planning tools, including the plan of action for climate change adaptation and the national emergency preparedness plan; (b) climate change adaptation and mitigation measures with the implementation of the Montreal Protocol and the preparation of the first and second national communications on climate change.

11. These lessons are taken into account in the proposed programme, which should focus on multilevel capacity-building within central and local administrations in planning, management and coordination so as to ensure continuity after any potential political change. Similarly, the upcoming programme should be more focused on data production and analysis as critical foundations for decision-making.

III. Proposed programme

12. The country programme is based on the national priorities set out in the Government's strategy document and the governmental programme. It is based on the UNDAF 2012-2016, the comparative advantages of UNDP in Sao Tome and Principe and lessons learned from past cooperation. It proposes achieving three of the four UNDAF results in the following areas of intervention: (a) democratic governance; (b) poverty reduction and achievement of the MDGs; and (c) the environment and sustainable development.

13. The aim of the proposed action is to: (a) strengthen the capacity to ensure transparency and accountability in administration of the public sector: support for the process of combating corruption and promoting accountability and inclusive participation; (b) improve the quality of the civil service: establish an organizational and operational framework to modernize the public administration; (c) improve local governance: the decentralization process; (d) help strengthen judicial institutions and the administration of justice: implementation of the justice reform programme; (e) improve the quality of parliamentary work: strengthen the operational and technical capacities of the National Assembly to enable it to make legislation and perform oversight of Government action; and (e) strengthen institutional leadership at the central and local levels.

14. The purpose of the proposed action is to support: (a) the elaboration of a national development strategy and systems for medium- and long-term planning, monitoring and evaluation, coupled with support for programme management capacity-building; (b) capacity-building in planning and budgeting for public institutions and decentralized bodies; (c) national efforts to counter structural economic inequalities by improving the incomes of vulnerable groups through income-generating activities; (d) the promotion of trade to reduce poverty; (e) the improvement of social protection systems by designing effective protection systems targeting various poor and vulnerable groups; and (f) anti-malaria measures targeting vectors in particular, accelerated HIV/AIDS prevention and treatment (testing for and prevention of mother-to-child transmission), improvement of the multisectoral approach to combating HIV, and the strengthening of decentralized anti-tuberculosis initiatives with the establishment of the direct observation treatment programme.

15. The aim of the proposed action is: (a) to mainstream sustainable environmental management, climate change and disaster risk management into national development strategies and plans and into development projects; (b) to develop an environmental sustainability framework: promoting the adoption of key policies and legal commitments on effective adaptation and mitigation strategies such as sustainable land management, a new energy policy and measures to foster a development-friendly environment; (c) to coordinate the institutionalization of environmental and climate change issues: capacity-building in all sectors (particularly energy, agriculture and forests, the environment, and water and sanitation) in order to manage and coordinate the implementation of environmental and climate change initiatives; and (d) to strengthen the disaster response system and risk management.

IV. Programme management, monitoring and evaluation

16. The programme will be implemented using the national execution modality. UNDP will continue to provide support services for projects and programmes at the request of the Government. Preference will be given to the programme approach through the appropriate institutional arrangements. Gradual change is desirable under the “Delivering as one” process of United Nations system reform. The harmonized approach to cash transfers will be adopted with partners that have undergone a microassessment. United Nations Volunteers, who provide highly cost-effective support, will be involved. UNDP will also rely on resources from South-South cooperation.

17. Although various project and programme reviews, evaluations and midterm assessments have highlighted weak monitoring and evaluation, efforts have been made to improve national ownership of projects and programmes. The new programming, monitoring and evaluation cycle will rely on the mechanisms defined in the UNDAF. The country office will set up an evaluation plan, which will be used as a model for programmes and projects submitted for approval by the steering committees; they will be executed by project teams which will draft the necessary reports in accordance with current UNDP rules and procedures. The office will make a significant contribution to national capacity-building in terms of monitoring and evaluation within the framework of a national capacity-building programme.

18. In addition, a joint audit plan of implementing partners may be prepared with other United Nations system organizations that have adopted the harmonized approach to cash transfers by applying the principle of the funding authorization and certificate of expenditures form to the various methods of funding project and programme activities. With the recent institutionalization of DevInfo by national agencies, the problem of monitoring and evaluation could be partially resolved provided that all parties unite their efforts to build capacity in the National Institute of Statistics and sectoral data producers. Throughout the programme, UNDP will ensure the effective implementation of results-based management, gender equity and human rights through close cooperation with all stakeholders.

Annex

Results and resources framework

National priorities or goals: Reform of public institutions, capacity-building and promoting a policy of good governance

Country programme/UNDAF results: By 2016, national institutions at the central and local levels improve their application of the rules and principles of good public sector governance to strengthen the rule of law

Strategic plan focus area: Democratic governance

<i>Contributions of Government partner</i>	<i>Contributions of other partners</i>	<i>UNDP contributions</i>	<i>Indicators, baselines and targets</i>	<i>Indicative outputs of country programme</i>	<i>Indicative resources by result (in thousands of United States dollars)</i>
<ul style="list-style-type: none"> – Harmonization of national laws (international conventions) – Modernization and computerization of the local administrative system; training of municipal inspection agents; single-window service for administrative formalities – Establishment of justice reform programme 	<ul style="list-style-type: none"> – Development and implementation of the legislative process, information and communications technology systems for Parliament and practical implementation of international conventions – Support for land management – Establishment of a legal information system, training of magistrates and police personnel 	<ul style="list-style-type: none"> – Institutional capacity-building in the National Assembly – Support for the decentralization process – Establishment of the justice sector reform programme with mainstreaming of human rights and gender equity 	<ul style="list-style-type: none"> Number of international conventions and instruments ratified Baseline: 0 (2010) Target: 16 (2016) Number of local communities implementing the decentralization policy Baseline: 0 (2010) Target: 10 (2016) Proportion of justice budget as a percentage of total programme budget Baseline: 0 (2010) Target: 15 per cent (2016) 	<ul style="list-style-type: none"> – Capacities of the National Assembly in legislation and oversight of Government action are strengthened – The Government and local communities are implementing the decentralization policy – Judicial institutions provide high-quality services to vulnerable populations 	<ul style="list-style-type: none"> Regular resources: 930 Other resources: 700

National priorities or goals: Creating income-generating and income-diversifying opportunities for the poor

Country programme/UNDAF results: By 2016, communities, particularly young people and women, have greater access to productive resources to reduce their vulnerability; by 2016, the most vulnerable groups use more decentralized basic social services and participate in their management

Strategic plan focus area: Poverty reduction and achievement of the MDGs

<ul style="list-style-type: none"> – Development of tools for policy dialogue, resource mobilization and creation of income-generating opportunities 	<ul style="list-style-type: none"> – Drafting strategic documents, updating statistical data – Setting up coordination mechanisms for multifunctional platforms 	<ul style="list-style-type: none"> – Technical assistance for the development of national policies and strategies – Strengthening mechanisms for monitoring and evaluation, data collection and processing, harmonization, coordination and management of ODA – Indoor insecticide spraying, distribution of insecticide-treated nets, supply of medicines, community awareness-raising on anti-tuberculosis care, monitoring, evaluation and epidemiological and entomological surveillance 	<p>Number of periodic monitoring reports on implementation of national and sectoral policies and strategies</p> <p>Baseline: 0 (2010) Target: 7 (2016)</p> <p>Number of persons with advanced HIV infection receiving appropriate antiretroviral treatment</p> <p>Baseline: 159 (2009) Target: 338 (2016)</p> <p>Number of staff responsible for anti-tuberculosis measures in health-care facilities who use the direct observation treatment method</p> <p>Baseline: 6 (2009) Target: 55 (2016)</p>	<ul style="list-style-type: none"> – The Government and local communities have developed and are implementing development policies and strategies – Vulnerable groups, particularly persons living with HIV and persons at risk, make greater use of HIV/AIDS, malaria and tuberculosis prevention services 	<p>Regular resources: 724</p> <p>Other resources: 18 000</p>
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National priorities or goals: Creating income-generating and income-diversifying opportunities for the poor

Country programme/UNDAF results: By 2016, the Government and districts, as well as the population, adopt techniques and behaviours that promote a sustainable environment and ensure better prevention and management of risks and natural disasters

Strategic plan focus area: Environment and sustainable development

– Representation of the country at international meetings	– Training of technical staff to mainstream dialogue into national policies and strategies	– Training of technical staff, support for vulnerable groups	Renewable energy as a percentage of total energy production	– Key institutions and departments use climate change adaptation and risk management technology	Regular resources: 414 Other resources: 1 800
– Framework for official multisectoral dialogue with partners to improve the system of pollution, waste and disaster risk management	– Management of waste, coastal and maritime fishery resources, and access to water and sanitation	– Setting up a sustainable pollution and waste management system and strengthening disaster response and risk management	Baseline: 0 Target: 5 per cent (2016)	– The Government and communities are implementing a system for sustainable environmental protection and management and disaster risk management	
– Promoting the use of renewable energy and alternative sustainable habitats	– Utilization of solar energy	– Technical assistance for utilization of renewable energy and sustainable alternative habitats	Baseline: 0 (2010) Target: 4 (2016)	– People living in the most vulnerable areas use alternative construction techniques and renewable energy	
			Number of monitoring systems in place for pollution and disaster risk management		
			Number of families using renewable energy		
			Baseline: 0 (2010) Target: 100 (2016)		