

## **São Tomé and Príncipe: Poverty Reduction Strategy Paper Progress Report**

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*Progress Report on Implementation  
of the National  
Poverty Reduction Strategy - 2006*





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Acronyms

IMCI - Integrated Management of Childhood Illness

CATAP - Technical Training Center for Agriculture and Livestock

CNCS - National Coordination and Monitoring Commission

CNES - National Health Education Center

DOTS - Directly Observed Treatments Short Course. Procedure for treating tuberculosis in which a third party administers drugs to the patient in the second stage of treatment.

EFQS - Health Professionals Training School

EFA - Education For All

NPRS - National Poverty Reduction Strategy

EDF - European Development Fund

UNFPA - United Nations Population Fund

FNGO - Federation of Non-governmental Organizations

GIME - Grupo de Interesse de Manutenção de Estradas (Road Maintenance Interest Group)

HAM - Ayres de Menezes Hospital

IPAD - Instituto Português para Ajuda ao Desenvolvimento (Portuguese Institute for Development Aid)

MISA - Implementation, Monitoring and Assessment Mechanism

HBS - Household Budget Survey

MDG - Millennium Development Goals

WHO - World Health Organization

NGO - Nongovernmental Organization

PRO - Poverty Reduction Observatory

PAP - Priority Action Program

PMCT - Protection from Mother to Child Transmission (in the context of AIDS)

PNLCP - National Anti-Malaria Plan

PNLCT - National Anti-Tuberculosis Plan

PNLS - National Anti-AIDS Plan

UNDP - United Nations Development Programme

PAPAFPA - Program of Participatory Support for Artisanal Agriculture

PASS - Social Sector Support Project

PIC - Criminal Investigation Police

PIP - Public Investment Program

RA - Agricultural Census

SAFE - Government Financial Management System

AIDS - Auto Immune Deficiency Syndrome



## **I – INTRODUCTION**

The Priority Action Program (PAP) 2006-2008 is a tool for implementing the NPRS by synergizing the efforts of the nation and those of the development partners to achieve a single objective: the promotion of economic growth and poverty reduction to enhance the wellbeing of the population.

To achieve that objective, the PAP implementation strategy envisages three broad categories of actions:

1. The implementation and/or deepening of the reforms in the fiscal sectors and in the legal or regulatory frameworks that influence the decisions of private entrepreneurs, including the poor.
2. The launching of a major public works program—roads, port and airport, energy and water—to help the country take off and to reduce the costs of imports and exports, which negatively affect economic and social life.
3. Stop the erosion of human capital as an absolute priority of the PAP, under which the strategy for the next three years is to improve the quality of education and its accessibility to the poor, and to offer students in secondary education the possibility to prepare for technical and vocational careers. In the area of health, to continue the programs to combat AIDS and the malaria vector, and to enable the São Tomé Hospital Center to provide specialist services, while improving health care in district centers and secondary facilities. In addition, targeted and integrated actions aimed at persons living in extreme poverty will also be continued.

To that end, the PAP (2006-08) envisages political measures, legislative and regulatory actions, restructuring and reorganization of government agencies, and an annual Public Investment Program (PIP) for the different pillars of the NPRS.

The purpose of this report, therefore, is to assess the degree of implementation of the PAP in 2006.

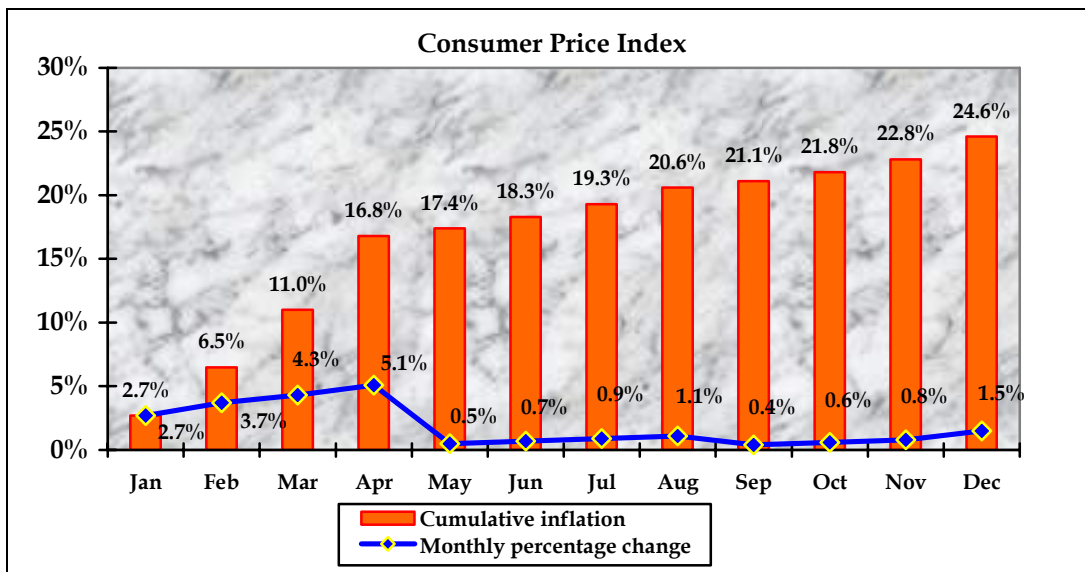
## II – ANALYSIS OF THE MACROECONOMIC SITUATION

### 2.1 Economic Performance in 2006

The economy of São Tomé and Príncipe continues to be heavily dependent on the situation of the international economy, as reflected in the steady deterioration of its terms of trade, mainly as a result of rising oil prices, the sharp appreciation in the currencies of São Tomé and Príncipe's trading markets, combined with a steady decline in the price of its principal export product, cocoa.

Notwithstanding this market situation, which resulted in a larger trade deficit, economic activity improved somewhat, driven mainly by the services and construction sectors, with GDP growing by more than 6 percent in 2006 which, if sustained, is sufficient for STP to attain the Millennium Development Goals (MDGs). Year-on-year inflation rose to 24.6 percent in 2006, compared with 17.2 percent in 2005, as a result of temporary exogenous factors and fiscal and monetary growth, namely the domestic adjustment in fuel prices, large unforeseen inflows of private capital and the resulting accumulation of foreign exchange deposits, as well as some unplanned fiscal expenditure related to elections.

Figure 1



Source: INE, Consumer Price Index

Fiscal performance improved somewhat in 2006. The primary balance derived from the difference between the government's current revenue and its expenditure remained close to program targets (15.5 percent of GDP).

Despite the imbalances recorded in the first half of 2006, mainly as a result of three major elections (presidential, legislative, local and regional governments) being held in the same year, and also as a result of the need to advance resources to the Treasury budgets to fund projects pending financing by international donors, this objective was met thanks to the measures adopted to collect overdue indirect taxes on petroleum products and the raising of surtaxes on some imported goods, including alcoholic beverages and tobacco, and as a result of the measures adopted to curtail communications-related expenses.

São Tomé and Príncipe – Economic Indicators							
	2000	2001	2002	2003	2004	2005	2006
Real GDP growth (%)	3	4	4.1	5	3.8	3.8	8
GDPpm (in millions of dollars)	58.7	57.9	61.4	64.5	64.7	69.4	77.5
GDP per capita (in dollars)	427.5	420.7	437.4	450.2	442.8	466	510
CPI (end-period; %)	9.6	9.4	8.9	9.9	15.2	17.2	24.6
Unemployment rate (%)	14.4	15.7	17.6	16.4	16.1	14.8	n/a
Primary balance (nonoil; billions of DBS)1/	n/a	n/a	n/a	-57.9	-128	-132	a) -154
Money supply (M3) (end-period; billions of DBS)	116.7	156.1	198.2	301.8	307.8	458.7	630.4
Exports of goods & services (millions of USD)	16.3	16.1	18.5	20.7	20.1	21.1	b) 24.8
Imports of goods & services (millions of USD)	-41.6	-44.8	-44.9	-52.8	-57	-63.8	b) -67
Net external supply (millions of USD)	-25.3	-28.7	-26.4	-32.1	-36.9	-42.7	-42.2
Nominal exchange rate DBS/USD (annual average)	7,978.2	8,842.1	9,089	9,348	9,902	10,558	12,445
Net international reserves (millions of USD)	11.7	15.6	17.5	21.5	16.9	18.1	24.7
<i>(in months of exports of goods and services)</i>	3.4	4.2	4.7	4.9	3.6	3.4	4.4

Source: INE and Central Bank and IMF estimates

1/ Budget Directorate

a) and b) Estimates

The Central Bank continued its policy of controlling inflation in close coordination with fiscal policy, while maintaining a flexible exchange rate. The Central Bank resumed its single-price auctions and direct sales of foreign exchange based on market trends. The monetary authority continued to observe its goal of maintaining positive real interest rates. The Central Bank's reference rate changed from 18.2 percent in 2005 to 28 percent in 2006.

In order to mop up the excess liquidity found in the economy in 2006, the Central Bank issued certificates of deposit (CDs) for the first time at the end of December, while minimum reserve requirements were increased to 24.5 percent in 2006.

Structural reforms progressed significantly. The powers of the Inspectorate General of Finance were reinforced so that it could better supervise and audit the government's financial operations, and steps are being taken to restructure the port and airport companies. Significant progress was also made in preparing the integrated government financial management system for execution of the budget, financials, capital assets and

public accounts, with the approval of the framework law on government finance and a new budget classification.

The government forged ahead with other structural reforms to improve the business climate and strengthen governance. In that connection, the arbitration law was promulgated and an arbitration center set up. The anti-money laundering law was submitted to the National Assembly for approval along with the tax reform law, which seeks to reduce some tax rates and to simplify the procedures for making tax payments.

## ***2.2 Economic Outlook for 2007***

1. The economic outlook for 2006 remains positive overall. The outlook is particularly good for external debt relief, which would fundamentally enhance the country's external credibility.
2. The current outlook for the Sãotomean economy points to moderate growth in economic activity for 2007. After an 8-percent growth in GDP in 2006, a rate of 7 percent is projected for 2007, which will be a reflection of the structural reforms initiated at end-2006.
3. The goal of budgetary policy for 2007 will continue to be budget tightening, the ultimate goal being to reduce the primary deficit to 12 percent of GDP.
4. Like budgetary policy, monetary policy for 2007 will continue to be restrictive, with a view to maintaining price stability by making more active use of monetary and exchange policy instruments.
5. In 2007, contrary to previous years, the dynamics of the Sãotomean economy may be positively influenced by the possible removal of one of the imbalances that had accumulated in recent years and had largely hampered the country's economic growth, namely the public debt. However, given the continued high level of inflation and, consequently, the current interest rate hikes, there will be an increase in the burden of debt service on household expenses and a reduction in the purchasing power of their income, which factors will determine the growth of private consumption. On the other hand, the imbalance in the budget and the resulting need to contain public sector spending will involve limited growth of consumption and public investment.
6. In addition, despite the high growth rate of the principal markets to which the country exports, two international phenomena may be particularly problematic for the Sãotomean economy: (i) the rise in oil prices accompanied by the economy's heavy

dependence on oil<sup>1</sup>; (ii) greater international competition in markets where Sãotomean exports are very specialized, given the increasing integration of international trade.

7. São Tomé and Príncipe is in the process of oil exploration and production that is vital for shaping the country's future. It is entering into several agreements with international oil organizations to realize this activity.
8. Prospective oil exploration in São Tomé and Príncipe will have a profound impact on the Sãotomean society, bringing with it unlimited expectations—job opportunities, new markets, dramatic improvements in infrastructure and services—and creating a very promising outlook for the economy, not only in the oil industry but also in the other sectors that shape the economic system. As a result, its effects will be felt in all sectors of the country's economic, social and political life.
9. In that regard, debt forgiveness has been an important step that has opened avenues for the country to access international resources. It has also meant that fewer resources are being sent abroad and can be used to boost domestic saving that will be channeled into poverty reduction projects.
10. Notwithstanding, the country faces the major challenge of determining how it will manage these expectations in light of its weak institutions and, especially, the dearth of human resources.
11. In order to maximize the positive impact of these opportunities, the government, in the context of program implementation, has set as a priority the pursuit of goals that would reduce poverty, targeting mainly the areas of education, health, public works, the judicial system, and law and order, in addition to maintaining sustainable economic and social development, based on a disciplined and rational approach to the use of public resources.

### **III – ANALYSIS OF NPRS ACTION PLAN IMPLEMENTATION**

#### **3.1 Status of NPRS implementation**

As in recent years, the NPRS annual action plan has been only partially implemented. This year, the failure to completely implement the objectives was the result of mainly exogenous factors, such as the holding of successive elections leading to a long period of “non governance,” which in turn resulted in only partial completion of the actions planned for this year.

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<sup>1</sup> Compared with other fuels, at December 2006 the level of oil imports had risen nominally by 73.5 percent of total imports for the same period of 2005.

Despite the unfavorable climate for achieving NPRS objectives, the structural reforms implemented starting in the second half of the year had, and will continue to have in subsequent years, a positive impact on poverty reduction goals and growth facilitation.

Regarding the implementation of the various pillars of the action plan, the following was observed:

### **3.1.1. Pillar 1: “Reform of public institutions, capacity-building, and promotion of a good governance policy.”**

The central objective of this pillar is to improve the conditions of political, economic and financial governance, with a view to fostering private enterprise and domestic and foreign investment. To that end, in 2006 the government implemented some measures (Annex 1) and took action in the following areas:

#### **3.1.1.1 Program on political governance and promotion of a good governance policy**

In the context of the political governance program, a new organizational structure of the XI constitutional government was put in place and with it a Ministry of Public Administration, State Reform, and Territorial Administration aimed at implementing the necessary reforms. To that end, the following measures were taken:

##### 1. Resizing, reorganization and modernization of government agencies:

- Preparation of studies on the new hours of work for the civil service;
- Revision of the civil service statute;
- Training of managers;
- Acquisition of vehicles for units with the greatest need.

2. Under the Regional and Local Governance Program, local government elections were held and new management bodies installed in the local authorities. The holding of regional and local government elections gave impetus to the decentralization of administrative systems as well as the planned transfer of capital under the OGE to local authorities, in the amount of 38.9 billion dobras, which will not only make it possible to improve local government service provision but will also contribute to the promotion of local development strategies, including the implementation of labor-intensive projects. These actions will in turn help create a climate conducive to local development.

3. The fifth standing committee on human rights, citizenship and gender issues was established in the National Assembly.

4. Under the Judicial Governance Program and with the support of international technical assistance, the code of criminal procedure, public magistrates' statute, revision of the basic law on the judicial system, penal code and code of criminal procedure were completed. Judges and local government officials received training to improve their job performance.

5. In the area of civil society, development training sessions were conducted under FNGO leadership on building the intervention capacity of NGOs in the following areas:

- ✚ Prevention of HIV/AIDS and malaria (27 NGOs);
- ✚ Monitoring and assessment for community committees (22 NGOs);
- ✚ Leadership capacity (47 NGOs);
- ✚ Accounting and information technology course (25 NGOs);
- ✚ Project preparation (open to all NGOs).

6. The following social communications activities were carried out:

Broader coverage of the radio broadcasting network; it was possible to extend the national radio network to all the communities in the south and the autonomous region of Príncipe, so these communities now have access to information through this medium. Also in the area of community access to information, the Directorate General of Media produces a weekly news bulletin in partnership with UNICEF, which is also distributed in the rural areas. With respect to television, activities are under way to increase the number of stations so that the entire autonomous region of Príncipe can have access to TV and radio in the first half of 2007.

Capacity building for the media through the training workshop on "Freedom of the press and the role of the media in implementing the National Poverty Reduction Strategy."

### **3.1.1.2 Economic and Financial Governance**

Further to the structural reforms that had advanced considerably by end-2006, the following actions were taken in the area of economic and financial governance:

- adoption of a legislative package on tax reform, the law establishing the arbitration court, and approval of the commercial codes;
- initiation of government financial reform with the support of the World Bank, with the following activities being under way:

1. adoption of new categories of expense in accordance with international practices;
2. new draft budget law; new budget classifier;
3. establishment of an integrated computerized government financial management system (SAFE), resulting in the establishment and harmonization of programming rules and procedures, and the execution, control and assessment of public resources.

The implementation of this integrated and computerized system will provide timely and reliable information on budget execution by means of the new budget classifier<sup>2</sup>. This in turn will allow civil society to know, monitor, and assess clearly and transparently which program will be implemented, for what purpose, and what results can be expected from its implementation; the executing agency; the inputs used to obtain the output; the scope of government action in which the expenditure will be made; and the source of financing.

4. The law defining the regulations for internal controls was submitted for approval. It is intended to increase the powers of the Inspectorate General of Finance as regards supervision and auditing of the financial operations of central and local government and public enterprises. In order to build the auditing and tax inspection capacity of the Inspectorate General of Finance, a database was established to register and track government financial operations. Those actions resulted in the improvement of public resource management.

- Start of the Reform of government procurement in May 2006, also with the support of the World Bank. Creation of a National Coordination and Monitoring Committee (CNCS) to organize and prepare the work. Preparation of a first preliminary report addressing the weaknesses of the bidding system, pending the confirmation and recruitment of an international consultant to participate in the reform activities per se.
- Other measures adopted that are worthy of note in the sector are:
  - Assessment of the capacity to install information and communications technology infrastructure. Planning between the Ministry of Planning and Finance and other ministries, as well as an IT master plan to guide SAFE.
  - Drafting of the basic law on organization of the arbitration court;
  - Also pending approval is the legal regime governing customs violations and the Customs Code, which is intended to reorganize, adjust, simplify and modernize the

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<sup>2</sup> This budget classifier was created on the basis of Decree 4/2007 and promulgated on January 17, 2007.



services and mechanisms for updating and determining ways to prevent tax evasion and to facilitate more modern and efficient customs management.

### **3.1.2 Pillar 2: “Accelerated Redistributive Growth”**

The central objective of this pillar is the creation of a favorable climate for private sector development, with emphasis on the following aspects: (1) government divestment of the productive sector; (2) transformation of the government into the regulator of the economy; (3) government intervention in infrastructure to create opportunities for private sector development.

In this context, the arbitration court was created in 2006 by promulgation of the arbitration law and installation of an arbitration center. This made it possible to update the legal framework for trade, which will in turn improve the business climate and promote competition and the private sector.

To foster export production by the poor, develop international trade by reducing commercial costs, and strengthen infrastructure and public services that underpin that activity, the government continued to implement the Diagnostic Study on Trade Integration and to conduct complementary activities that would permit integration at the lowest possible cost for the country.

There are plans to implement the new Investment Code after its approval by the Assembly. This will facilitate, among other things, equal treatment for nationals and foreigners with regard to tax and customs incentives, which will in turn stimulate investment in the country: investors will have less to pay back and investment will become more economically and financially feasible.

To create a business fabric, a sectoral strategy was adopted for development of the proper infrastructure for establishing industry, for development of the transport sector, and for improved and expanded power distribution.

The same strategy used business modalities that guarantee strong participation by the private sector in the electricity sector. The success of those modalities will then help promote public private partnerships (PPP). The result of this action involves decentralization of production costs by the government and improved productivity in the supply of public goods by private entities.

### **3.1.3 Pillar 3: “Creation of opportunities to increase and diversify the incomes of the poor”**

This pillar aims to reduce the monetary poverty of the most vulnerable and eradicate hunger. To that end, action is to be taken in the different sectors, namely agriculture, fisheries, livestock, employment, creation of income generating activities, youth, women, and training for self-employment and first-time employment.

It has been projected that in the next 15-20 years, the primary and fundamental objective of all government action will be to establish a stable economic and institutional environment by defining policies which, in the proper framework, would establish the structure and foster the development of rural and urban areas, revolving around:

Production growth and diversification;

Assurance of food security;

Improved socio-economic conditions for the population in rural, urban and peri-urban (Luchans and environs) areas;

Conservation of natural heritage;

Advancement of women and youth;

Development of export capacity.

Within that framework, the Priority Action Program, 2006 (PAP) under the NPRS plans to spend US\$13,120,000 on Pillar III. It is estimated that financial execution of the 2006 PIP during the period amounted to approximately US\$1,805,000 or 14 percent of the estimate. It should be noted that all the efforts undertaken focused on the following sectors:

#### **a) Agriculture and Rural Development**

With a view to improving the socioeconomic conditions of the people and revitalizing the economy, a number of actions were taken in the productive sectors to reduce poverty.

It should be noted that one of the factors that has limited agricultural production in São Tomé and Príncipe is the deterioration of the infrastructure of the irrigation system, its efficiency and usefulness for farmers, particularly in the dry season and in areas where water resources are scarce. In response to this problem, and with financial support from Taiwan, the irrigation system rehabilitation project was executed with a view to guaranteeing irrigation for a total of approximately 550 food growers and horticulture farmers.

On this basis, the farming communities of Bom Sucesso, Uba Cabra and Mesquita received the benefit of projects to build water reservoirs for the irrigation system, aimed at improving agricultural output and thereby ensuring that fresh produce is available to supply the domestic market. This will in turn improve the diet of Sãotomeans, the returns to farmers and hence reduce poverty.

- **The agriculture/livestock diversification project** with financial support from Taiwan carried out activities to improve and increase the production of vegetables, legumes, fresh fruit and poultry for the domestic market. Its importance lies in testing, selecting, improving and then disseminating varieties to local farmers.

It should be noted that from an NPRS standpoint, the aim of this project is to guarantee the food security of our population and to combat hunger in the rural and urban populations through the consumption of plant and animal foods.

- **Under the Program of Participatory Support for Artisanal Agriculture (PAPAFPA)** actions were taken to provide functional literacy to youth and adults in rural areas, support in combating rodents, continued support for producers of organic cacao, vanilla and pepper processing. All the actions described are important for the NPRS because they increase the youth and adult literacy rate and they create favorable conditions for agricultural diversification, increasing the opportunities for raising the incomes of farmers through the activities practiced.

Other important activities carried out by the government that are worthy of mention are: **support for marketing foodstuffs (agricultural fairs), and support for millet production.** By holding agricultural fairs it was possible to increase the farmers' incomes mainly in remote areas where there are few sales outlets since market access is limited given the lack of access roads and availability of transportation. It must be stressed that these activities are important to the development of agriculture and the supply of food to meet the needs of the general population in terms of food security.

- In the area of vocational training, the **Project to Train Youth in Horticulture at the Technical Training Center for Agriculture and Livestock (CATAP)** is noteworthy. This training, which has two facets—one in the area of increasing horticultural output and the other in the agrofood industry—is intended to train young farmers in techniques that would help increase output and use excess production for processing (production of tomato paste, pickled vegetables, and blood sausage). Two training cycles were developed training a total of 44 professional farmers (33 men and 11 women).

## **b) Fisheries**

- **The FAO-STP-3003 (A) Project** with technical and financial assistance from FAO aims to improve the quality of fish after it is caught, in order to increase fishmongers' income from sales. This project provided training for fishing communities in hygiene, conservation and marketing fish, acquiring means of conservation, ice boxes and cold storage rooms. The involvement of the NGO MARAPA in this activity should be noted; it participated in the process of organizing the sector and in training.

- **Capacity Building Project for the Associative Movement of Fishermen**, financed by FAO, is intended to increase the incomes of fishermen by raising awareness and creating “cooperative clusters” (*ninhos cooperativos*) in fishing communities, and introducing new technologies for building better canoes (smoother sailing, improved capacity in terms of catch size and replacement of wood by plywood in their construction).

Under the project, 12 “cooperative clusters”<sup>3</sup> were established and 20 PROA canoes were built (of the planned 30).

It should be stressed that this new technology has considerably improved the working and living conditions of artisanal fishermen, which dovetails with the government’s policy as defined in the NPRS for reducing poverty in the most vulnerable population groups.

The advantages of this new technology in relation to traditional canoes is mainly the capacity for smoother sailing, using marine plywood and imported resins instead of local woods, which impact on the fragile ecosystems of the islands.

- **Project to support grassroots communities in local governance and poverty reduction**, financed by UNDP for 20 communities in the poorest district of the country (Caué). A microfinance statute was drafted under that project to grant microcredits for microprojects submitted by the communities in the areas of agriculture, fisheries, and livestock.

A community store was set up and stocked to sell fishing and other inputs to the people in Malanza, Porto Alegre and neighboring areas. It is important to highlight the role that NGOs played in this project. It helped build their capacity for interventions of this kind and as civil society organizations working towards poverty reduction.

### **c) Rehabilitation of rural infrastructure**

In the area of infrastructure, the government (through the road maintenance fund) in partnership with the European Union (EDF), has been rehabilitating and maintaining some rural roads, with the participation of Road Maintenance Interest Groups (GIME). This activity of maintaining principal and secondary roads has contributed to the creation of a total of some 1400 new jobs in rural and urban areas, thereby increasing the incomes of the most disadvantaged segments of the population.

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<sup>3</sup> A total of 10 cooperative clusters were established, each one representing a fishing community comprising 4 persons each. These 40 people received artisanal fishing boats.

It should be mentioned that some rural dirt roads have been rehabilitated, namely, the segment linking Abade to São Januário (0.72 km) and Palha – Cabeça Cal (0.76 km).

These activities within the government's policy framework of poverty reduction and are aimed at improving the access of local communities to the domestic market and guaranteeing better circulation of vehicles and people.

**Table 1 – Projects listed in the PAP<sup>4</sup>-2006 and executed under the PIP (millions of USD)**

<b>OBJECTIVE OF THE STRATEGY</b>	<b>Total (2006-2008)</b>	<b>PAP - 2006</b>	<b>PIP Execution 2006</b>
Better guarantee of land ownership	125	125	0
Diversification of the agricultural and livestock sector	5000	2000	420
National Forestry Management Program	1000	450	0
Improvement of the conditions of transshipment, conservation, and distribution of fish	5500	1500	0
Increase in and diversification of agricultural output	2500	833	1.129
Improvement of rural infrastructure	22163	6237	46.6
Improvement of urban services and infrastructure	5200	1550	1.6
Accompanying program	2220	425	8
Support to the private sector			200
<b>Total</b>	<b>43,708</b>	<b>13,120</b>	<b>1,805</b>

Source: Planning Directorate, Public Investment Program (PIP) 2006

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<sup>4</sup> Priority Action Program for Good Governance and Poverty Reduction 2006-2008

**Table 2 – Projects under the PIP–2006 without assured financing**

	Project Description	Managing Agencies	Foreign Financing		Domestic Financing	
			Estimated (USD)	Actual (USD)	Estimated (Dbs)	Actual (Dbs)
1	EEZ supervision project	Fisheries Directorate	108,000	Not completed	0	
2	Agricultural development in rural areas	Agriculture Directorate	170,000	Not completed	0	
3	Management of the cacao gene pool	Agriculture Directorate	0		150,000	Not completed
4	ECOFAAC-IV project	Directorate General of Environment	260,000	Not completed	0	
5	Support for rural development	Agriculture Directorate	0		600,000	Not completed
6	Supervision/proposed resizing of distributed lands	Land Reform Office	0		300,000	Not completed
7	Provision of agricultural and fisheries supplies	Directorate of Agriculture and Fisheries	0		125,000	Not completed
<b>8</b>	<b>Total</b>		<b>538,000</b>		<b>1,175,000</b>	

Source: Planning Directorate, Public Investment Program (PIP) 2006

Tables 1 and 2 show that the NPRS Priority Action Plan (PAP) for 2006-2008 reflects projects that were identified and scheduled for 2006 but did not have financing in the 2006 PIP for their implementation. Consequently, even the projects planned for the 2006 PIP were not executed owing to the scarcity of resources.

The government must therefore be approached within the framework of international cooperation to raise the financial resources necessary for the planned programs under Pillar III, taking into account the importance of this pillar for poverty reduction and compliance with the first MDG.

#### **d) Monitoring of Pillar III Indicators**

In preparing the NPRS, a set of indicators and goals were defined to be attained within the framework of NPRS implementation in São Tomé and Príncipe. As table 4 shows, it was not possible to track the indicators (agriculture and rural development) since the sectors involved could not provide the information.

**Table 3 – Quantified Poverty Reduction Objectives, Indicators and Targets (Agriculture and Rural Development)**

NPRS Pillar III/Objectives and Indicators	Data Source	Unit	Benchmark		Status	Indicative Targets				
			Data	Indicator		2005	2005	2006	2007	2008
Incidence of extreme poverty in rural populations	“Poverty Profile” study 2000-2001, 2001	%	2001	22%						
Weight of the agricultural sector in GDP	INE	%	2001	22%		10.5	11.14			
Investment in replanting cacao crops	NPRS Action Plan	Ha				2000				2000
In investment in replanting coffee crops	NPRS Action Plan	Ha				2000				2000
Support for family agriculture in planting Robusta coffee	PAP	Ha								1000
Rehabilitation/construction of farm roads	PAP	Km			86		30	40	50	
Families receiving plots of land		N.º de families	93	8,297						
		N.º Total	2000	40,000						

**Source: National Poverty Reduction Strategy/Priority Action Program 2006-2008**

Below we list some constraints that explain why the sectors could not produce data to quantify the poverty reduction indicators:

- The delay in conducting the household budget survey (HBS) by the National Statistics Institute made it impossible to know the intensity, incidence, and depth of poverty in rural areas;
- The failure to conduct the agricultural census (RU) for more than 10 years to take stock of the real situation in the sector after the process of land redistribution, thereby creating problems for the definition of indicators and targets for the sector and consequently their monitoring and evaluation;
- The fact that the statistics units in the Ministry of Economy were nonfunctional in terms of producing statistical data.

#### **3.1.4 Pillar 4: “Human resources development and improved access to basic social services.”**

As this is one of the pillars that does the most to improve the living conditions of the population given that human capacity clearly contributes to economic growth, the government has prioritized this pillar through the essential areas of the NPRS (education,

health, water and basic sanitation) and a special effort was made in the component sectors. Below is a review of the performance of those sectors.

### 3.1.4.1 Education

Given the importance of education in reducing poverty, the PAP puts forward the following objectives for the sector:

- a) eradication of illiteracy;
- b) universal basic education that is mandatory up to grade 6, with particular attention to broadening access and improving the quality and effectiveness of the teaching-apprenticeship process;
- c) creation of a technical secondary education system with strong emphasis on job training;
- d) building the institutional capacity of the Ministry of Education.

These objectives are identified with the program of the XI constitutional government in education and take into consideration the need to meet the targets set for the MDGs in the education sector.

To meet these objectives, the PAP planned to carry out actions in this area during the year valued at US\$6,765,000. US\$2,553,985.80 of the PIP was executed, which is equivalent to 38 percent of the target.

Table 4. Program of Education Sector Spending (millions of USD)

Description	2003	2004	2005	Target 2003-2005	2006	Target 2008
Pro-poor current expenditure	2.2	2.8	7.7		3.6	
Capital expenditure	3.8	1.8	0.9		2.6	
Total expenditure	6.0	4.6	8.6	7.9	6.2	
Percentage of the general government budget	13.5	7.0	9.4		10.3	

Source: Planning Directorate and Budget Directorate

#### a) Literacy

In the area in literacy, the proposed objective is to significantly reduce the rate of illiteracy by consolidating literacy, post-literacy, and alternative basic education programs for youth and adults.

In that area, the literacy partnership program, cofinanced by the Brazilian government, has been implemented since 2001 to 2005 (phases 1 and 2) through two components.



**1. – Functional Literacy:** This component targets persons who do not know how to read or write, and includes integrated science, Portuguese language, and mathematics. During phases 1 and 2 of the program 2,148 enrollees were trained, 1,123 of them men and 1,025 women. Of that total, 1,584 completed the program, 825 men and 759 women. The dropout rate recorded was 26.7 percent.

**2. Post-literacy:** The purpose of this component is to prevent persons enrolled in functional literacy from backsliding into illiteracy. Thus they are given the opportunity to continue through grades 3 and 4. In that context, activities within this component are financed with the co-participation of the government through the PIP. During the period under analysis, 559 students enrolled in 2006, 360 of which completed the fourth phase during that time.

This component has had a positive impact because it has motivated these students to continue their education through evening classes, which led to the opening of night schools in the districts and motivated some girls to continue their studies, thereby helping to meet the objective of the broadening universal basic education.

The literacy partnership program also provided the opportunity for a Brazilian technical team to offer technical training to literacy workers and coordinators in São Tomé and in the autonomous region of Príncipe in youth and adult education methodology.



Fig. 1: Training session for literacy instructors

Given the impact of this program in the first and second phases, in 2006 the government decided to continue planning a third phase. The resources released in 2006 made it possible to prepare a third phase of the program that would cover all the districts of the country.

**b) Universal basic education.** In this area, activities targeted increasing access and improving the quality of education, hence the government continues to deploy efforts to build/renovate schools and outfit classrooms, train teachers, and distribute textbooks, provide school transportation, and domestic scholarships for the poor, as shown in the list of projects executed in the sector that appears in Annex 2.

### **c) Technical and vocational training**

This program is extremely important in reducing poverty, given the percentage of the young population that are unable to continue their studies after the 9<sup>th</sup> grade and decide to seek vocational training, or who seek their first job with no professional qualifications. In this context, the NPRS sees one of the objectives of the education sector as being the restructuring of secondary education and vocational training to increase access and improve quality by building and refurbishing schools, institutional development, and teacher training.

In 2006, 74 students were awarded domestic scholarships to the Polytechnic Center in various areas of study: construction/civil engineering, electrical engineering, metalwork, industrial maintenance, auto mechanics. In light of this effort, the government, in partnership with the French Cooperation Ministry, trained 16 students in the following courses: construction/civil engineering – 6 students, 5 male and 1 female; electrical engineering – 6 youths; and industrial maintenance – 4 students, 3 male and 1 female. This training facilitated the entry of these young people into some enterprises, in particular EMAE, ENAPOR, Electro-Frio and others continued their studies in the National High School, while yet others went on to work at the Ministry of Infrastructure.

### **3.4.2 Health**

The government's actions are aimed at improving health, based on the four planned objectives for poverty reduction, namely:

1. institutional strengthening, organization and operation of the health sector;
2. health promotion and protection in combating disease;
3. improvement in the provision of health care;
4. improvement in health infrastructure.

To meet these objectives, the PAP planned actions amounting to US\$9,433,000 for 2006 but only US\$3,494,265.36 was spent, the equivalent of 35 percent of the planned amounts, including support from bilateral and multilateral partners such as the Global Fund, the Republic of Taiwan, Portugal, the U.S.A., the World Health Organization, UNFPA, UNICEF, NGOs, etc.

Table 5. Planned Health Sector Spending (millions of USD)

Description	2003	2004	2005	Target 2003-2005	2006	Target 2008
Pro-poor current expenditure	1.5	2.0	1.8		3.0	
Capital expenditure	4.0	3.9	3.7		3.5	
Total expenditure	5.5	5.9	5.5	10.5	6.5	
Percentage of the general government budget	12.4	9.0	6.1		10.8	

Source: Planning Directorate and Budget Directorate

**a) Within the framework of institutional strengthening, organization and operation of the health sector,** a number of activities were carried out including the installation and operationalization of the information system, which was based on acquiring computer equipment, hiring a consultant to design the system, and creating the tools for its operation. This action was financed by the Treasury and the PASS Project and has not yet been completed.

Steps were also taken to restructure the EFQS (Health Professionals Training School) with financing from the Calouste Gulbenkian Foundation through the Red Cross nursing school.

Eighty-three nurses were trained and 24 pharmacists, who were assigned to hospitals and health centers and stations.

The WHO continues to finance consulting activities in the area of institutional strengthening, namely for drafting national plans and policies in a variety of health sector areas.

**b) Health promotion, protection and combating disease.** Actions, funded by Taiwan, were taken to combat malaria with quite promising results. Anti-tuberculosis actions and implementation of the AIDS program were conducted with support from the Global Fund, PASS Project in Health, through awareness campaigns, in-home disinfection, use of treated mosquito nets, etc.

**c) Improvement in the provision of health care throughout the country.** Support was provided for the health districts through small-scale actions targeting improvements, supply of basic drugs, laboratory consumables, and reagents.

An important contribution to the provision of services was made under the Valle Flôr project financed by IPAD (the Portuguese development aid institute), which disseminated the health care services provided in all districts under the Health For All project.

UNFPA also provided support, as did UNICEF in the provision of mother-and-child care, and GAVI in immunization and the introduction of new vaccines.

#### **d) Infrastructure improvement**

Construction of the Cantagalo Health Center was launched and a health station was built in S. Marçal with domestic funding by the government, while eight community stations were refurbished in the districts.

As part of the improved operation of the Dr. Ayres de Menezes Hospital, an intensive care area was constructed, the emergency bay was refurbished, small infrastructural improvements were made, and diagnostic equipment purchased.

The purpose of all these efforts was to guarantee greater accessibility and equity in the area of basic health care.

#### **3.1.4.3 Water and Sanitation**

Access to safer water and basic sanitation is one of the concerns of the NPRS, considering the importance of these factors to human living conditions and the impact they have on some poverty indicators and the MDGs.

Under the NPRS, the planned objectives for the water sector consist of:

- a) increasing the population's access to the public water supply system through private hookups and standpipes.
- b) improving water quality.
- c) developing existing urban water carriage systems.
- d) building capacity to protect water sources and control quality.

To meet these objectives, the PAP provides for the following actions to be taken:

- preparation of a hydrological and hydrogeological study of existing potential with a view to defining a policy for domestic water consumption and agricultural, industrial and energy production;
- rehabilitation and expansion of existing supply systems;
- installation of water treatment systems with a view to combating water-borne diseases;
- promotion of public awareness and education campaigns on the rational use of water, and the protection and conservation of water sources;
- improvement of the institutional framework.

The resources released in 2006 funded the prior actions for executing projects with assured financing, such as: rehabilitation of the Amoreira I (ABEDA) aqueduct; the clean water carriage systems I and II (ABEDA); the Canga, Obo Longo, and Pau Sabão water supply systems (Taiwan); building up the laboratory for water analysis (Taiwan); rehabilitating the safe water supply systems in rural areas. In the fight against cholera the government, in partnership with multilateral and bilateral institutions and using the services of NGOs, intervened in a number of communities to collect and channel water, build and renovate water fountains and latrines, with a view to improving public access to water and sanitation in these communities. Homes and places where cholera cases emerged were also disinfected, and awareness and information campaigns were carried out during the period. It should also be noted that the public participated in cleanup and trash removal in the town of Neves and in schools and day care centers, and in collection, construction and renovation processes.

#### **3.1.4.4 Social Protection**

With respect the social promotion and protection of the most underprivileged populations, we shall review the actions taken by the Social Action arm of the Ministry of Labor, Social Security, Solidarity, Women, and Family with a view to social protection and social integration.

In that connection, the resources made available in 2006 were used to fund a number of training actions in the Budo-Budo Training School, to pay subsidies, and to settle other pressing problems. It should be noted that 42 persons whose houses had been destroyed by fire were beneficiaries of the subsidy. Support and social outreach was provided in particular to underprivileged mothers thereby allowing them to be included in some social projects whereby their school-age children benefited from purchases of school supplies, such as clothing, backpacks, and binders. This subsidy also provided support for NGOs in the Seeds for the Future program. This program consists of financial support to NGOs engaged in social actions with underprivileged school-age children, namely orphans, the handicapped, etc.

The Directorate intervened in solving other emergency social problems, such as funerals, purchases of medicine, eyeglasses, school supplies, construction materials, sheets of galvanize, and financial support for receiving blood from the Hospital Center.

#### **IV. Analysis of Changes in NPRS Indicators**

The analysis is performed on the basis of indicators obtained from administrative sources since the mechanism for producing indicators has not yet been established, although that task has been entrusted to the INE for 2007.

#### IV.1 Poverty Indicators

The poverty indicators are not available because the household budget survey has not been carried out.

#### IV.2 Indicators of Access to Basic Social Services

In attempt to improve the quality of teaching and apprenticeship and in order to provide youth and adults with the qualifications both they and their employers need, the government made a number of areas of training available to a variety of target populations with a view to improving their living conditions.

With regard to education, efforts have been made to increase the number of teachers trained, as noted in secondary and primary education. Despite the information received, which shows a slight decline in the level of trained teachers, the government is very concerned with increasing these numbers at both levels of education. It should be noted that 22 secondary school teachers and 66 primary school teachers were trained in 2005-06.

Regarding vocational training, the Budo-Budo Vocational Training Center planned 34 training actions and carried out 27 of them in a variety of areas. Between January and September, 221 students were trained.

Sixteen students were trained at the Polytechnic Center.

All these efforts contribute to an improvement in the indicators, as reflected below.

##### IV.2.1 Education

**Table 6. Physical Implementation of the Education/Training Program**

	2002/03	2003/04	2004/05	2005/06
No. of classrooms built			69	n/a
Primary education			43	n/a
Basic education (grades 5 & 6)			22	n/a
Secondary education			8	n/a
No. of teachers trained	280	271	394	88
Primary education	280	271	264	66
Secondary education (grades 5-8)	n/a	n/a	130	22
No. of people who received vocational training			495+28	221+16

Source: PASS Project/Planning and Statistics Department of the Ministry of Education; Budo-Budo Vocational Training Center and Polytechnic Center

Table 7: Trend in Education Indicators

		2002/03	2003/04	2004/05	2005/06	2015
Primary education (grades 1-4)	No. of students	22,491	22,367	22,721		62,000
	Net enrollment rate		97%	98%		100%
	Percentage of girls			48%		
	Completion rate		81%	82.9%		
	Student-teacher ratio	31	32	33		30
	Student-classroom ratio	68	62	66		30
	Student-class ratio	31	31	32		30
	Class-classroom ratio	2	2	2		2
	Enrolment rate		98.6%			
	Female enrolment rate		98.4%		48.3	100%
Literacy rate (youth and adults)		84.6%			100%	
Basic education 2nd cycle (grades 1-6)	Number of students	6,856	7,417	7,747		
	Net enrollment rate		43%	41%	43.9	
	Percentage of girls			51%	50%	
	Student-teacher ratio	26	25	16	25	25
	Student-classroom ratio		44	48		
	Student-class ratio		27	41		30
	Class-classroom ratio		1.6	1.2		1.5
	Enrollment rate					
	Female enrollment rate			50%		
Secondary education (grades 7-11)	No. of students	6,716	7,367	8,012		
	Net enrollment rate			31%	51.20%	
	Percentage of girls			49%	51.00%	
	Completion rate					
	Student-teacher ratio	22	23	28		25
	Student-classroom ratio			67		
	Class-classroom ratio		46	45		30

Source: PASS/Planning and Statistics Department of the Ministry of Education

1. The number of students increased, except in primary education where there was a slight decline in the numbers with a shift in the 2002-03 school year. The government needs to pay attention to this.

In basic and secondary education, the increase is due to the government's efforts to improve service provision at these two levels in an attempt to improve the Sãotomean education system by making it possible to extend basic and secondary education coverage to the underprivileged. This action confirms the government's determination to expand basic education to the sixth grade in an attempt to respond to the past and present challenge.

2. The available data show a favorable change in the net enrollment rate for all levels of education, especially primary education which almost reached the established goal.

3. There was a slight increase in the percentage of girls attending school, both in primary education (48.4%) and in secondary education (51%). The percentage of girls in basic education corresponds to half the students at that level. This increase shows that the government's efforts have created greater equality of opportunity for access to education and its availability, with a view to eliminating gender disparities.

4. The student teacher ratio in primary education is 32. The year 2005-06 saw no departure from the favorable trend in this indicator since 2003, bringing the country very close to the 2015 target of 30.

In basic education, the student teacher ratio (25) reached the target set for 2015 (25), and in secondary education, the ratio (22) fell just short of that goal of 25. We are happy with this achievement. However, the government will have to continue its efforts to improve teachers' qualifications and consequently the quality of apprenticeship.

5. With respect to the student-classroom ratio, efforts were made to adhere to a regular timetable and eliminate the three-shift system. As indicated by the amounts reported for 2005-06, there were 65 students per classroom in primary education, 58 in basic education, and 65 in secondary education. We can therefore confirm that the government's actions have to a large extent helped to meet the objectives and strategies proposed for education in São Tomé and Príncipe and to consolidate efforts to improve access to education and its quality.

6. The student-class ratio, which is an indicator of how many students teachers have under their care, is more encouraging in primary education (39) than at other levels of education—43 for basic education and 51 for secondary education—and closer to the MDG target of 30. It should be noted that even in primary education, as at the other levels, the values that are close to target show a declining trend, reflecting the fact that demand exceeds supply, especially in basic and secondary education. Therefore, there is a need to continue building more classrooms and schools and increasing the numbers of practicing teachers to meet these needs.

This favorable trend in the indicators is a result of the government's efforts to:

- improve access to education by building and renovating schools and classrooms, providing support to the underprivileged, school transportation, etc.
- improve the quality and effectiveness of the teaching and apprenticeship process by formulating and executing an EFA project, training teachers, rehabilitating latrines, and producing school supplies, etc. It should be noted that 22 secondary school teachers were trained and 66 primary school teachers in 2006. Primary school



teachers were trained mainly in the districts of Caué and Cantagalo. In Caué, 26 teachers were trained, 22 of them male and four female. In the Cantagalo district, 40 teachers were trained, 24 male and 16 female.

Although there has been improvement, as reflected in the indicators, it is important to stress that there is still a scarcity of classrooms and that the three-shift system continues to be a reality in a number of schools. For this reason, it is necessary to continue to build classrooms, provide the number of textbooks needed for the different levels of education, increase the number of trained teachers and create the conditions for them to work at the level of education for which they were trained, in order to firmly establish the conditions that would strengthen the quality of education. In this way we can lower the number of students who fail and prevent overcrowding in any particular grade.

#### IV.2.2 Health

Table 8. Physical Implementation of Health Programs

Physical Indicators	2003	2004	2005	2006	2015
Nº of health units built		30	2	n/a	
Nº of nurses and health specialists trained		27	41	107	

Source: Ministry of Health Statistics Department

Table 9: Trend in health indicators

Indicators	2003	2004	2005	2006	2015 (target)
Life expectancy at birth	66	65	65		67.6
Inhabitants/physician		2284	2284	2284	
Inhabitants/nurse		908	800	800	
Infant mortality rate (per 1,000 live births)			59	47	20/000
Under-five child mortality rate (per 1000)	98.7	96	94,6	53.8	40/000
Percentage of children vaccinated against measles	86.4%	86.4%		83.8%	100%
Maternal mortality rate (per 100,000)	148.6	287.9	n/a	75.7	17/100 000
Rate of assisted births	76.4%	79.8%	n/a	90%	90%*
Rate of contraceptive use			28.7	29	96
HIV-AIDS prevalence rates among pregnant women aged 15-24	n/a	n/a	1.5%	1.5%	
Rate of malaria prevalence	446	464	n/a	57.8/000	3/000
Malaria mortality rate	1.4	1.2	n/a	0.16%	Reduce to 100%
Proportion of malaria deaths as a percentage of all deaths	16.7%	148.8%	n/a	3.4	Reduce to 100%*

Source: Ministry of Health Statistics Department

\*Goals be reached by 2008 under the Health and Nutrition Program

1. According to the available data, there was no change in the number of inhabitants per physician or inhabitants per nurse in 2006. We think that ways must be found to train more

doctors and nurses and to find a better system for assigning them to each area, on the basis of need.

2. The infant mortality rates of live births under one year old (47 per mil) and under five years old (53.8 per mil) declined significantly in 2006 and show a very encouraging trend relative to the MDGs (45 and 73 respectively).

3. Regarding the malaria prevalence rate, we can affirm that of every 1,000 people visiting health centers there was a significant decline in the number suffering from malaria in 2006. We see this as a positive outcome given that the aim is to reduce the number of people with malaria by 90 percent in 2010. This fight against malaria contributed to the reduction in the mortality of infant live births under one year old, the mortality rate of children under five years old, the mortality rate from malaria, and the proportion of malaria deaths in total deaths. This result represents the effort made to combat one of the diseases that has been a health problem for Sãotomeans and therefore an obstacle to the development of the archipelago given its economic and social impact. The government will therefore have to continue its policy of fighting malaria and other diseases in order to permanently eradicate them.

4. The maternal mortality rate also declined and we think it is due to an increase in assisted births and the effort on the part of the government and bilateral development partners to take such actions as vaccinating pregnant women, conducting awareness campaigns, and providing services in the area of reproductive health.

5. There was no change in the prevalence of HIV/AIDS in 2006. Notwithstanding, the government will have to continue its efforts to reverse the current trend given that the prevalence of this epidemic is still higher than the established goal.

This favorable trend in the indicators is a result of the government's efforts in partnership with NGOs in the following areas:

- Improved access to basic health care and equity for the entire population through the construction of health stations, intensive care projects, rehabilitation of the emergency bay, small infrastructural improvements, rehabilitation of six community health stations, construction of residences for specialists at the Porto Alegre company, and construction and outfitting of a laboratory for the EFQS.
- Good-quality health by training 83 nurses. School health experts were trained; specialists were assigned to PNLS, CNES, and PNLCP; an IT network was setup to collect data; IT and educational materials were produced for the health delegations; some studies were revised and a communications strategy for combating HIV/AIDS was prepared; support was provided to the health districts; medicines, laboratory supplies and reagents were

provided; health information was disseminated; immunization actions were taken and new vaccines were introduced; diagnostics were improved; malaria, HIV/AIDS, and tuberculosis were combated.

- Training and information for the public through awareness campaigns.

Therefore, in order to improve the public's access to basic health services, or in other words, to reduce the inadequacy of health system services, the government must continue to build health stations, especially in rural and periurban areas and must continue to train health professionals and assign them to locations where there is the greatest need, such as those referred to above.

### IV.2.3 Water and Sanitation

The NPRS matrix of indicators defines no annual targets for the nation as a whole, far less at the zonal (urban and rural) levels, either for treated water or for pipe-borne water.

However the information obtained from the sector indicates that close to 80 percent of the population has access to pipe-borne water—approximately 60 percent through EMAE connections and the other 20 percent through public water fountains. This number seems plausible if we take into account the interventions of NGOs in the communities in the fight against cholera, which led to the construction and rehabilitation of water fountains and latrines.

Table 10. Trend of Water and Sanitation Indicators

Indicators	2003	2004	2005	2006
No. of persons receiving water from the EMAE system	27, 070	10, 298		83, 513
Rate of water supply coverage through the EMAEI				59.6%
Access to treated water in percent		20%		36.23 <sup>*</sup>
Rate of coverage of pipe-borne water by the EMAE				23.42
No. of latrines built	1,600	250	150	1,047
Access to environmental sanitation in percent		26%	-	-

Source: EMAE/Ministry of Health

## V. Pillar V. NPRS Implementation, Monitoring and Assessment Mechanism

Concern with monitoring and evaluating the NPRS Priority Action Plan is reflected in the Government's XI program. The main objective is to monitor implementation of the planned actions and assess their impact on improving the living conditions of the population. In that connection, the implementation, monitoring and assessment mechanism established by Decree 32/2005 underscored the importance of such a system as well as the role of the

different agencies in meeting the aforesaid objective. In light of the fact that 2006 was disrupted by various political, economic and social events, the conditions required for implementing the mechanism were also affected. Thus the Poverty Reduction Observatory (PRO), the technical agency responsible for spearheading the implementation of the mechanism, saw little improvement in terms of techniques and stability to coordinate and monitor the sectoral actions planned for the year.

After the inauguration of the XI constitutional government, the process of informing the new members of government of the existence of the mechanism, ongoing activities and those necessary for implementing the mechanism had to be started over.

Under those circumstances, the observatory was asked to participate in drafting the government's program and in preparing broad options for planning and for the general government budget.

Subsequently, the new focal points were confirmed and named by the new members of government, working sessions were held with them on the role of the sectoral focal points in the monitoring structure, namely the NPRS monitoring and information system. [Translator's note: The Portuguese is unclear. This is an interpretation]

The Economic and Statistical Observatory for Sub-Saharan Africa (Afristat), the subregional institution for NPRS and MDG monitoring information systems, was contacted to help with the installation of the information system. An initial mission by consultant Ousmane Soule took place in July with the objective of learning the philosophy of the system, taking stock of the situation, and drawing up a work plan for its installation and for drafting the procedures manual. The mission was completed, the work plan prepared and a second mission was scheduled for November 2006. Owing to communication problems, the mission was postponed till the second half of January 2007.

The PRO managers participated in different training and information events at home and abroad on poverty-related issues.

Preparatory work is underway to implement the different arms of the monitoring mechanism (the technical committee and advisory council) so that they can start operating in 2007.

Despite the efforts made to start up the Observatory, this agency has faced some constraints, namely:

Insufficient staff; training needs in project implementation and monitoring by the sectors; nonexistence of data; lack of motivation on the part of the focal points (insufficient salaries and subsidies, lack of equipment); no sectoral coordination and accountability mechanisms.

## **VI. Conclusions and Recommendations**

1. The implementation of the NPRS through the PAP 2006-2008 made some progress if we take into account all the measures and reforms implemented through government incentives. However, the level of execution of planned projects is low both in terms of the PAP and of the PIP, the main reason being the lack of resources despite the efforts made to mobilize funds. With the sectoral round tables (on education, infrastructure, and governance) held in December 2006 and the prospects for debt forgiveness, we anticipate that better results will be obtained in 2007.
2. The functioning of the NPRS implementation, monitoring, and assessment mechanism requires stability, ownership of the mechanism by the various stakeholders, therefore meeting to sensitize the various agencies are needed. It is therefore advisable that any effort by the PRO in the first half of 2007 should be geared towards implementing the mechanism.
3. To ensure that trends in NPRS implementation are monitored (physical and financial developments in projects and programs), using the information produced by the existing structures (DPE, INE, and sectoral ministries) there must be real ownership of the NPRS and absolute consistency between the PIP and the PAP, which could not be established during the period.
4. The weak organization of the sectors and the poor circulation of information within and between sectors makes it hard for the focal points to perform their work and to conduct the monitoring activities that would gather the necessary information at the end of each period to produce a report taking stock of the situation and of the decisions made.
5. Training in monitoring implementation is imperative whether at the sectoral level or at the level of the PRO.

**VII - ANNEXES**

**Annex 1: Assessment of implementation of the matrix of measures**

**PROGRAM OF PRIORITY ACTIONS FOR GOOD GOVERNANCE AND POVERTY  
REDUCTION 2006-2008**

**PILLAR I – REFORM OF PUBLIC INSTITUTIONS, CAPACITY BUILDING AND  
PROMOTION OF A POLICY OF GOOD GOVERNANCE**

PROGRAMS	MEASURES	TIME-TABLE	STATUS AS AT DECEMBER 2006	MANAGING AGENCY
Political Governance	Create of the institutional framework for implementing state reform	2006	No information available	Government
	Define the legal framework for conflicts of interest	2006	Not completed	National Assembly
	Adjust the number of legislators	2006	Not completed	National Assembly
	Train legislators and parliamentary officials	2006-2008	Partially completed.	National Assembly
	Revitalize the Superior Council on Printing	2006	No information available	National Assembly, Government
	Create the mechanism for implementing the global strategy on state reform	2006-2008	The office was created within the current organizational structure of the government; the resources for its operation are still pending.	Government, Secretariat of State
	Regulate and implement the Code of Administrative Procedure	2006-2008	Prepared and pending approval of the code of administrative procedure	Ministry of Public Administration, State Reform and Territorial Administration
Regional and Local Governance	Revise the Law on Political/Administrative Divisions	2006	Not completed	National Assembly, Government
	Revise and approve the Regional and Local Finance Law	2006		National Assembly, Government

PROGRAMS	MEASURES	TIME-TABLE	STATUS AS AT DECEMBER 2006	MANAGING AGENCY
	Create a central institutional framework for technical support to regional and local government bodies	2006	Within the organizational framework of the government pending approval, an office was established to support local government agencies, which reports to the Ministry of Public Administration, State Reform, and Territorial Administration	Government, Ministry of Local Government
Economic and Financial Governance	Adopt a legal standard on microfinance	2006	Not completed	Ministry of Finance and Planning, Central Bank
	Create a microfinance monitoring unit in the Central Bank	2006	Not completed	Central Bank
	Strengthen oversight and audit institutions	2006-2008	Technical training of legislators in analysis and approval of the national budget	National Assembly, Ministry of Finance and Planning, Minister of Economy, National Audit Office
	Approve of tax reform	2006-2007	A package of legislation is pending passage by the Assembly. It comprises: General Tax Code and Code of Tax Procedure Investment Code Corporate Income Tax Code Urban Property Contribution Property Transfer Tax (SIZA) Code Inheritance and Gift Tax Code Law on the Financial Management System	National Assembly, Ministry of Finance and Planning
	Implement the law on public procurement	2006		MPF



PROGRAMS	MEASURES	TIME-TABLE	STATUS AS AT DECEMBER 2006	MANAGING AGENCY
	Approve the new customs code	2006	Pending approval by the Assembly	Customs Directorate, MPF
	Prepare studies for restructuring public enterprises (EMAE, ENASA and ENAPORT)	2006	Not available	MIARN, MPF
	Approve and implement the new investment code	2006	Pending passage by the Assembly	MPF, ME,
	Approve and implement tax reform laws	2006-2008	Pending passage by the Assembly	MPF, National Assembly
	Modernize government financial management	2006-2008	In progress	MPF
Judicial Governance	Strengthen oversight and justice services	2006-2008	No information available	Ministry of Justice, Courts
	Establish a training plan for magistrates and justice system support staff	2006	No information available	Courts, Public Prosecutor's Office
	Computerize recording and notarial services	2006-2007	Not completed	Ministry of Justice
	Prepare a feasibility study of specialized courts	2006	No information available	Ministry of Justice, Courts
	Establish extrajudicial mechanisms of arbitration and conflict resolution	2006	The arbitration court and a national arbitration center were created	Ministry of Justice, Courts
	Develop the coast guard	2006-2008		Ministry of Defense

**PILLAR 2 – ACCELERATED REDISTRIBUTIVE GROWTH**

PROGRAMS	MEASURES	TIME-TABLE	STATUS AS AT DECEMBER 2006	MANAGING AGENCY
Creation of an Environment Favorable to the Private Sector	Publish the provisional land title register	2007-2008		ME, Directorate of Privatization of Land and Notarial Recording Services
	Setup a rural land register	2006-2008	No information available	Ministry of Economy, MPF
	Simplify the procedures for establishing businesses	2006-2008	1- On the basis of Decree-Law 9/2006 the arbitration court and national center ... [text garbled] 2- Steps are being taken to set up a one stop shop.	ME, Directorate of Trade
Development and Modernization of Agriculture, Livestock Rearing, Fishing and Forestry	Build the capacity of CIAT	2006-2008	Computer hardware has been purchased.	Ministry of Economy
Promotion of quality tourism	Implement a strategy for tourism development	2006-2008		Ministry of Economy, Directorate of Tourism and Hotel Industry
Hotel school construction	Identify a building for the hotel school. Draft and implement a project to refurbish the building. Outfit the building.	2007-2008	The building has been identified and the refurbishing project is to be implemented with support from Spain	Ministries of Economy and Education
Industrial	Research plan on the branches	2007-2008	Not completed	Ministry of

development	of industry.			Economy
Trans-shipment Center	Advertise for partners to finance the construction of a deep water harbor.	2006	An office was created to that effect under the auspices of the Ministry of Infrastructure	MIARN
Liberalization of telecommunications	Regulate the operations of the Telecommunications Regulatory Agency.	2006	The agency was created, its operations are under way, and its staff are receiving technical training	MIARN
Air transport	Marketing to find partners for the expansion and development of the international airport	2006	A marketing office was created under the Ministry of Infrastructure	MIARN
Energy	Update the master plan for energy	2006-2007	Nothing has been done	MIARN
Water and Sanitation	Update the master plan for water and sanitation	2006-2007	Preliminary work under way	MIARN
Implementation of international conventions on biodiversity, protection of ecosystems and the ozone layer	Organize a computerized system	2007-2008	Preliminary activities started for the preparation of an overall integrated plan for the implementation of the four main conventions ( NCSA): Climate Change, Persistent Organic Pollutants (POPs), Desertification, and Biodiversity.	MAIRN Environmental Office
	Create a multisectoral monitoring and assessment team		Multisectoral teams were created for each convention.	
	Ratify conventions and the respective protocols	2007-2008	Some have been ratified and others are in the process of ratification.	MAIRN Environmental Office
	Train technicians		Technicians are being trained as the conventions are implemented.	
	Draft legislation to prohibit imports of hazardous toxic products	2007-2008	In progress. The first draft has been prepared and is to be revised to include the POPs before being submitted for approval.	MAIRN Environmental Office
Environment	Prohibit the capture of endemic species (turtles,	2006-2008	The unit on implementation of the convention was	MAIRN, ME, Environmental

	parrots, parakeets, etc.)		reactivated. The first report has been prepared and financing is pending for implementing measures at ports and airports (export of animals).	Office
Institutional development of the land use planning sector	Geographic, environmental and cartographic surveys and descriptions.	2006-2007-2008		MAIRN (d.s.g.c.)
	Conduct demographic and sociological studies.			
	Draft the definitive land use program at the national and sectoral levels			

**PILLAR III – CREATION OF OPPORTUNITIES FOR GENERATING GREATER AND MORE DIVERSE INCOME FOR THE POOR**

PROGRAMS	MEASURES	TIME-TABLE	STATUS AS AT DECEMBER 2006	MANAGING AGENCY
Improvement of land ownership guarantees	Publish a register of titles to ownership of agricultural lands	2006-2007	Not completed	ME, Notarial Records
Increase in agricultural and fisheries output	Prepare a strategy for the fishing industry	2006	The preliminary draft of the master plan on fisheries is being prepared.	ME, Directorate of Fisheries
Accompanying program	Promote research and rural extension	2006-2008	Institutionalization of rural extension under way. Preparation of a national plan on rural extension under way.	ME, Directorate of Agriculture

**PILLAR IV – HUMAN RESOURCE DEVELOPMENT AND INCREASED ACCESS TO BASIC SOCIAL SERVICES**

<b>PROGRAMS</b>	<b>MEASURES</b>	<b>TIME-TABLE</b>	<b>STATUS AS AT DECEMBER 2006</b>	<b>MANAGING AGENCY</b>
EDUCATION				
Strengthening of the National Education System	Reformulate the charter of the Ministry of Education and Culture (MEC)	Durante 2006	Not completed	Office of the Minister / GPIE
	Regulate of the structure of the national education system	2 <sup>nd</sup> half of 2006	Not completed	Office of the Minister / GPIE/DEB/ DAE/DAF
	Define and regulate the school system	2006	Not completed	Office of the Minister / DAE
	Engage in health sector prevention and surveillance in schools	2006-2008	A school health program was created, which currently has the following components: 1-A program to eliminate parasites from children is being implemented in all schools and districts in the country (except for the Autonomous Region of Príncipe) with the support of the Vale-Flor Institute. 2- A program for prevention and treatment of blindness is being conducted in the country's primary schools. It is co-financed by UNICEF and Taiwan. 3- A program to distribute Vitamin A is carried out every six months in coordination with the immunization program.	DAE/DEB
Culture and	Support the promotion of	2006	In progress	MECD

Development	the arts and entertainment	2008		
	Provide incentives for studies and research on culture	2006-2008		MECD
HEALTH				
	Update the health map	Q1 2006	Not completed	Ministry of Health
	Draft the Basic Law on Health	By end-008	Scheduled for 2007	Ministry of Health
	Prepare and approve model architectural layouts for each type of infrastructure to be constructed or remodeled in accordance with the health map	2006	Within the framework of the PASS Project, a consultant was hired to prepare the study.	Ministry of Health
	Identify locations for building new infrastructure	Q1 2006	Locations for constructing small health stations were identified (Madre DEUS, San Finicia, Almes, Mesquita, Agua Arroz) as a means of reducing the inflow of patients into the central hospital and improving the public's access to basic health.	Ministry of Health
	Prepare the model list of equipment and instruments for each health unit	Q1 T2006	This activity is planned in the update of the health map.	Ministry of Health
	Define the policy and draft the plan for human resource development	2006	The human resources development plan is expected to be drafted in 2007. It will contain planned training and incentives.	Ministry of Health
	Transform the Heath Workers Training School (FQS) into a Health Sciences Institute	2006	Completed, pending only the publication of the decree and mobilizing the resources for its implementation.	Ministry of Health

Reinforcement of the Services of the Central Hospital and Health Centers	Approve and implement the HAM master plan	2006	For the time being this measure remains pending.	Ministry of Health
	Draft the HAM charter and its regulations	2006	Not completed	Ministry of Health
	Define the functional content of each health unit and the tasks for each level of responsibility	2006	With the support of the PASS project, the ToRs for the entire national health system are being defined.	Ministry of Health
	Decentralize the programs for the health districts	2007		Ministry of Health
	Gradually staff the peripheral health units with trained personnel as per the health map.	By end-2008	In progress	Ministry of Health
	Structure and organize the cost recovery system in the national health services	2006	Studies will begin in 2007	Ministry of Health
	Prepare and implement a reference and counter-reference system	By end-2008		Ministry of Health
	Create and implement the management information and health information system.	By end-2008	In progress. The equipment has been acquired and the system has been set up. All that remains is to install the database and field stations for its operation.	Ministry of Health
Preventing and Combating Diseases	Prepare a national nutrition plan	2006	Not completed	Ministry of Health
	Reactivate the nutritional surveillance system	2007		Ministry of Health
	Institutionalize a state advisory body for food security	2007		Ministry of Health
	Implement the breast feeding code	2006	The national commission was created by order of the Minister of Health. UNICEF financed the equipment. The commission now has to be invigorated.	Ministry of Health
	Reactivate the National	2006		Ministry of



Commission on Salt Iodization			Health
Integrate the anti-malaria, HIV/AIDS and tuberculosis programs into primary health care	By end-2008	In progress	Ministry of Health
Publish and disseminate the national protocol for malaria case management	2006	Completed	Ministry of Health
Implement the PMTF expansion plan <sup>1</sup>	2006	Not completed	Ministry of Health
Assess the National Anti-tuberculosis Plan (PNLCT <sup>2</sup> ) in the implementation of DOTS <sup>3</sup>	2006		Ministry of Health
Draft and publish the legal standard for the creation of a national network of laboratories and epidemiological surveillance	2006	The network was created with the support of the WHO but still lacks the legal underpinnings.	Ministry of Health
Draft a strategic plan for dental/oral health	2006	Not completed	Ministry of Health
Validate and publish the international convention on tobacco use.	2006	Not completed	Ministry of Health
Expand and implement the IMCI strategy <sup>4</sup>	By end-2008	This involved a package of procedures for IMCI, which has contributed to the reduction in infant mortality	Ministry of Health
Prepare a program for detection of breast, uterine and prostate	2006	Located in the Reproductive Health Directorate, the physical space has been built,	Ministry of Health

<sup>1</sup> PMTF = Protection from mother to child transmission (with reference to AIDS).

<sup>2</sup> PNLCT = National anti-tuberculosis plan.

<sup>3</sup> DOTS = Directly Observed Treatments Short Course in the procedure for treating tuberculosis in which a third party administers drugs to the patient in the second phase of treatment.

<sup>4</sup> IMCI = Integrated Management of Childhood Illness.

	cancer		two technicians have been trained and ecography and mammography equipment purchased.	
	Prepare and implement a policy and national strategy of health education.	2006	With PASS funding, the Health Education Policy and Strategy were prepared in 2006. The validation process is planned for 2007.	Ministry of Health
	Institutionalize the CNES as the agency responsible for health education under the Ministry of Health	2006	The CNES was institutionalized more than 10 years ago and needed to start up. This happened in 2006 after being reinvigorated with PASS project support.	Ministry of Health

Note: The PASS supports institutional reform of the basic education system in area of education and institutional reform of basic health in the area of health.

**PILLAR V – NPRS MONITORING AND ASSESSMENT MECHANISM**

PROGRAM	MEASURES	TIMETABLE	STATUS AS AT DECEMBER 2006	MANAGING AGENCY
Monitoring and assessment	Approve the regulations on the operation of the Observatory	2006	Not completed	MPF, Observatory
	Establish the network of focal points	2006	COMPLETED	MPF, Observatory

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POVERTY REDUCTION SPENDING - 2006 PUBLIC INVESTMENT PROGRAM

Annexes 2: Actuals for 2006

2006

Exchange Rate: 1 USD= 12.500 STD

SECTORS	PROJECTS	PLANNED (IN USD)	EXECUTED (IN USD)
MINISTRY OF PUBLIC WORKS AND INFRAStructure	Construction of low-cost housing – Phase 2	280,000.0	249,465.44
	Resurfacing and maintenance of secondary and main roads	3,840,000.0	1,133,247.00
	Resurfacing of the Almas/Riba -Mato/S.Maria/Bom-Bom road	674,878.0	637,558.56
	Resurfacing of the Folha Fede - S. Finician road	80,000.0	80,000.00
	Repair of the Trindade market sewerage system	0.0	4,241.52
	Cleanup of the Mata-Mina riverbed	0.0	49,106.00
MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT	Refurbishing of the Amorera aqueduct	1,000,000.0	59,050.00
	Public water supply system (maintenance)	<b>5,874,878.0</b>	<b>2,212,668.52</b>
	Water supply for the Yô Grande community	100,000.0	100,000.00
	Construction of safe water reservoirs	2,685.0	42,742.32
	Clear water distribution system I and II	69,600.0	68,224.00
	Sanitation – Ponta Mina city area, S. Tomé	870,000.0	96,526.00
	Maintenance of 9763 m of sewer lines	19,632.0	19,632.00
	Integration of the population, gender and development variables	311,251.2	39,418.72
	Support for local governments in poverty reduction	<b>1,373,168.2</b>	<b>366,543.04</b>
	Establishment of an intersectoral coordination mechanism to track poverty	0.0	45,025.00
MINISTRY OF PLANNING AND FINANCE	Support for local governments in poverty reduction	307,000.0	98,080.00
	CW/Q survey	16,000.0	9,680.00
	Poverty reduction project	12,880.0	12,880.00
	Survey of working population - employed and unemployed	204,000.0	248,993.00
	Repair of water cistern for maternity clinic health services	5,600.0	5,600.00
	Revitalization of the Central Mother and Child Care Program; expansion of National Center for Reproductive Health	<b>545,480.0</b>	<b>420,258.00</b>
MINISTRY OF HEALTH	Social sector support project - Health	7,600.00	7,600.00
	Strengthening the primary health care network	32,000.0	13,570.96
	Procurement of basic medicine procurement and doctors' visits	400,000.0	325,874.00
	Procurement of equipment for Lobata maternity clinic	600,000.0	600,000.00
	Procurement of reagents and supplies for LAC	240,000.0	430,535.44
	Support for the health districts – Ministry of Health	40,000.0	34,773.84
		8,000.0	62,592.48
	48,000.0	33,985.52	

POVERTY REDUCTION SPENDING - 2006 PUBLIC INVESTMENT PROGRAM

2

SECTORS	PROJECTS	PLANNED (IN USD)	EXECUTED (IN USD)
	Outfitting intensive care	80,000.0	4,070.64
	Construction of Cartagalo Health Center	200,000.0	172,104.72
	Global Fund against Malaria	0.0	744,821.00
	Combating HIV/AIDS/TB	4,000.0	0.00
	Construction of laboratories in Angolares	0.0	3,101.44
	Expansion of the Trindade Health Center	0.0	2,539.04
	Construction of the S. Marçal Health Station	0.0	3,840.00
	Combating paludism/malaria	1,028,000.0	833,000.00
	Epidemiological surveillance	24,000.0	24,000.00
	Services and joint activities to promote behavioral changes in the area of reproductive health in STP (??) ( <i>Sevint. Activ. Comum. Mud. Comp. Mat. SRSTP</i> )	129,600.0	146,282.84
	Health emergencies	32,000.0	51,573.44
		<b>2,865,600.0</b>	<b>3,494,265.36</b>
	Adult literacy	24,000.0	16,167.52
	Domestic scholarship for students at the polytechnic center	35,438.4	35,017.68
	Construction and outfitting of 35 secondary school classrooms	104,000.0	95,689.28
	Domestic scholarship for students at ISP, the graduate polytechnic institute	32,000.0	31,987.04
	On-the-job training for secondary school teachers - ISP	40,000.0	47,997.68
	Preparation and execution of Education For All project	12,000.0	7,315.84
	Youth integration program	120,000.0	69,016.96
	Renovation of classrooms for basic education	40,000.0	51,410.72
	Building renovation - former Ministry of Youth and Sports		434,899.00
	Bathroom renovation – Liceu Nacional (national high school)	18,900.0	18,900.00
	Renovation of primary schools AFD/GOV	0.0	37,084.72
	Construction of a high school in Trindade	600,000.0	138,116.00
	Institutional support program – DESTS	4,000.0	3,804.16
	Capacity building – MATJMF	45,720.0	43,044.24
	Renovation of Instituto de Apoio à Juventude	70,000.0	44,653.00
	Social sector support project (PASS)	870,000.0	325,413.00
	Support for secondary education providing general vocational training	840,000.0	1,143,302.00
	Construction of 3 classrooms for basic education - Almeirim	48,000.0	1,781.76
	Secondary school renovation in Guadalupe	46,400.0	8,385.20
		<b>2,950,458.4</b>	<b>2,553,985.80</b>

MINISTRY OF  
EDUCATION,  
CULTURE,  
YOUTH  
AND SPORTS

POVERTY REDUCTION SPENDING - 2006 PUBLIC INVESTMENT PROGRAM

3

SECTORS	PROJECTS	PLANNED (IN USD)	EXECUTED (IN USD)	
MINISTRY OF ECONOMY (TRADE, INDUSTRY, TOURISM, AGRICULTURE AND FISHERIES)	Rural leadership (IRC)	8,000.0	8,000.00	
	Support for agricultural diversification	600,000.0	600,000.00	
	Equipment for artisanal fishing	0.0	192,000.00	
	Consolidation of the associative movement in artisanal fisheries	420,000.0	157,283.00	
	Training youth in the agrofood professions	16,000.0	16,000.00	
	Fish marketing project TCP/STP/3002	100,000.0	71,271.00	
	Support for the family agriculture project for artisans - PAPAFA	724,400.0	502,839.00	
	Renovation of Neves market	0.0	1,612.00	
	Development of agriculture in rural areas	170,000.0		
	Agricultural surveys	86,833.6	10,258.64	
	Support for rural development	48,000.0	0.00	
	Private sector support project	200,000.0	200,000.00	
	Resuscitation of the irrigation system	100,000.0	46,655.00	
			<b>2,473,233.6</b>	<b>1,805,918.64</b>
MINISTRY OF LABOR, SOCIAL SECURITY, SOLIDARITY, WOMEN AND FAMILY	Support for underprivileged mothers	200,000.0	200,000.00	
	Development of the social safety net	739,000.0	0.00	
	Insertion of former civil servants	2,500,000.0	2,174,243.00	
	Integrated employment and vocational training project	428,000.0	305,609.00	
	Seeds of the future	12,000.0	6,000.00	
	Study on the reality of the job market in STP	4,000.0	0.00	
	Study on the impact of the informal market on poverty reduction	12,000.0	0.00	
			<b>3,895,000.0</b>	<b>2,685,852.00</b>
	Garbage collection	20,000.0	37,147.44	
	Cleanup of the Boa Morte /Penha garbage dump	0.0	10,908.64	
LOCAL AUTHORITIES	Improvement/remodeling of the Feira do Ponto market	64,000.0	11,717.28	
	Intermunicipal Cooperative (Santana water distribution system)	120,000.0	0.00	
	Renovation of the Vila Ribeira Afonso seaside resort	3,840.0	0.00	
		<b>207,840.0</b>	<b>59,773.36</b>	
REGIONAL GOVERNMENT	CONSTRUCTION OF THE RIBEIRA IZÉ ROAD (PHASE 2)		43,987.84	
		<b>0.00</b>	<b>43,987.84</b>	
		<b>20,185,658.2</b>	<b>13,643,252.6</b>	

Annex 3: Pro-Poor Current Expenses - 2006

Exchange Rate 2006 1 USD= 12 445 STD

Code	Description of current expenses	Ministry of Education and Culture	Ministry of Health	Ministry of Labor and Solidarity
01.00.00	Personnel expenses	38,042,333,640	25,297,662,134	
02.01.05	Other durable goods	2,029,000	9,922,000	
02.02.02	Fuel and lubricants	172,523,155	577,340,415	
02.02.04	Food	0	5,525,176,375	
02.02.05	Medicine	7,685,000	382,691,661	
02.02.06	Clothing and footwear	0	4,129,375	
02.02.09	Other nondurable goods	-	208,722,250	
02.03.01.01	Water and energy	0	154,200,000	
02.03.02	Custody of goods	83,013,000	172,213,650	
02.03.06	Communications	14,000,000	92,500	
04.01.01	National budget	0	0	
04.02.01	Private institutions	0	21,525,000	131,265,323
04.03.01	Individuals	0	4,891,896,898	1,013,453,900
04.04.02	Other outward transfers	0		0
06.01.00	Education and training	671,485,520		
06.04.01	Project costs	0	124,262,285	
06.04.04.02	Miscellaneous	5,249,408,237	102,835,000	
	<b>TOTAL</b>	<b>44,242,477,552</b>	<b>37,472,669,543</b>	<b>1,144,719,223</b>

Conversion into USD

91,982.26 USD

3,011,062.24

3,555,040.38

Total national budget expenses in USD

60,000,000.00

Current expenses in % of the national budget

5.93%

5.02%

0.15%