



INTEGRATED SDG INSIGHTS

São Tomé and Príncipe

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: São Tomé and Príncipe

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

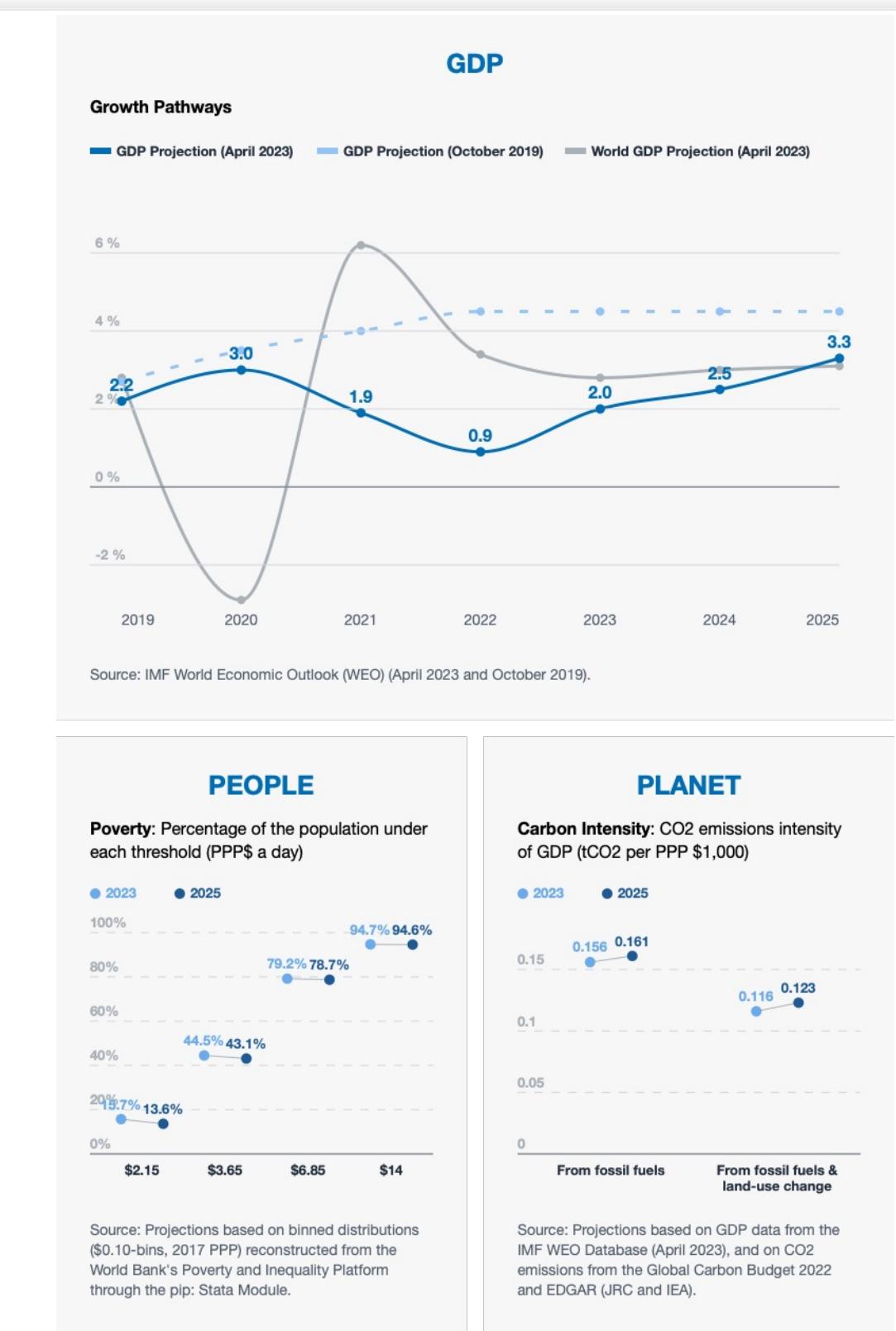
São Tomé and Príncipe's economy is in mitigation mode in 2023 and is projected to stay this way or transition to a moderate growth phase during 2024-2025.¹ In the short-term economic policy will focus on mitigating the impact of rising prices on households and businesses and maintaining macroeconomic stability amid a global economic slowdown. Accordingly, the SDG policy focus is on mitigating the effects of the downturn, especially on the most vulnerable.

Despite the positive impact of this pace of economic growth on reducing poverty at \$2.15 a day, there are still significant distributional challenges, especially when using the more stringent national poverty thresholds.

Moreover, the economic cycle occurs at the expense of the environment, as the country's carbon emissions intensity of GDP is expected to increase at an annual rate of 1.5% due to fossil fuel usage, and of 3% when also considering land-use change.²

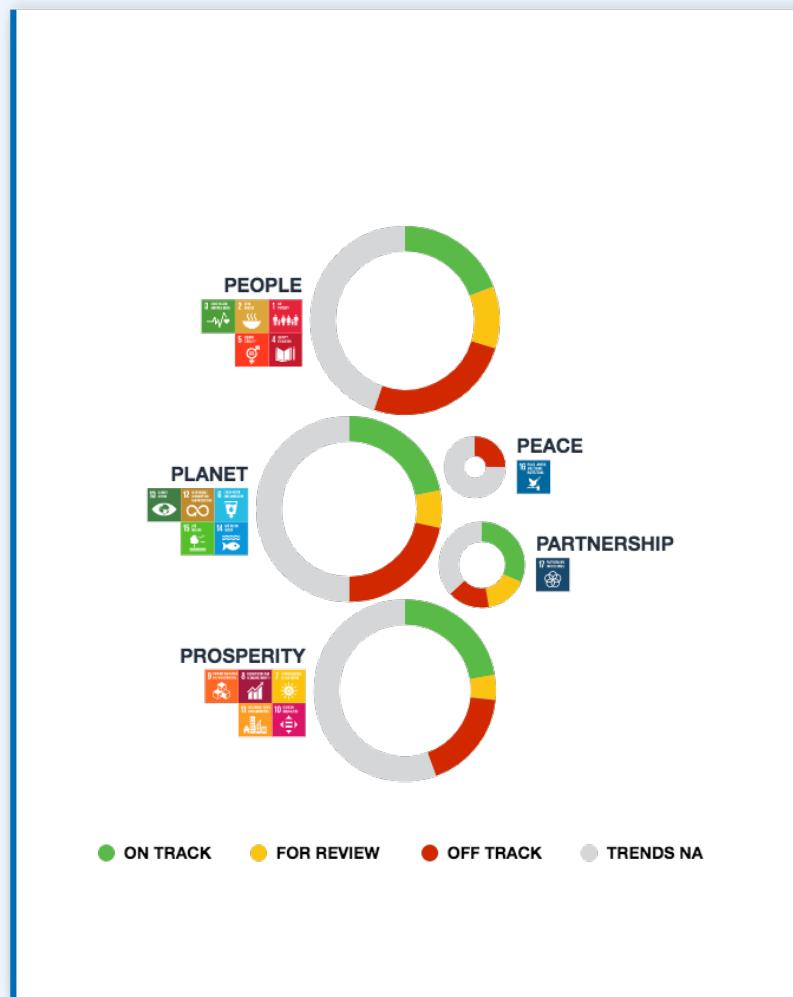
¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how São Tomé and Príncipe performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



SDG PRIORITIES

São Tomé and Príncipe's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. National Development Plan 2020 – 2024
2. United Nations Common Country Analysis 2022
3. São Tome and Principe Voluntary National Review 2022

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help São Tomé and Príncipe to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, São Tomé and Príncipe's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for São Tomé and Príncipe:

- Target 3.8: Achieve universal health coverage
- Target 8.5: Full employment and decent work with equal pay
- Target 10.1: Reduce income inequalities
- Target 16.6: Develop effective, accountable and transparent institutions



ACCELERATION PATHWAYS



SDG INTERLINKAGES

3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

São Tomé and Príncipe recognizes that beyond health and well-being, investment in health also contributes to social inclusion, gender equality, poverty eradication, economic growth and human dignity.

Recent assessments have identified certain gaps and priorities for system reform in the health sector for it to become truly universal. These are: (i) the need to move from vertical to integrated programmes; (ii) the shift from a hospital-centred care delivery to a strong network of primary health care centres able to deliver health services, in particular prevention, adapted to the needs of people and closer to their homes; and (iii) reform of health financing that ensures vulnerable people have access to health care without facing financial hardship. These priorities have been incorporated into the new national health development plan 2023-2028.

In addition, by increasing government investments in digital health technology, there is potential to extend health care services to marginalized areas at reduced cost, and, as indicated by synergies, to enhance investments in energy, decent jobs, improved nutrition and in reducing inequalities.

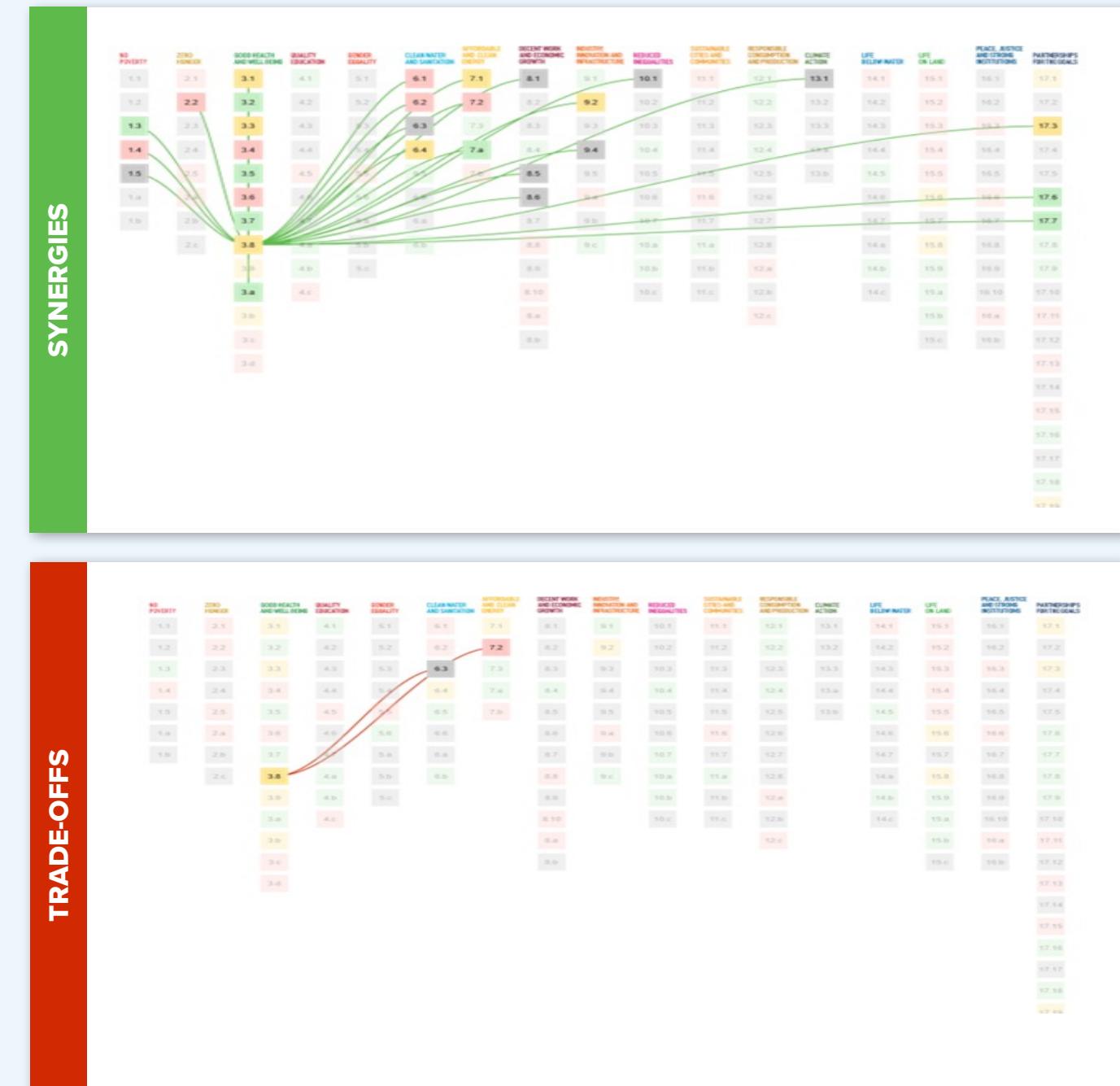
Progress on target 3.8 should be supported with policies to reduce energy intensity and to increase its access (Target 7.1) and efficiency to mitigate the negative impact on the share of renewable energy (Target 7.2) and on energy efficiency (Target 7.3).

● ON TRACK

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SDG INTERLINKAGES

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people with disabilities, and equal pay for work of equal value

Despite the relative progress in key social indicators, the country economy is not diversified and economic growth has not been inclusive. As a result, São Tomé's young and fast-growing population lack employment opportunities – 50% of young women and 20% of young men (15 to 30 years old) are not employed, (12% for women and 6% for men) – and rely on informal and subsistence activities. Not surprisingly, a recent survey conducted among the youth in São Tomé revealed that a significant number (68%) are considering leaving the country in search of better opportunities elsewhere.

To address this challenge, the country needs a new development model based on private sector-led growth which focuses on improving human capital, infrastructure and the business environment to unleash the potential for the blue economy, high- value nature-based tourism and high-quality, niche agricultural production.

By implementing policies that build human and physical capital and generate economic opportunities (SDG 8 - decent work and economic growth), STP can address the current employment challenges to focus on key priority areas, such as poverty eradication, zero hunger, improved health care and education.

Progress on target 8.5 should be supported with policies to reduce energy intensity and increase its access (Target 7.1) and efficiency to mitigate the negative impact on the share of renewable energy (Target 7.2) and on energy efficiency (Target 7.3).

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SDG INTERLINKAGES

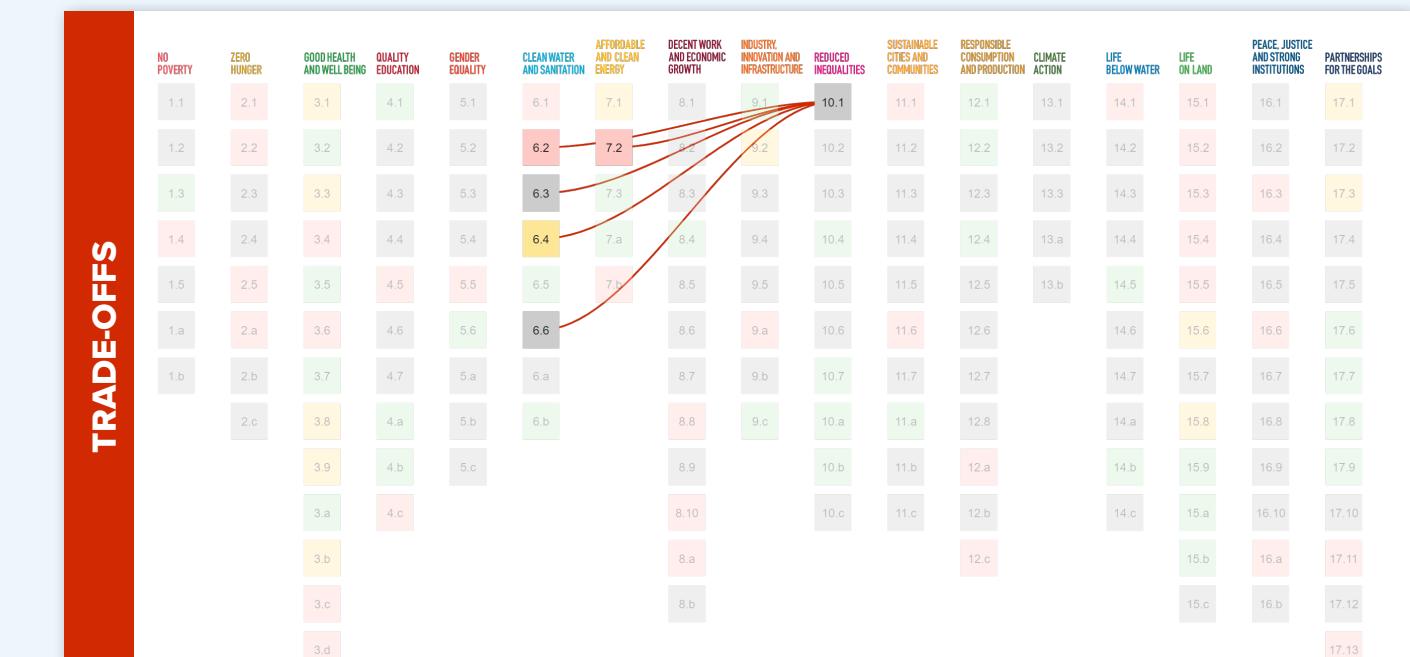
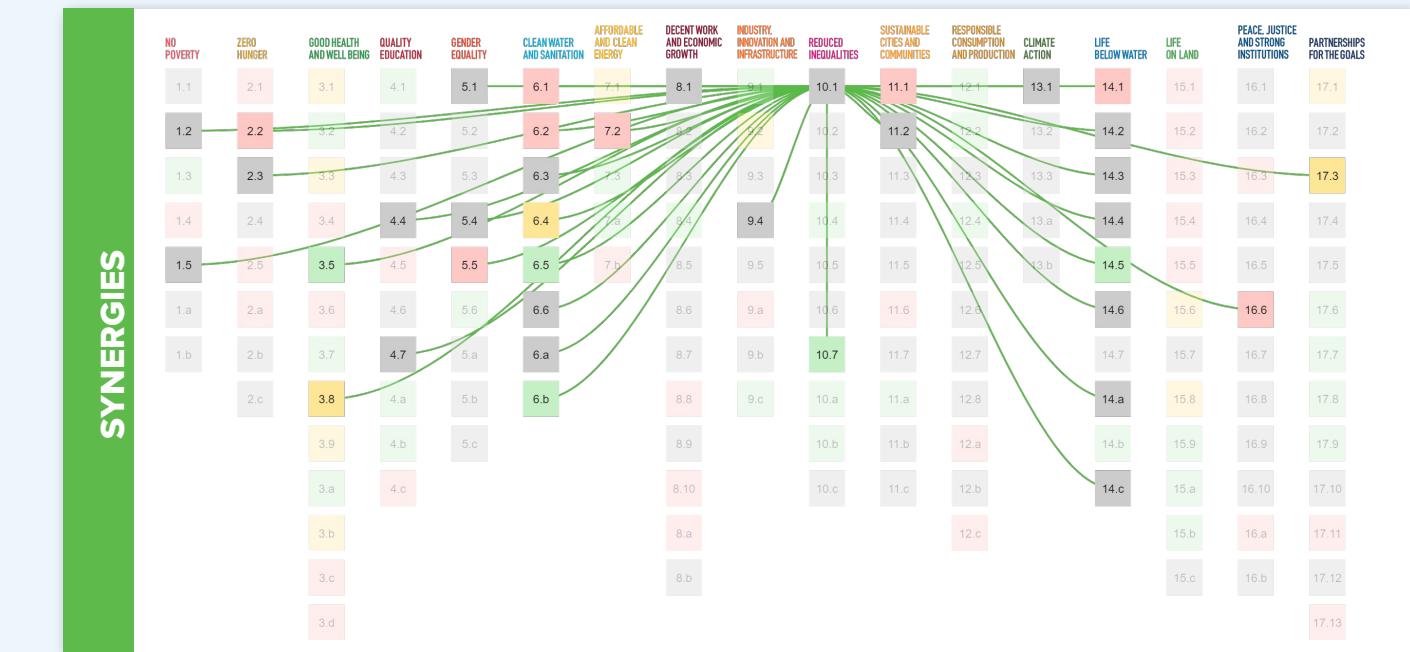
10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

Extreme poverty remains high for São Tomé and Príncipe's GDP per capita level of US\$2400, with about 15.4% of the population living on less than US\$2.15 per day (in 2017 PPP terms), 44.6% on less than US\$3.65 per day (the poverty line for LMIC) and income inequality (Gini index of 40.7). STP's income inequality has increased between 2010 and 2017, particularly in urban areas. This partly explains the small gains in poverty reduction despite an increase in GDP per capita.

To reduce poverty and inequality, STP should prioritize inclusive and sustainable growth, which strengthens resilience, builds relevant skills, creates jobs and protects natural resources. It is also important to expand social protection schemes currently benefiting just 5,000 families. By implementing policies that build human and physical capital and generate economic opportunities, STP has the potential to address inequality and yield multiple benefits for other SDGs, including poverty, hunger, education, gender and health outcomes, among others.

These interventions, if sustainably designed, would both protect the environment and enhance the Government's responsiveness.

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SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

In São Tomé, approximately 68.1% of the population are satisfied with public service delivery. By focusing on SDG 16 (Peace, justice and strong institutions), and specifically on Target 16.6, measures can be implemented that cut across all goals and pillars outlined in the National Development Plan 2020-2024, where public services are provided.

São Tomé's challenges lie in addressing inequality, poverty and unemployment. Improving living standards necessitates a multifaceted approach that includes increasing employment opportunities, boosting incomes through diversification of the economy, productivity growth, the provision of a social safety net, and fostering a strong connection between capabilities, opportunities and employment for improved social and living conditions.

Crucially, effective leadership, an engaged citizenry and effective government play vital roles in driving development within a socially cohesive environment.

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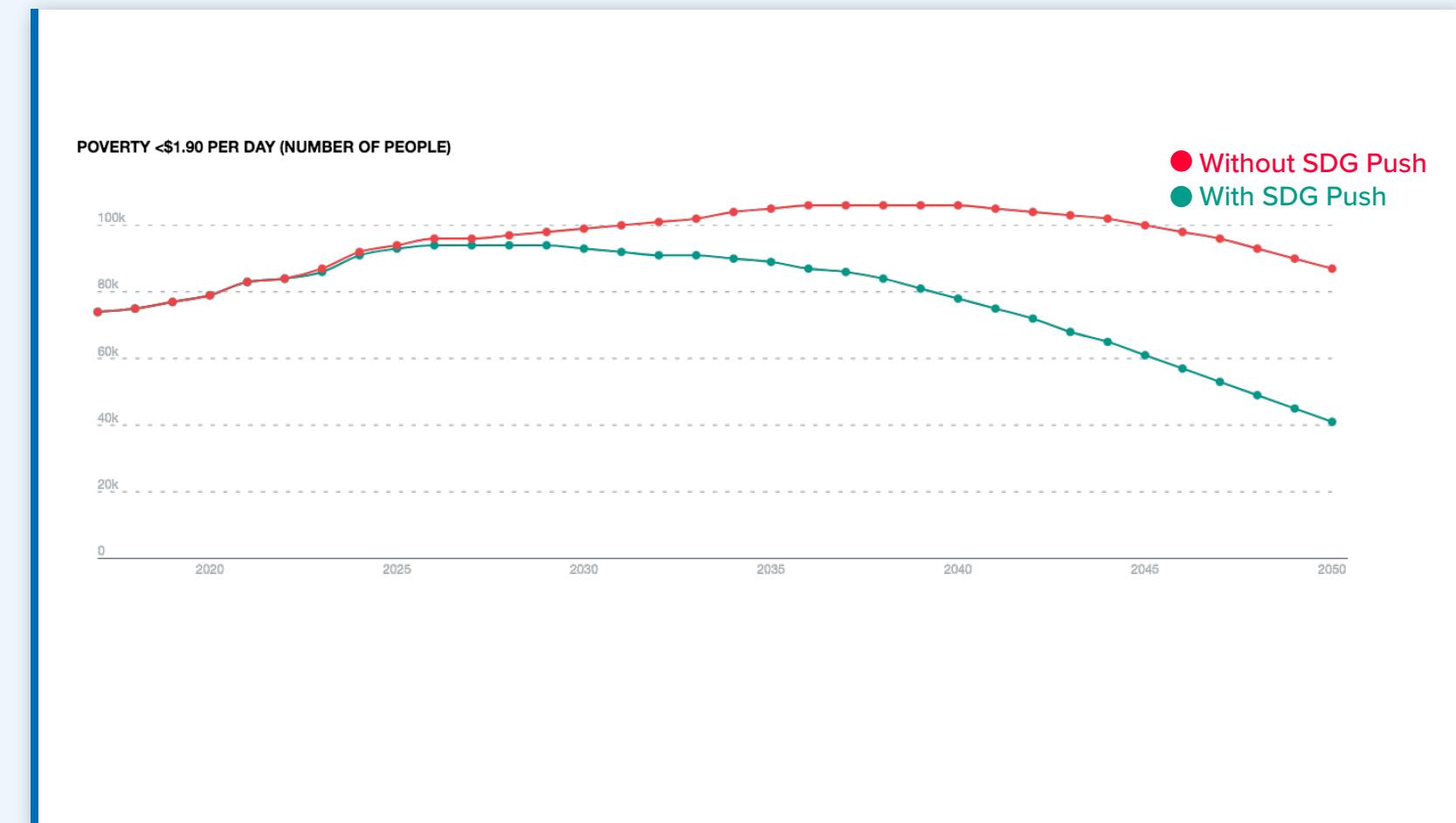
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green and Blue Economies and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in São Tomé and Príncipe can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	99,000	87,000
With the SDG Push	93,000	41,000



Explore SDG Futures Scenarios at:
<https://data.undp.org/sdg-push-diagnostic/STP/future-scenarios>

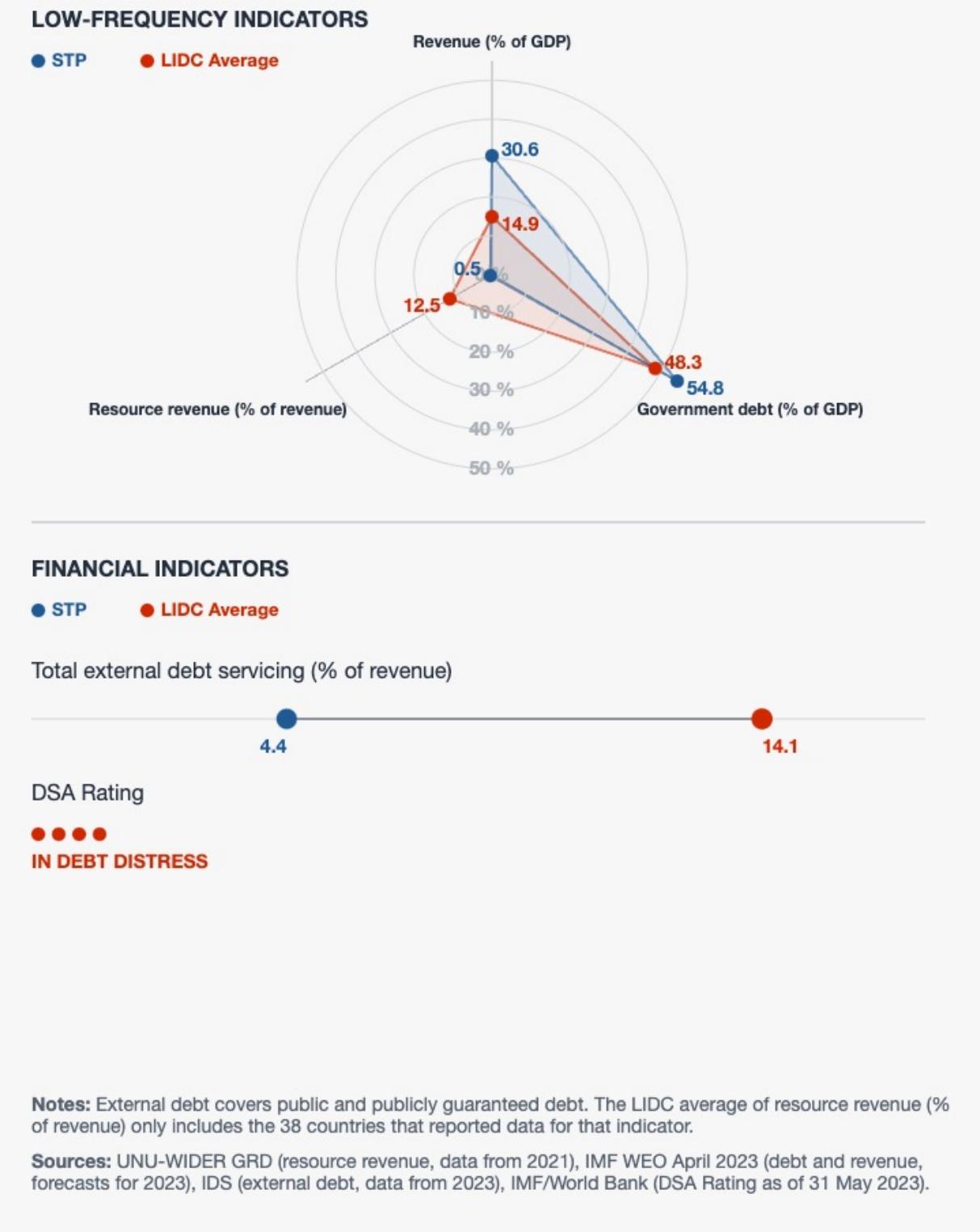
FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country's latest Debt Sustainability Assessment (DSA) risk rating.

São Tomé and Príncipe's gross government debt, projected at 54.8% of GDP in 2023, is 6.5 percentage points (pp) higher than the low-income developing countries (LIDC) figure of 48.3%. The country is expected to collect 30.6% of GDP in revenue this year, thus more than double the LIDC group ratio of 14.9%.

São Tomé and Príncipe's public external debt servicing this year, at 4.4% of revenue, is nearly 10 pp below the LIDC average of 14.1%. Nevertheless, due to prolonged unsettled external arrears – unpaid amounts past due dates – the latest World Bank and IMF DSA from September 2022 rates the country as 'in debt distress'.



SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by São Tomé and Príncipe, possible funding options for the investments derived from the identified interlinkages are mechanisms identified in the SDG Stimulus, relevant to São Tomé and Príncipe. These are as follows:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Energy transition
- Blended and public-private finance
- SDG-aligned business environment and investment
- Leveraging São Tomé's Blue Economy potential
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing

**United Nations
Secretary-General's
SDG Stimulus
to Deliver
Agenda 2030**

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).