

 Early Warning System

AFDB-P-ST-K00-014

Sao Tome - Fiscal Sustainability and Economic Resilience Support
Program (FSERSP II)



Quick Facts

Countries	Sao Tome and Principe
Financial Institutions	African Development Bank (AFDB)
Status	Proposed
Bank Risk Rating	C
Voting Date	2025-03-27
Borrower	Democratic Republic of Sao Tome and Principe
Sectors	Law and Government
Investment Amount (USD)	\$ 7.97 million
Loan Amount (USD)	\$ 8.00 million



Project Description

According to bank provided information, management submits the following proposal and recommendation for a Transition Support Facility (TSF) grant amounting to six million Units of Account (UA 6,000,000) to the Democratic Republic of Sao Tome and Principe (STP) to finance the second phase of the Fiscal Sustainability and Economic Resilience Program (FSERP II). The FSERP was designed as a programmatic series of two consecutive General Budget Support (GBS) operations of UA 4 million in the fiscal year 2023 and UA 6.00 million in the fiscal year 2025 for a total financing of UA 10.00 million. This is the second phase of the two-year series of the Program Based Operation. It follows Board approval of the first phase on 1 December 2023 for an amount of four million UA (UA 4,000,000) and subsequent implementation of the related program measures.

In accordance with the initial program approved by the Board of Directors on December 1, 2023, the objective of FSERP II is to improve fiscal sustainability and governance in the energy sector by strengthening public financial management systems and reforming the energy sector. The two components will continue to be: Component 1: Improving transparency and fiscal sustainability, to support measures to increase domestic revenue, improve public expenditure efficiency, and strengthen debt transparency and sustainability; and Component 2: Improving energy sector governance and the transition to renewable energy, to support reforms in the energy sector and contribute to the transition to green energy.

The program's direct beneficiaries are the MPF through provision of resources to fiscus for implementing the national budget. The resources will reduce the budget deficit and help boost foreign exchange reserves. Improved foreign exchanges reserves are critical to the importation of essential goods and improved performance of the energy sector. The program will indirectly benefit all citizens of STP as an improved business environment will lead to growth and job creation, improved fiscal transparency will lead to better and more public services and boosted energy and climate resilience will allow more employment opportunities and a safer habitat.



Investment Description

- African Development Bank (AFDB)



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents>. Under the AfDB's Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at <https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process>

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: <https://www.afdb.org/en/independent-review-mechanism/>



Bank Documents

- [Appraisal Report](#)