Early Warning System

AFDB-P-ST-K00-017

Sao Tomé and Principe - Fiscal Sustainability and Economic Resilience Programme – Supplemental Financing (FSERP-SF)

Quick Facts

Countries	Sao Tome and Principe
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	C
Voting Date	2025-12-02
Borrower	Government of Sao Tome and Principe - Ministry of Economy and Finance
Sectors	Energy, Finance, Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	$ 7.32 million
Project Cost (USD)	$ 20.89 million

Project Description

According to the Bank’s website, the Fiscal Sustainability and Economic Resilience Programme – Supplemental Financing (FSERP-SF) provides additional budget support to the Government of São Tomé and Príncipe to help close the 2025 fiscal gap and sustain the reform momentum initiated under the original FSERP Phases I and II. The supplemental financing amounts to USD 7.5 million, equivalent to UA 5.53 million, and is provided as a grant from the Nigeria Trust Fund (NTF). With this contribution, the total financing across the two-year FSERP series reaches UA 15.53 million, of which UA 4 million and UA 6 million were previously approved for Phases I and II. The Ministry of Economy and Finance is responsible for implementation, and the programme is delivered jointly with other development partners under a coordinated budget support framework.

The overarching objective of the FSERP-SF is to strengthen fiscal sustainability and improve governance in the energy sector by deepening key reforms in public financial management and the power sector. Specifically, the programme aims to expand domestic revenue mobilisation, improve spending efficiency and transparency, strengthen debt management, and advance critical reforms within the national electricity utility (EMAE) to support the transition toward renewable energy. The programme builds on achievements from Phases I and II, where more than 90% of targeted policy actions were completed, and consolidates reforms that remain essential for macroeconomic stability, debt sustainability, and improved service delivery.

The primary beneficiary of the programme is the Government of São Tomé and Príncipe, which will gain improved capacity to manage public revenues, expenditures, and debt, as well as a more resilient and better-regulated energy sector. Indirectly, the programme benefits the entire population, particularly vulnerable groups, by supporting reforms aimed at improving electricity services, stabilising public finances, increasing transparency, and creating the conditions for inclusive economic growth. Strengthened governance of the EMAE, improved budget credibility, and better targeting of pro-poor spending will generate long-term gains for households, businesses, and service providers across the country.

Early Warning System Project Analysis

Environmental Category: [3] Low Risk

The program is classified as Category 3 (Low Risk). This categorization is justified because the operation consists of TA through budget support to policy, regulatory and institutional reforms within energy, transport and social sectors and no adverse environmental and social impacts are anticipated. The operation will not involve civil works (construction and rehabilitation) nor environmental and social assessments or studies.

No physical resettlement or economic displacement is expected to occur during the implementation of the operation.

People Affected By This Project

Investment Description

- African Development Bank (AFDB)

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Financial Instrument: Structural Adjustment
Commitments (UA): 5,441,525
Conversion Rate USD (2025-12-10): 1,34533
Commitments (USD): 7,320,646.82

Private Actor Relationship

Private Actors Description

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 AfDBs 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 (EN)
- Appraisal Report (FR)
- Evaluation Report (EN)

Other Related Projects

- AFDB-P-ST-K00-014 Sao Tome - Fiscal Sustainability and Economic Resilience Support Program (FSERSP II)