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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Assistance to Sao Tome and Principe

Report of the Secretary-General

Addendum

Further to paragraph 3 of his report (A/32/220), the Secretary-General transmits to the members of the General Assembly the letter dated 19 July 1977 which he addressed to the States Members of the United Nations or members of specialized agencies together with the statement of needs prepared by the Government of Sao Tome and Principe.

ANNEX

Letter dated 19 July 1977 from the Secretary-General to States Members  
of the United Nations or members of specialized agencies

I was requested by General Assembly resolution 31/187 to mobilize financial, technical and economic assistance from the international community, in particular the developed countries and the appropriate organizations of the United Nations system, in order to meet the short-term and long-term development needs of Sao Tome and Principe.

I accordingly arranged for Sir Robert Jackson, who will co-ordinate this assistance programme at United Nations Headquarters, to visit Sao Tome and Principe in June 1977, to review the current situation with the Government and to ascertain their needs. At the conclusion of this review, the Government presented a statement of its most urgent requirements and a copy is attached to this letter. Taking into account the very difficult circumstances under which Sao Tome and Principe attained independence and the adverse conditions which have persisted subsequently, I strongly recommend that the needs as contained in the Government's statement be given the most sympathetic consideration.

A study of this document reveals two particular areas where it is imperative that the Government should receive effective co-operation as soon as possible from the international community and the appropriate organizations of the United Nations system. The first area is the training of national personnel, particularly in the fields of public administration and management (especially of the former plantations) and in certain professional and technical disciplines.

The second area of equal importance is that of communications. The two inhabited islands of the archipelago, Sao Tome and Principe, are separated by a distance of 150 kilometres and lie 325 kilometres west of Gabon. A small aircraft is needed immediately in order to operate between the two islands and to provide a link with the African continent. A small coastal vessel is also urgently needed to facilitate the movement of exports and supplies of food and equipment. Basic telecommunications facilities between the islands and with the outside world are essential.

The Government's statement of needs contains the estimated cost of virtually all of the individual items and in many cases the cost of particular items is relatively small. The total cost of all the Government's needs is some \$US 13 million. Half of this amount is made up of the cost of a small aircraft, a coastal vessel and telecommunications equipment.

The appropriate organizations of the United Nations system are all providing assistance to Sao Tome and Principe within the limits of their resources. On my part, I will do everything I can to ensure that the United Nations system continues to furnish whatever help is possible. The Governing Council of the United Nations Development Programme has authorized the Administrator of the Programme to increase

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the indicative planning figure for Sao Tome and Principe should be increased by 6.4 per cent from the present figure of \$1.4 million.

If any further information is required, the Office of the Prime Minister in Sao Tome or the Co-ordinator for Assistance to Sao Tome and Principe at United Nations Headquarters will provide it without delay. Should any Government find it difficult to communicate with the Government of Sao Tome and Principe, the Co-ordinator will be ready to provide the necessary facilities for communication.

(Signed) Kurt WALDHEIM  
Secretary-General

## APPENDIX

### Statement of needs prepared by the Government of Sao Tome and Principe June 1977

After two years of independence, Sao Tome and Principe is in a position to draw up a balance sheet of its economic, social and financial situation.

The immediate difficulties arising from the assumption of the administration of the country by a national independent Government are gradually being overcome and specific problems are now emerging which have their root in the country's long period of dependence and its rapid transition to an entity which should be economically viable.

In all sectors of national life, multiple bottle-necks have developed which can be summed up under four main headings: isolation, cultivation of a single crop, lack of trained personnel, and the lack of adaptability of the administration.

#### Isolation

Sao Tome and Principe, which was formerly part of a colonial structure of which it was only a secondary link, did not have any connexion of its own with the rest of the world.

The shipping lines included a stop at Sao Tome and Principe on the Portugal-Angola route. There were air links only with Luanda and telephone links only with Lisbon.

With the accession of the country to independence, but in particular following the internal disturbances in Angola which disrupted that powerful country, the traditional friend of Sao Tome and Principe, communications as a whole deteriorated, in particular sea communications.

Sao Tome and Principe is totally dependent on the outside world for its food, its equipment and for outlets for its production.

The isolation is, however, also felt at the cultural, intellectual and technical levels. Sao Tome and Principe knew nothing of the world except the Portuguese colonial empire and often its relations with that empire were poor since they were directed solely towards an outdated capitalist purpose. Thus, Sao Tome and Principe must create out of nothing links with its neighbours, with Africa, with other countries and with international organizations. Thus, also, technology is extremely backward and has not enjoyed the rapid development it has known in other countries, particularly in Africa.

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Isolation will therefore remain for some time an adverse factor: it would, however, seem feasible to overcome part of this handicap rapidly and it is this which the Government has committed itself to doing.

#### Cultivation of a single crop

Until recent years, agriculture in Sao Tome and Principe was devoted solely to export crops, among which cocoa is clearly predominant, accounting for approximately 50 per cent of the area under cultivation.

Subsistence agriculture is totally non-existent in the large holdings and permits the marketing of only a very small percentage of the production of family farms. This situation makes it necessary to import almost all food-stuffs.

Sao Tome and Principe consequently suffers from the variations in the prices of export commodities (cocoa, copra, etc.) and the continuing rise in the cost of imported goods (food-stuffs, consumer goods and equipment). Any forecasts are thus very uncertain and Sao Tome and Principe is obliged to live virtually from day to day.

The diversification of crops which the Government wishes to introduce requires that it take over full responsibility for agriculture and stock-raising. This is a lengthy and difficult task when it is considered that two years ago there was not even a Department of Agriculture, which meant that there was a complete lack of any coherent policy on the matter, 90 per cent of the territory of the country being under the private management of a few dozen land-owners.

#### Lack of trained personnel

The inadequacy of education, the presence of a considerable number of foreign personnel at all levels, and the difficulty of access to responsible positions for nationals of Sao Tome and Principe led to a general problem of a lack of trained personnel and the inexperience of the personnel left to themselves following the mass departure of the Portuguese.

The problem was somewhat minimized at the higher levels since some trained personnel working abroad returned to the country at the time of independence. At the middle level, however, it remains a major problem. It is reflected in a slowing down of activities at a time when a new influx, a spirit of enterprise and an ability to adjust and to assume responsibility are required.

In this area, the Government is attempting to overhaul the country's production structures by mobilizing workers in all categories and making them aware of the problem.

This process of transformation might be accelerated if Sao Tome and Principe had the benefit of the know-how and experience acquired in other countries. The personnel of the country would thus see its efforts multiplied.

Moreover, new long-term training programmes (education) and short-term training and refresher courses should help to solve this problem.

Lack of adaptability of the administration

This problem, which has already been touched upon in connexion with agriculture, is striking in all areas. The administration of Sao Tome and Principe, inherited from the former colonizers, is such that it can only be described as ossified. The administration acts as a controller of production statistics which are of little or no use rather than as a promoter. It appears therefore excessive, on the one hand, and inadequate, on the other. Accordingly, it needs to be adapted to the country's new situation. An administrative reform appears to be necessary to free it from many constraints and unnecessary tasks and to enable it to obtain the resources to manage the country effectively. An overhaul of the fiscal system and of the customs code should accompany this general reorganization and the training of personnel should keep pace with these various tasks.

These handicaps could be overcome by action in areas which prove to be urgent, for which Sao Tome and Principe must appeal to the international community for assistance. A preliminary list of possible areas of assistance is detailed below.

For a more general approach to the situation in Sao Tome and Principe, a monograph is attached as an annex.

1. PRODUCTIVE SECTORS

In the light of the situation inherited from the colonial "barter" system, the Government's priorities are at present:

1.1. Development of food production

Prior to independence, Sao Tome and Principe was producing exclusively for export and was importing almost all the food which it needed.

This complete dependence on imports is considered to be politically unwise and places too great a strain on the balance of payments, in view of the local possibilities.

1.1.1. General surveys

A reorientation of agriculture necessitates a knowledge of the environment. Some research and action have already been undertaken. It will be necessary to continue them and, in particular, to prepare:

A soil map for Sao Tome and Principe . . . . .	\$US 100,000
A soil suitability map . . . . .	\$US 100,000
A hydrological map indicating irrigation problems . . . . .	\$US 20,000
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It is estimated that more than 10,000 persons live on small family farms outside the old large agricultural holdings (rocas). However, little is known about this environment, it has not been possible to estimate its size and production, and unemployment there is extensive.

An agro-socio-economic survey is needed to enable the Government to formulate a policy designed to involve this population in the development process.

Agro-socio-economic survey in the traditional sector . . . . . \$US 50,000

The land has been heavily farmed in Sao Tome and Principe. The expert missions which have studied the country's agriculture, particularly cacao cultivation, suspected that the soil had become impoverished. There are guano deposits on the Pedras Tinhosas - small islands situated between Principe and Sao Tome - and these could be used to benefit agriculture.

It will therefore be necessary to make a survey of the exploitable quantities of guano and of their suitability for improving the soil, with a view to possible agricultural activities . . . . . \$US 10,000

#### 1.1.2. Food crops

The tests conducted by the Ministry of Agriculture to assess the country's agricultural potential indicate that maize and rice could be grown. In view of the need to give priority to these crops, the Government has launched two types of operation.

A programme is being formulated with the assistance of USAID for the production of maize, sweet potatoes and beans.

In addition, Chinese technicians are growing rice experimentally at various sites.

When these projects have been finalized, their execution will require an investment of approximately . . . . . \$US 2,000,000

#### 1.1.3. Stock farming

Although there are good natural conditions in Sao Tome and Principe, stock farming has been very sporadic because of the variety of supply arrangements (for example, from Angola).

At the time of independence, however, there were 2,000 head of cattle and 6,000 swine. At present, meat for consumption is imported at considerable expense, because the cattle still existing are suffering from tuberculosis.

In view of the protein deficiency in the diet of the population and the adverse effects of meat imports on the balance of payments, it seems vital to develop stock farming in Sao Tome.

Before any cattle-raising and pig-breeding projects are undertaken, tuberculosis will have to be eradicated. This operation can be effected in the short term, without prejudice to the results of subsequent surveys.

1 veterinarian . . . . .	\$US 50,000
Doses of vaccine . . . . .	\$US 20,000
Miscellaneous equipment . . . . .	\$US 30,000

In addition, a general survey should be undertaken for the purpose of formulating a stock-farming policy tailored to the population and the availability of pasturage and cattle feed.

FAO could provide this technical assistance for the current year and help in the preparation of a preliminary pig-breeding project.

Feasibility studies would then be needed for cattle, pig and poultry raising . . . . .	\$US 30,000
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The projects could soon reach the execution stage. An initial amount of \$US 150,000 is needed for each type of project . . . . . \$US 450,000

1.1.4. Fisheries

Fish could be one of the principal sources of protein; the existing diet provides only half of the population's protein requirements.

Government action has made it possible to commence the motorization of about 100 of the 800 canoes being used for fishing. This action must be continued, however, and this will require the installation of 300 outboard motors (20 h.p.), the necessary spare parts, and maintenance equipment and tools.

300 motors each costing \$US 1,000 . . . . .	\$US 300,000
Equipment and spare parts . . . . .	\$US 100,000

The response of the fishermen (about 1,400) to this type of operation is excellent, but they must not have to face maintenance difficulties.

It is, however, necessary to organize more modern fisheries in order to achieve sufficient quantities and to permit fish to be marketed beyond the beaches where the fishermen using traditional methods land their catch. It is therefore planned initially to acquire a fully equipped fishing boat, three cold storage rooms for village depots, two insulated trucks and a machine for making fish meal. A local team is awaiting this equipment in order to start the project. The following outside assistance would be desirable:

1 insulated truck . . . . .	\$US 15,000
3 cold storage rooms . . . . .	\$US 30,000

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In order to create an economic balance between the two islands, fishing should be developed on Príncipe, where the waters seem to be better stocked.

A survey of the fisheries situation on Príncipe therefore seems necessary . . . . . \$US 10,000

1.2. Maintenance of the production potential of export crops

Regardless of the magnitude of new requirements, in the short and medium term it is important to exploit as rationally as possible the capital represented by the major export crops which are to guarantee regular foreign exchange earnings.

Cacao, which represents on average 90 per cent of the country's exports, has already been the subject of several surveys, which have resulted in the preparation of a project submitted for financing by the African Development Bank.

However, the urgent need to protect the cacao trees has led the Government to request certain equipment (vehicles and spraying equipment) from FAO, the Netherlands and China.

In any case, according to the findings of a mission by FAO and the Institut français du café du cacao et autres plantes stimulantes, additional equipment is also needed in the immediate future:

	<u>Total requirements</u>	<u>Still to be provided</u>	<u>Average price in \$US</u>	<u>Total \$US</u>
Transport units	100	30	2,000	60,000
<b>Sprayers</b>				
portable	3,000	1,000	50	50,000
motor-driven	200	-	300	-
tractor-drawn	100	30	2,500	75,000

With regard to oleaginous crops (palm-trees and coconut-trees), basic surveys are required to determine the policy to be followed . . . . . \$US 10,000

Although limited in extent (1,500 hectares), coffee-growing could also make a considerable contribution and requires improvement . . . . . \$US 5,000

1.3. Creation and modernization of an agro-industrial sector

There are some processing units in the roças which are too old to be used. It will be necessary to modernize the processing of products for local needs (edible oils, soap, cattle feed) and also for the export of products already processed in order to increase the national value added (powder cocoa and cocoa-butter).

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Feasibility surveys needed:

Oleaginous crops . . . . .	\$US	15,000
Cacao . . . . .	\$US	15,000
Cattle feed . . . . .	\$US	15,000
Fish meal . . . . .		P.M.
Establishment of an oil mill . . . . .	\$US	400,000

Because of the serious food deficiencies, the international community has instituted food aid programmes (WFP, EEC, France).

A dried milk processing unit would probably be useful and could subsequently process dairy produce from the stock-farming sector . . . . . \$US 200,000

Tree cutting in the country's natural forest has been haphazard, and the forest resources (36,900 hectares) are now located in zones which are little known and unexploited. There is, however, a considerable need for timber (traditional buildings, furniture, school equipment, possibly wood for heating).

A survey must therefore be made of the forests on both islands in order to ascertain possible uses (woodwork) and to evolve a forestry policy which will enable forest resources to be used to the full while maintaining the ecological balance:

Inventory and interpretation . . . . .	\$US	40,000
Study of forestry policy . . . . .	\$US	20,000

1.4. Crop diversification

1.4.1. In the medium term, crop diversification to free the country from its dependence on world prices for a few commodities is absolutely vital.

Certain possibilities can already be envisaged, for which surveys will be required.

Two crops could prove extremely profitable for Sao Tome and Principe: sugar-cane, which was formerly grown on a large scale but is now found in small quantities, although the country's sugar requirements are 1,200 tons a year; and bananas, 2,000 to 3,000 tons of which are consumed by the population but which are grown in a very primitive manner, although the possibility of exporting bananas could be considered.

Survey concerning bananas (and other fruit crops) . . . . .	\$US	5,000
Survey concerning sugar-cane with a view to local processing to meet the country's requirements . . . . .	\$US	5,000

1.4.2. Other crops could also improve the balance of payments.

With regard to pepper, tests have been conducted successfully and a technical project has been finalized. A market survey will be required in order to determine the scope of the project . . . . . \$US 5,000

With regard to flowers, the production of the rosa de porcelana could be developed. The natural conditions in Sao Tome and Principe could also be suitable for tobacco growing.

2 surveys . . . . . \$US 10,000

2. COMMUNICATIONS AND INFRASTRUCTURES

2.1. Sao Tome and Principe, which is dependent upon a foreign airline for communications between the two inhabited islands of the archipelago and would lose one of its links with the continent if service on either of the lines in question was terminated, requires an aircraft with about 25 seats, crew and maintenance staff, pending the return of nationals being trained abroad . . . . \$US 1 million

2.2. At the same time, to encourage the neighbouring countries to set up air links with it and to ensure flight safety, Sao Tome and Principe's airport requires:

- Control tower equipment . . . . . \$US 100,000
- Runway lighting system . . . . . \$US 40,000
- Meteorological equipment . . . . . \$US 60,000

The equipment at present in use is 20 years old and the above-mentioned requirements would supplement the supplies requested from the World Meteorological Organization.

2.3. Safety at airports, as in the country in general, can be ensured only if Sao Tome and Principe has fire-engines and essential equipment for emergency teams . . . . . \$US 150,000

2.4. The road network, largely built before independence, is good but still incomplete. To maintain this asset and improve it public works equipment must be provided.

Aid in the form of public works equipment . . . . . \$US 200,000

2.5. The country also needs large-scale investment for a deep-water port, a coast road round the island of Sao Tome and roads giving access to the interior of both islands.

Studies are now in progress in Portugal, which has proposed that the research undertaken prior to independence should be updated.

2.6. As regards maritime communications, a 1,500- to 2,000-ton coaster would facilitate the export of agricultural products and the supplying of consumer goods and equipment at a cost and speed at present impossible owing to the difficulty of chartering vessels for small tonnages . . . . . \$US 2 million

2.7. Telecommunications

Although Sao Tome and Principe exports goods quoted daily on world markets and will remain dependent for some time to come on foreign suppliers for all its equipment and even its food-stuffs, it has only one reliable telephone link, with Portugal.

2.7.1. A bilateral co-operation scheme has made it possible to carry out a survey of external telephone communications. What appears to be required is a land-based mini-station on Sao Tome and a smaller installation of the same type on Principe, the total estimated at . . . . . \$US 3 million

2.7.2. In addition, it should be noted that agricultural enterprises and dispensaries in the interior have no telephones. The local network therefore needs to be strengthened . . . . . \$US 100,000

2.7.3. The country also requires equipment to establish telex communications . . . . . \$US 20,000

2.8. Public communications

Old printing equipment needs to be replaced to enable the dissemination of information and facilitate the acquisition by the Administration on favourable terms of the printed matter which its services require . . . . . \$US 40,000

2.9. Power

Surveys are being carried out with the co-operation of Chinese experts on the siting and dimensioning of hydroelectric power stations.

2.10. Housing - town planning

There are numerous housing and town-planning problems, examples of which can be seen in the growing population density in areas close to the capital, insanitary conditions, etc.

A town planning and housing improvement survey is necessary . . \$US 30,000

3. TRAINING

This matter of prime importance for the development of Sao Tome and Principe is at present being studied by the Government in co-operation with UNESCO, FAO, ILO

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and other bodies involved in co-operation projects. The Government will probably not be able to reform education until the research in hand is finished.

It would seem, therefore, that large-scale short-term assistance might not meet future needs arising from a new training policy.

However, certain obvious and immediate needs must be satisfied.

### 3.1. Education

#### 3.1.1. Construction of 50 class-rooms with an area of 60 square metres

(30 pupils x 50 = 1,500 pupils = 10 per cent of the school-age population)

50 classes x 60 square metres x \$US 150/square metre = \$US 450,000

#### 3.1.2. Equipment for these new class-rooms:

1 bench for two pupils, i.e.  $\frac{1,500}{2}$  x \$US 50 = \$US 38,000

Miscellaneous equipment: \$US 200 x 50 = \$US 10,000

#### 3.1.3. School supplies:

15,000 pupils x 2 text books x \$US 3 = \$US 90,000

15,000 pupils x 10 exercise books x 20 cents = \$US 30,000

15,000 pupils x 5 pencils x 10 cents (in round figures) = \$US 8,000

#### 3.1.4. School canteens

Assistance in this field would complement the action of the Government and entities (WFP, UNICEF, EDF, France) which have set up food programmes. It could be in the form of equipment.

50 canteens x \$US 1,000 = \$US 50,000

### 3.2. Training

#### 3.2.1. Scholarships

The Government has already awarded a number of scholarships. However, more specific needs for training courses which are more costly to organize are becoming apparent.

Six one-year scholarships x \$US 6,000  
over a period of 2 years = \$US 72,000

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(two agronomists, one veterinary surgeon, one telecommunications specialist, one public works specialist)

### 3.2.2. Local courses

Many officials should attend refresher and retraining courses. As their presence is required within the country, plans are being made to organize courses for such personnel in various fields.

Six two-month courses attended by two teachers each and  
two weeks of preparation = 30 months x \$US 50,000/year . . . . \$US 125,000  
Miscellaneous equipment needed . . . . . \$US 25,000

Courses in:

Management - accounting

Project analysis and preparation

Specialized project-linked technical training in:

Vaccination

Use of agricultural pesticides and fungicides

Nutrition education.

### 3.2.3. Study tours (project-linked)

To enable national officials to visit in African countries projects of the same nature as those to be undertaken in Sao Tome, at the preparation and/or execution stage.

Two persons per trip, 20 trips of 20 days . . . . . \$US 50,000

## 4. ORGANIZATION OF THE ADMINISTRATION AND THE QUASI-PUBLIC SECTOR

Sao Tome and Principe inherited an administrative and fiscal system which is not suited to its new situation. A complete administrative reform is indispensable.

In that connexion, the help of experts is needed in reorganizing the administration, establishing planning bodies, developing a new taxation system, etc.

Their activities should include the continuous training of administrative personnel throughout the course of their missions.

In addition, a major effort must be made with respect to the management of State enterprises, considering that agricultural enterprises in particular, which number approximately 30, have no adequate system of management, the country's accession to independence having resulted in the departure of management personnel

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who, in any case, conducted their business in an unco-ordinated fashion and pursued goals other than those of the present Government.

4.1. The services of the following experts would therefore be required:

1 administration consultant for two years . . . . .	\$US 180,000
1 taxation consultant for two years . . . . .	\$US 180,000
2 enterprise management consultants for two years . . . . .	\$US 160,000
12 consultant months . . . . .	\$US 60,000

4.2. The General Administration and the quasi-public sector of Sao Tome and Principe are under-equipped and lack documentation.

This situation, the result of Portugal's former control over technology, gives rise to a certain tendency to mark time in the Administration. Office equipment is worn out and obsolete. There is a lack of technical literature and documentation which could help employees in their work by acquainting them with what is being done in other countries.

The following equipment is required:

10 roneographs	x \$600	= \$US 6,000
150 typewriters	x \$400	= \$US 60,000
25 photocopying machines	x \$700	= \$US 18,000
100 calculators	x \$300	= \$US 30,000
Technical literature, studies, etc.		= \$US 5,000

5. HEALTH

Basic hospital facilities exist in the roças, and these represent a considerable asset which must be used rationally.

Moreover, international technical assistance is being received (WHO, Cuba, China, etc.), and the problem in the short term is to obtain certain basic equipment:

Medicines . . . . .	\$US 50,000
Medical equipment . . . . .	\$US 30,000
Ambulances:	
A four-wheel-drive vehicle for Principe . . . . .	\$US 20,000
A four-wheel-drive vehicle for Sao Tome . . . . .	} \$US 30,000
A regular vehicle for Sao Tome . . . . .	

Principe's particularly isolated situation requires the establishment of a small maternity hospital and a unit for minor surgery to be added to the existing hospital . . . . . \$US 80,000

The restoration of crèches within the framework of maternal and child welfare and food-aid programmes requires certain basic equipment:

Equipment for 70 crèches . . . . . \$US 100,000

## 6. MISCELLANEOUS

### 6.1. Mineral waters

Some fresh water sources in Sao Tome and Principe might prove to be excellent.

The market for mineral waters in neighbouring countries is very large. A survey would have to be conducted and the waters developed, perhaps within the framework of a merger of the brewing and soft drink industries (UNIDO has already carried out a study on the brewing industry).

A small plastics factory could provide the requisite bottling material. However, this would require it to expand its production of this item.

Mineral water feasibility study . . . . . \$US 5,000

### 6.2. Spare parts

Much agricultural equipment in the roças and much public works equipment is under-utilized because of a lack of spare parts . . . . . \$US 600,000

## DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

Made up of several islands in the middle of the Gulf of Guinea, the Democratic Republic of Sao Tome and Principe, independent since 12 July 1975, is named after the two principal islands of a former Portuguese possession occupied in 1471.

Sao Tome lies on the Equator, 325 kilometres from the coast of Gabon; Principe, 150 kilometres to the north, is 400 kilometres from Nigeria.

The country is thus advantageously situated at the crossroads of communications between the countries in a part of the world which has great prospects; these countries, namely the Ivory Coast, Nigeria, Cameroon, Gabon, Zaire and Angola, have great potential and constitute large markets.

### Geography

The country has an area of approximately 1,000 square kilometres, of which

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Sao Tome occupies 865 and Principe 135. The other main islands, which, because of their size, would better be classed as islets; are called: Ilheu das Cabras, das Rolas near Sao Tome, Bombom and Carogo near Principe and, between the two islands, Ilheu das Pedras Tinhosas.

The islands are very mountainous and form part of the same volcanic chain as the Cameroon Mountains and the islands of Annobon and Fernando Po. They are almost entirely basaltic, with a few sedimentary rocks.

The highest peaks are Pico de Sao Tome (2,024 metres) on Sao Tome and Mount Principe (948 metres) on Principe.

There is a large number of streams having their source in the mountains, sometimes forming waterfalls, but for the most part their flow is abundant only during the rainy season.

The 261 kilometres of shore consist of rock and sand, and the waters of the surrounding Atlantic Ocean are warm, despite the proximity of the cold Benguela current.

#### Climate

Because of the country's terrain, the climate is very varied, with the mountains screening it from winds and cloud formations. Extremely humid and equatorial in the south, the climate becomes tropical in the north, which is even savannah-like.

Rainfall is heavy in the south (7 metres) and fairly light in the north (less than 1 metre), but there is no rain at all from 15 May to 15 September (dry season, called "gravana") and the rains slacken considerably in January.

The average temperature in Sao Tome is 25 degrees, varying between 21 and 29 degrees, and it is cooler at higher altitudes.

Humidity reaches 80 per cent. However, the unpleasant effects of this are considerably attenuated by the sea breeze. The prevailing south and south-east winds can give rise to tornadoes during the first months of the year.

#### Vegetation

With the passage of time, virgin forest has in part given way to successive major crops. After the sugar-cane era, coffee predominated from 1800 until it was surpassed in importance by cocoa at the beginning of the twentieth century the cultivation of oleaginous crops began around 1930.

At present, the land is distributed as follows (in hectares):

Perennial crops	39,700
Annual crops	7,400
Pasture land	1,300
Fallow land	13,600
Forest	36,900
Urban areas, roads	<u>1,100</u>
	100,000 hectares

### Population

In 1977 the population was estimated at 80,000. A census in the near future will study the fluctuations brought about in recent years by political changes within the country and in the former Portuguese empire.

The most recent census, taken in 1970, showed the following:

Indigenous inhabitants	61,388
Cape Verdeans	10,330
Europeans	<u>1,876</u>
	73,594 inhabitants

The number of persons from Sao Tome and Principe outside the country was estimated at 15,000, distributed as follows:

2,000 in Equatorial Guinea
10,000 in Angola
3,000 in Portugal

The average density is 80 inhabitants per square kilometre, but since the forest areas are uninhabited, the density elsewhere, especially in the northern parts of the country, exceeds 160 inhabitants per square kilometre.

There are a number of urban centres, including the capital, Sao Tome (17,000 inhabitants), Guadalupe, Neves, Madalena, Trindade, Bombom, Santana, Ribeira Afonso, São João dos Angolares and, in Principe, Santo António.

The population is remarkably young - more than 50 per cent is less than 20 years old - and is increasing at the rate of 2.7 per cent per year, i.e., by 3,000 births annually. The potentially active population constitutes 40 per cent of the total population, or approximately 29,500 persons, 60 per cent of whom are employed in agriculture.

### Education-Health

Education is provided free by the State in some 50 primary schools scattered throughout the territory of Sao Tome and Principe to 15,000 pupils ranging in age from 6 to 12.

Secondary education is provided by a preparatory school and a national lycée, while technical branches (business, industry) train the personnel required for the country's development.

The State also provides many scholarships for study in universities abroad.

It should be noted that education accounts for 16 per cent of the country's budgetary expenditures.

Health services are provided by a system of hospitals and dispensaries located at agricultural enterprises and in the capital. Health expenditures constitute 15 per cent of the national budget.

### The economy

The country's economy is based on agriculture. However, agriculture is giving rise to industry and commerce which may lead to well-integrated development, particularly since the possibility of mechanizing agriculture would release manpower.

### Agriculture

Before independence the agriculture of Sao Tome had two basic characteristics.

The land tenure system had resulted in the establishment of enormous units covering thousands of hectares: 73 per cent of the land was held by nine companies; 40 proprietors held 83,000 hectares, consisting of farms of more than 200 hectares each that were nationalized in 1975, while over 10,700 proprietors held a total of only 5,000 hectares.

Crops were intended entirely for export, the dominant item being cocoa, which accounted for 50 per cent of the cultivated land.

The following table reflects this situation very clearly.

	(In hectares)
<b>Large farms:</b>	
Cocoa	23,500
Coconuts	9,500
Oil-palm	3,000
Coffee	1,700
Bananas	<u>2,000</u>
Perennial crops	39,700
Annual crops	400
Pastureland	1,300
Fallow land	13,600
Forests	<u>36,500</u>
	91,500
<b>Small farms:</b>	
Miscellaneous crops	7,000
Urban areas and roads	<u>1,100</u>
	100,000

Since the large properties were nationalized, the State has been seeking to restore abandoned or badly maintained plantations to cultivation and to diversify crops.

#### Food crops

Apart from the maize which is already being grown in numerous places, and without affecting small properties, the State has a food production programme designed to enable the country to satisfy its own needs. These crops, which are being grown on 2,000 hectares, will include maize, rice and beans and will entirely replace imports of the same products.

#### Cocoa

Under the "cocoa" project 20,800 hectares will be redeveloped so that the earlier levels of production may again be attained. Under this same project the introduction of new crop varieties and of appropriate technology should even make it possible appreciably to increase production of Sao Tome cocoa, which is so justly renowned on the world market.

Other perennial crops: coconut, oil-palm, coffee

The improvement of plantations and better organization of collection will increase tonnages to a level sufficient to supply local processing units and a constantly growing export market.

Bananas

Special mention should be made of the fact that conditions for the cultivation of bananas in Sao Tome and Principe are excellent, giving rise to high hopes for the future of this product; indeed, these hopes have already been confirmed by experiments now under way. If 2,000 hectares were used for banana plantations this could provide 24,000 tons of bananas, which would then justify establishing regular exports.

Other crops

In addition to cinnamon, cola nuts and quinine which are already produced, a "pepper" project would increase the volume and particularly the value of exports. Tests which have been going on since the first year of independence have produced excellent results.

Sugar-cane production, which was started in the past but is now very sporadic, would be resumed so as to meet the population's sugar needs.

The cultivation of fruits and vegetables would also provide enough of such produce as melons, tomatoes, egg-plants, onions, avocados and pineapples to meet the needs of Sao Tome and Principe and neighbouring countries.

Finally, the cultivation of flowers (rosa de porcelana) could provide an export item.

This rapid survey gives an indication of the great potential of agriculture in Sao Tome and Principe. It could be the basis for the development of other sectors of the economy such as commerce, transportation, and packaging and processing industries.

Thus agriculture could not only help the country to become self-sufficient but also lead to agro-industrial development and consolidate the balance-of-payments position.

A few figures are given below.

Production:

	<u>Cocoa</u>	<u>Coffee</u>	<u>Copra</u>	<u>Cabbage-palm</u>	<u>Oil-palm</u>	<u>Bananas</u>
1973	10,586	61	5,110	853	653	3,802
1974	7,410	129	4,263	730	569	2,190

Average food imports:

Wheat flour	2,000 tons
Rice	1,300 "
Sugar	1,100 "
Beans	800 "
Maize (grain)	1,500 "
Maize (meal)	600 "

Stock farming

Stock farming has fluctuated greatly depending on the system of supplying meat prevailing in Sao Tome and Principe at one time or another: exploitation of local cattle, slaughter or imported cattle or consumption of imported meat.

In 1975, the livestock herd was estimated at: 2,000 cattle, 1,000 sheep, 2,000 goats, 6,000 pigs, 50,000 fowl and 150 equine animals. A local stock-farming programme will make it possible to provide, in conjunction with fishing, the protein which the population needs.

Numerous products and by-products - such as sorghum, maize, oilcake made from copra, fish meal, the draff from breweries and cocoa waste - will be used in producing cattle feed.

The cultivation of fodder crops and the planting of legumes (pueraria) on coconut plantations will provide the cattle with adequate food which has long been lacking because there was no interest in producing it.

The upgrading of stock farming, like that of agriculture, will ensure that the population is better provided and more independent so far as its food supply is concerned, and will lead to resumption of the operations of related industries (cattle feed, slaughtering, processed meats, etc.).

Fishing

Because of its situation in the middle of the Gulf of Guinea on a cold current, Sao Tome and Principe is close to some of the busiest fishing grounds in the world.

However, its fishing is essentially artisanal. There are 1,200 fishermen, whose catch is approximately 1,400 tons per annum.

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Motorizing existing canoes will considerably improve the yield from this type of fishing.

Industrial fishing has great possibilities and it is planned to set up in the immediate future units capable of supplying the local market with fish, the fish meal to be used locally for cattle feed.

Lastly, the development of harbour facilities would provide a convenient port of call at Sao Tome and Principe for fishing boats operating in nearby waters.

### Forestry

There are 36,900 hectares of forest, providing good quality wood for the manufacture of furniture, for building components (door frames) and for heating purposes. This forest land could be developed along national lines.

### Energy

The country derives its energy from two main thermal and hydroelectric sources and there are 23 thermal power stations with a power of 1,693 kW and five hydroelectric power stations supplying 2,500 kW. In addition to the Rio Contador, which has had a power station with a capacity of 2,400 kW since 1967, numerous sites (Quija, Ió Grande, etc.) can be developed so that the installed capacity is distributed throughout the country.

The average price of the kW is \$4 to \$5

The price of Diesel oil is \$5

The price of petrol is \$9.70.

### Communications:

#### Land communications

There is an extensive road network serving the entire country.

It is made up of 199 km of paved roads (dating from approximately 1973) and 88 km of unpaved roads:

In 1973 there were:

1,588 light motor vehicles

265 heavy lorries

130 tractors

379 miscellaneous vehicles.

The work of extending the road network is continued each year.

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### Maritime transport

The country has two main ports, one at Sao Tome and the other at Santo António (Príncipe). In 1973, 132 ships put into port there.

Plans for a deep-sea port are being studied with a view to avoiding the inconvenience of trans-shipment for boats with a draught of more than 5 metres.

### Air communications

The country used to have several small aircraft but it is mainly served by regular flights operating several times a week to Luanda and Libreville.

Gabonese airlines also provide services upon request.

### Telecommunications

There are telephone and telegraph links connecting Sao Tome and Principe with the African continent and Europe.

Modern facilities such as telex are also under study.

There is a national radio service, a periodic newspaper and an official gazette.

### Industry

A number of natural resources are now undergoing research or beginning to be exploited.

In this oil-rich part of the world, hopes are being placed in Sao Tome in petroleum research, which was interrupted after the political events of 1974-1975. Some sedimentary outcrops and the continental shelf off the low-lying coasts of the country could contain deposits.

Spring water could be an asset, and thought is being given to exploitation with a view to marketing to neighbouring countries.

Sea salt is already being collected in small evaporation tanks. An extension of the operation begun in 1973 could supply a considerable proportion of the country's needs.

Construction materials (lime and bricks) are already being produced and this production will be supplemented by the manufacture of tiles.



### Processing industries

The limited processing industry now existing in Sao Tome and Principe is mainly based on products derived from agriculture, fisheries, animal husbandry and forestry. Only two industries (bread-baking and brewing) use imported raw materials.

The cacao industry is confined to the preparation of this product (sorting, drying and fumigation). In most cases, as in other fields, it is more of a cottage industry than a full-scale industry. Industrialization could, however, be extended to the preparation of cocoa powder and butter.

As for oil crops, there are several oil mills (5) with a capacity limited to the grinding of oil-palm products, since palm kernels are mostly exported in the natural state. One of the five mills has, however, processed copra and manufactured bars of soap. It could absorb 1,000 tons of raw materials per year. A cattle cake unit is attached to it but it needs complete remodelling.

Projects for maize milling and paddy husking would supplement the agriculture-based industries, as would plans for the production of fruit juice (pineapple).

Mention should also be made of the existence of a small distillery for alcohol from sugar cane.

Industries deriving from animal husbandry and fisheries include a processed-meat and a fish-drying plant, but these enterprises only operate sporadically.

In this sector, a fisheries project would be of help in ensuring a better supply for the market, mainly in the form of fish fillets, as the entrails and heads could be used for the manufacture of fish flour to be mixed with cattle feed.

At the same time the promotion of animal husbandry would justify the installation of a dairy.

The forest resources provide material for sawmills and some joiners' shops, an activity which occupies second place in industrial production after brewing.

Brewing, with a capacity of 12,000 hectolitres, has increased rapidly in output, as is also the case with a small bottling centre for soft drinks, since wine imports have been practically abolished. Two ice plants furnish 600 tons per year for various activities, notably fishing.

### Commerce, credit, currency, insurance

Commerce is the second highest item in the Gross National Product after agriculture, which confirms the country's position as an exporter of lightly processed agricultural products and an importer of consumer goods.

Until independence, three main companies had an almost complete monopoly of the import-export trade, while a dozen other businesses took care of local distribution.

Two new entities have partly replaced this organization, which suffered from the discontinuation of regular shipping links between Portugal, Sao Tome and Principe and Angola.

The first entity deals with imports of such necessary staples as wheat flour, maize, sugar, rice, beans, etc. and the second with the export of agricultural products and the import of goods needed for agricultural enterprises.

The country is seeking to diversify its outside contacts in order to ensure regular supplies for the local market. A large storage capacity (8,000 m<sup>2</sup> in the town) should make it possible to compensate for any irregularities in shipping services.

External trade shows a profit or loss depending on the level of cocoa sales. Since cocoa accounts for 80 to 90 per cent of all exports, fluctuations in cocoa prices have a direct repercussion on the balance of trade. On the other hand imports increase yearly, undergoing the effects of world inflation, and should now exceed 350 million escudos.

In the banking sector, the National Bank of Sao Tome and Principe is the bank of issue. There is also a former branch of the Commercial Bank of Angola, a Savings Bank (CTT) and a provident fund for civil servants.

The former Portuguese escudo, which is now the STP escudo, will shortly be replaced by a national unit of currency known as the dobra.

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Cash	64,873	51,978	47,830	51,833
Portfolio	16,317	19,095	44,963	19,095
Loans	42,590	47,112	66,295	47,112
Deposits	37,155	51,858	77,203	81,408
Deposits and security	5,563	4,927	6,241	4,927
Deposits/cash ratio	151.8	91.28	57.31	60.03
<u>Currency circulation and cover (in millions of escudos)</u>				
Circulation of notes		40,390	44,767	83,141
Other liabilities		<u>123,472</u>	<u>127,777</u>	<u>219,721</u>
		163,862	172,543	332,862
Legal reserves		43,644	42,295	111,685
Other assets		<u>123,397</u>	<u>133,485</u>	<u>283,604</u>
		167,041	175,980	395,089
Legal reserve cover		26.3	24.62	33.55
Asset cover		101.94	101.98	118.69

Lastly, as far as insurance is concerned, there is a nationalized insurance company.

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### Tourism

Sao Tome and Principe offers good prospects for tourism, particularly as regards regional tourism despite its limited hotel capacity (40 to 50 rooms).

All in all the country has many attractive features.

Tourists may either be attracted by walks in the hills or visits to agricultural enterprises (known as "roças"), each of which has some special feature of interest (architecture, situation, organization, etc.), or by fishing (particularly underwater fishing) or the many magnificent beaches.

The National Museum, on the other hand, has collected some fine pieces of furniture, china and religious objects which came from the former residences of landowners.

During local festivals, tourists can attend dances and theatrical performances, such as the chilolis, the danço-congo, etc.

### Budget and planning

Since independence, the Administration has been organizing and setting up the necessary structures, such as a Ministry of Agriculture, thus gradually replacing the former Portuguese system of organization which had not endowed the country with substantial resources because of its small size and proximity to Angola.

The regular State budget amounts to a total of 167 million escudos (1976), while the extraordinary budget during the same year amounted to 238 million escudos.

The Government's priorities are to:

Revalorize the national income, improving its distribution;

Offer full employment;

Ensure independence in the matter of food.

### International relations and co-operation

Sao Tome and Principe has begun to join various international organizations: the United Nations, the Organization of African Unity, the International Monetary Fund and EEC-ACP.

UNDP is already co-operating with the country by participating in projects in the fields of agriculture, education and public health through such specialized agencies as: FAO, UNIDO, UNESCO and WHO.

The Lomé Convention (EEC-ACP) could be applied in connexion with forthcoming projects.

Many bilateral co-operation activities are being carried out in different sectors.

China: agriculture, public health, water supply.

Cuba: health, education, public works and fisheries.

France: cultural co-operation, agriculture, planning and health.

Netherlands: agriculture.

North Korea: health and education.

Portugal: education, aeronautics, meteorology.

United States: agriculture.

JUNE 1977

SUMMARY

UNIT \$US

1. Productive sectors

1.1. Development of food production

Soil maps . . . . .	100 000
Soil suitability maps . . . . .	100 000
Hydrological/irrigation survey . . . . .	20 000
Agro-socio-economic survey . . . . .	50 000
Guano exploitation survey . . . . .	10 000
Food crops production project . . . . .	2 000 000
Eradication of tuberculosis in animals . . . . .	100 000
Stock-farming feasibility studies . . . . .	30 000
Launching of 3 stock-farming projects . . . . .	450 000
Purchase of 300 motors for canoes . . . . .	400 000
Insulated truck with cold storage chamber . . . . .	45 000
Fisheries study on Principe . . . . .	10 000
Subtotal 1.1 . . . . .	3 315 000

1.2. Maintenance of the production potential of export crops

Equipment for protection of cacao trees . . . . .	185 000
Basic study of oleaginous products . . . . .	10 000
Coffee-growing study . . . . .	5 000
Subtotal 1.2 . . . . .	200 000

1.3. Creation and modernization of an agro-industrial sector

Feasibility survey for oleaginous crops . . . . .	15 000
Cacao feasibility survey . . . . .	15 000
Cattle-feed feasibility survey . . . . .	15 000
Establishment of an oil mill . . . . .	400 000
Establishment of a dried milk processing unit . . . . .	200 000
Forest resources inventory . . . . .	40 000
Forestry policy study . . . . .	20 000
Subtotal 1.3 . . . . .	705 000

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UNIT \$US

1.4. Crop diversification

Banana and fruit crops survey . . . . .	5 000
Sugar-cane survey . . . . .	5 000
Pepper market survey . . . . .	5 000
<u>Rosa de porcelana</u> survey . . . . .	5 000
Tobacco survey . . . . .	<u>5 000</u>
Subtotal 1.4 . . . . .	25 000
Subtotal 1 . . . . .	4 245 000

2. Communications and infrastructures

Aircraft . . . . .	1 000 000
Re-equipping of airports . . . . .	200 000
Airport fire-engines and equipment . . . . .	150 000
Provision of public works equipment . . . . .	200 000
1,000-ton coaster . . . . .	2 000 000
Land-based ministration . . . . .	3 000 000
Strengthening of the telephone network . . . . .	100 000
Telex equipment . . . . .	20 000
Printing equipment (super "Monotype") . . . . .	40 000
Housing-town planning survey . . . . .	<u>30 000</u>
Subtotal 2 . . . . .	6 740 000

3. Education and training

3.1. Education

Construction of 50 class-rooms . . . . .	450 000
School equipment . . . . .	48 000
School supplies . . . . .	128 000
Equipment for 50 school canteens . . . . .	<u>50 000</u>
Subtotal 3.1 . . . . .	676 000

UNIT \$US

3.2. Training

Scholarships . . . . .	72 000
On-site training . . . . .	150 000
Project-linked study trips . . . . .	<u>50 000</u>
Subtotal 3.2 . . . . .	272 000
Subtotal 3 . . . . .	948 000

4. Organization of the Administration and of the quasi-public sector

1 administration consultant (3 years) . . . . .	80 000
1 taxation consultant (3 years) . . . . .	80 000
2 enterprise management consultants (3 years) . . . . .	160 000
Consultants (12 months) . . . . .	60 000
Teaching material . . . . .	<u>119 000</u>
Subtotal 4 . . . . .	499 000

5. Health

Provision of medicines . . . . .	50 000
Medical equipment . . . . .	30 000
Ambulances . . . . .	50 000
Maternity hospital and unit for minor surgery at Principe hospital . . . . .	80 000
Equipment for 70 crèches . . . . .	<u>100 000</u>
Subtotal 5 . . . . .	310 000

6. Miscellaneous

Mineral water production survey . . . . .	5 000
Provision of spare parts . . . . .	<u>600 000</u>
Subtotal 6 . . . . .	605 000

OVER-ALL TOTAL . . . . . 13 347 000