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UNCLASSIFIED

ENDORSEMENT MEMO FOR HENRIETTA H. FORE

FROM: AMBASSADOR EUNICE S. REDDICK
AMERICAN EMBASSY LIBREVILLE
Accredited to both Gabon and Sao Tome

SUBJECT: Fiscal Year 2008 Operational Plan for Sao Tome and Principe
– Phase I (Performance Report on Fiscal Year 2007)

On behalf of the U.S. Mission in Libreville, Gabon, where I and my staff are also accredited to the island nation of Sao Tome and Principe (STP), I am pleased to submit Phase I of the FY 2008 STP Operational Plan for your consideration, consisting of the Performance Report on Fiscal Year 2007. This report highlights the significant results of USG assistance and investment in light of the political and economic situation in STP during FY 2007.

STP is located off the west coast of Africa in the strategically significant Gulf of Guinea, source of a growing percentage of U.S. oil imports. It is the second smallest and one of the poorest countries in Africa. Nevertheless, it is a vibrant multiparty democracy and since the democratic reforms of the early 1990s has had a history of free and fair elections. A coup attempt in July 2003 and a near collapse of the government in 2005 challenged the country's fragile democracy, as did a series of police mutinies in 2007.

Sao Tome's economy was historically centered on cocoa exports, but production today is weak and the government depends heavily on foreign donors to meet its obligations. Despite scarce resources, the government has done a relatively good job of meeting its people's needs, and STP ranks as a "medium human development" country in the UN index. STP could be at the threshold of dramatic change with prospects for development of oil resources. Those prospects, once quite hopeful, appear to be dimming. Carefully managed, oil revenues could build infrastructure, fund education and training, and reduce poverty. Mismanaged, an oil boom could threaten STP's young democracy, security and stability.

STP plays an increasingly important and constructive regional role. STP is a member of the Economic Community of Central African States (ECCAS, or CEEAC in its more common French acronym). The new United States Africa Command (AFRICOM) has identified CEEAC as a potential partner in regional security initiatives. The African Union has also selected CEEAC to head efforts to create a regional standby force for peacekeeping and other operations. STP is an active participant in the US Navy's program of activities in the Gulf of Guinea under the Africa Partnership Station initiative.

Foreign Assistance to STP captured in the FY 2007 Operating Plan consisted solely of \$198,000 in International Military Assistance and Training (IMET). This assistance represented only a fraction of post's activities to support regional security and related objectives. "Regional Cooperation for Security and Stability" is one of the Mission's four MSP goals and we carried out a wide range of diplomatic and military activities in support of this goal. These efforts also supported USG counter terrorism objectives. Though our efforts were focused on STP, they were integrated with genuinely regional initiatives and retained a regional focus.

Under IMET, 45 persons from the STP military, the STP National Assembly, and NGOs attended a civil-military seminar on the role of the national legislature in military oversight and national security issues, including border security. The Mission judges this seminar to have been a success. However, the focus of training in FY 2008 will be changed to small boat operations and logistics administration for the nascent Sao Tome Coast Guard.

STP had five ship visits by U.S. naval vessels in FY 2007. U.S. naval personnel provided a variety of training in conjunction with these visits, including maintenance, damage control and first aid. These activities were a prelude to the more intensive program of ship visits and related activities in FY 2008 under the U.S. Navy's APS initiative. STP also received significant assistance through Washington-based "1206" funds, including two coastal patrol boats, improved maritime radar capability, and an assessment of potential improvements in air radar capability.

These efforts, which support U.S. objectives of conflict prevention, mitigation and resolution, as well as counter terrorism efforts, are described in the attached report. Let me at least briefly mention other efforts that are underway to support other, equally important goals.

On September 12, the Board of Directors of the Millennium Challenge Corporation (MCC) approved a two-year, \$8.66 million Threshold program to help the Government of Sao Tome and Principe to increase revenues through improved tax and customs administration and enforcement as well as to reduce the time and costs associated with starting a business. The MCC Threshold program will complement a World Bank-funded project to enhance public expenditure management.

Funding from Ambassador's Self Help Fund, The Ambassador's Girls Scholarship Program, and the Democracy and Human Rights Fund helped support our goals of strengthening civil society, promoting democracy, encouraging private sector-led economic growth and fighting poverty. USAID regional funds also supported a small democracy and governance program.

Sao Tome and Principe 2007 Performance Report

Operating Unit Performance Summary

Post met FY 2007 objectives, and its military-to-military program with Sao Tome and Principe (STP) is expanding significantly. In addition to the training seminar selected as a specific performance indicator, post carried out a wide range of other activities. However, some activities planned for FY 2007 were postponed.

Forty-five persons from the STP military, the STP National Assembly, and NGOs attended a civil-military seminar on the role of the national legislature in military oversight and national security issues, including border security. Post judges this seminar to have been a success. However, the focus of training in FY 2008 will be changed to focus on small boat operations and logistics administration for the Sao Tomean Coast Guard.

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Post sponsored one STP military officer for a basic officer's course in FY 2007. The officer did not complete the course.

Using Washington-provided "1206" counter terrorism capacity building funding, post provided the Sao Tome Coast Guard with two coastal patrol boats, spare parts, transport, and associated training.

Additional 1206 resources were used to fund a survey and assessment of existing air radar capabilities and the potential for additional, integrated regional assistance to develop improved air control capabilities.

Finally, 1206 money was used to improve Sao Tome's maritime radar capability in FY 2007. This three-year program is expected to continue in FY 2008.

Based on the requests by the STP armed forces, post postponed other FY 2007 planned assistance, including small boat operations training, logistics administration training, and English language instruction.

Program Area Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform

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counter-terrorism objectives. Though our efforts were focused on STP, they were integrated with genuinely regional initiatives and retained a regional focus.

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Program Element Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.6 Defense, Military, and Border Restructuring, Reform and Operations

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Sao Tome cooperation and support were generally very good. Interaction with the Minister of Defence and senior uniformed personnel was excellent. There were, however, administrative difficulties in coordination at other levels. It was sometimes difficult to identify qualified personnel for various programs and courses. Lack of English language capability among personnel selected for training was a significant handicap. Post's defense attache office has two U.S. military personnel and one locally employed staff. Our ability to support activities in STP is limited and post urgently needs a Security Assistance Office (SAO).

Gender factors: Sao Tome began accepting women into its armed forces only in FY 2007. The number of women in the armed forces remains small. Units are not gender-specific. Women participated in US-funded programs in Sao Tome in FY 2007.

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1 Peace & Security - Sao Tome and Principe

1.3 Stabilization Operations and Security Sector Reform\1.3.6 Defense, Military, and Border Restructuring, Reform and

Number of host country military personnel trained to maintain territorial integrity

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
44	46	45	50	60

752

1.3.6 Defense, Military, and Border Restructuring, Reform and Operations narrative (no more than 1500 characters)

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Forty-five persons from the STP military, the STP National Assembly, and NGOs attended a FY 2007 civil-military seminar on the role of the national legislature in military oversight and national security issues, including border security. Post judges this seminar to have been a success. However, logistical difficulties in organizing the seminar have persuaded us that a similar seminar in FY 2008 would not be an efficient or effective use of our resources. Instead, post expects to support the visit of two Mobile Training Teams (MTT) of U.S. naval and coast guard personnel to Sao Tome. Each team will train up to 40 STP Coast Guard personnel. One team will provide instruction in small boat operations, the other in logistics administration.