

**CARIBBEAN DEVELOPMENT BANK**

**THREE HUNDRED AND FIFTH MEETING OF THE BOARD OF DIRECTORS**

**TO BE HELD IN GUYANA**

**MARCH 19, 2024**

**PAPER BD 29/24**

**COUNTRY ENGAGEMENT STRATEGY 2024-2030**  
**SURINAME**

The attached Country Engagement Strategy (CES) sets out the strategic direction for the Caribbean Development Bank's (CDB/the Bank) engagement with the Government of the Republic of Suriname over the period 2024-2030. Guided by the overarching objectives of Suriname's Multi-Annual Development Plan 2022-26, which sets out a strategic vision to transition Suriname towards achieving the Sustainable Development Goals, the CES proposes support for the Government's efforts to sustain a resilient socio-economic recovery following the Coronavirus Disease 2019 pandemic.

2. The CES focuses mainly on the three strategic pillars of: *(a) building social resilience; (b) enhancing the climate/disaster resilience of infrastructure and the environment; and (c) facilitating sustainable private sector and agriculture development.* The Bank's programme of assistance is designed to achieve the CES outcomes of: (i) enhanced water supply provision and resource management; (ii) strengthened social sector; (iii) enhanced access to and quality of education; (iv) enhanced statistical capacity; (v) enhanced procurement capacity; (vi) strengthened environmental management and governance; (vii) increased production and use of sustainable energy; (viii) trade facilitation and enhanced private sector and micro, small and medium-sized enterprise (MSME) resilience; and (ix) enhanced agriculture sector resilience. Innovation, regional cooperation and integration, gender equality and good governance will be mainstreamed in CDB's interventions. A resource envelope of two hundred and fifty million United States dollars (USD250 mn) has been estimated to fund the indicative programme of assistance.

3. The proposed strategy is aligned with CDB's strategic objectives of building social, production, environmental, financial and institutional resilience, and the Bank's corporate priorities of improving access to quality education, supporting sustainable agriculture, improving access to safe and reliable water, improving access to basic social infrastructure and services, increasing the provision of quality, reliable, safe, sustainable and resilient infrastructure, promoting private sector and MSME development, promoting universal access to reliable, affordable and modern energy, building Borrowing Member Country financial capacity, and improving value for money. The CES was formulated through a consultative process, is results-oriented, and incorporates lessons learnt to enhance development effectiveness. The CES also aligns with the overarching goal and operational themes under the tenth replenishment of the Special Development Fund.

4. The Board is asked to approve CDB's CES for Suriname for 2024-2030.



**CARIBBEAN DEVELOPMENT BANK**

**STAFF REPORT**

**COUNTRY ENGAGEMENT STRATEGY PAPER (2024-2030)  
SURINAME**

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Considered at the Three Hundred and Fifth Meeting of the Board of Directors held in Guyana on March 19, 2024.

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**MARCH 2024**

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## CURRENCY EQUIVALENT

Dollars (\$) throughout refer to United States Dollars (USD) unless otherwise specified.

## ABBREVIATIONS

ADR	-	Alternative Dispute Resolution
AF	-	Adaptation Fund
AFD	-	Agence Française de Développement
AML	-	Anti-Money Laundering
BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
BOP	-	Balance of Payments
CARE	-	Caribbean Action for Resilience Enhancement
CARICOM	-	Caribbean Community
CBS	-	Central Bank of Suriname
CCI	-	Chamber of Commerce and Industry
CDB	-	Caribbean Development Bank
CES	-	Country Engagement Strategy
CFT	-	Combatting the Financing of Terrorism
CPA	-	Country Poverty Assessment
CS	-	Country Strategy
CSOs	-	Civil Society Organisations
CTCS	-	Caribbean Technological Consultancy Services
DOE	-	Department of Electrification
EAS	-	Energie Authority Suriname
EBS	-	Energie Bedrijven Suriname
EE	-	Energy Efficiency
EFF	-	Extended Fund Facility
E-TVET	-	Enhanced Technical and Vocational Education and Training
EU	-	European Union
EWS	-	Early Warning System
FAO	-	Food and Agriculture Organisation
GBS	-	General Bureau of Statistics
GCF	-	Green Climate Fund
GDP	-	Gross Domestic Product
GM	-	Gender Mainstreamed
GOS	-	Government of Suriname
HDI	-	Human Development Index
HRDS	-	Human Resources Development Strategy
IDB	-	Inter-American Development Bank
IDPs	-	International Development Partners
IHDI	-	Inequality-adjusted Human Development Index
ILO	-	International Labour Organisation
IMF	-	International Monetary Fund
IP	-	Intellectual Property
IPCC	-	Intergovernmental Panel on Climate Change
IsDB	-	Islamic Development Bank
ITC	-	International Trade Center
km	-	kilometres
LFIs	-	Local Financial Institutions

M&E	-	Monitoring and Evaluation
MADP	-	Multi-Annual Development Plan
MDBs	-	Multilateral Development Banks
mm	-	Millimetres
mn	-	million
MNR	-	Ministry of Natural Resources
MOE	-	Ministry of Education
MOFP	-	Ministry of Finance and Planning
MOH	-	Ministry of Health
MPI	-	Multidimensional Poverty Index
MSME	-	Micro, Small and Medium-Sized Enterprise
NAP	-	National Adaptation Plan
NDB	-	National Development Bank
NGOs	-	Non-Governmental Organisations
NRW	-	Non-Revenue Water
NSS	-	National Statistical System
OCR	-	Ordinary Capital Resources
OPHI	-	Oxford Poverty and Human Development Initiative
PBL	-	Policy-Based Loan
PCM	-	Project Cycle Management
PPAM	-	Public Policy Analysis and Management
PPP	-	Public-Private Partnership
PSIP	-	Public Sector Investment Programme
PV	-	Photovoltaic
PWDs	-	Persons With Disabilities
PWODs	-	Persons Without Disabilities
RCI	-	Regional Cooperation and Integration
RE	-	Renewable Energy
RF	-	Results Framework
SDF	-	Special Development Fund
SDGs	-	Sustainable Development Goals
SLR	-	Sea Level Rise
SOZAVO		Ministry of Social Affairs and Housing (Sociale Zaken en Volkshuisvesting)
SPPS	-	Social Protection Policy and Strategy
SPS	-	Sanitary and Phytosanitary
SRD	-	Surinamese Dollar
STEM		Science, Technology, Engineering and Mathematics
SWM	-	Surinaamsche Waterleiding Maatschappij
TA	-	Technical Assistance
TFA	-	Trade Facilitation Agreement
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNFCCC	-	United Nations Framework Convention on Climate Change
UNICEF	-	United Nations Children's Fund
USA	-	United States of America
VAT	-	Value-Added Tax
WB	-	World Bank
WTO	-	World Trade Organisation

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**COUNTRY DATA: SURINAME**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>GROSS DOMESTIC PRODUCT (GDP)</b>					
Per Capita GDP, current prices (\$)	6,772	7,115	6,831	5,399	5,795
GDP at Current Market Prices (\$ million, mn)	3,996	4,255	4,159	3,328	3,621
GDP at Constant Market Prices (SRD mn)	17,752	17,960	15,090	14,723	15,081
GDP at Constant Market Prices ( % Change)	4.9	1.2	-16.0	-2.4	2.4
<b>MONEY AND PRICES (% Change)</b>					
Consumer Prices (period average)	6.8	4.4	34.9	59.1	52.4
Money Supply (M1)	13.5	12.6	62.6	47.9	55.6
Real Credit to the Private Sector	-5.8	-2.7	-18.3	-26.1	4.0
<b>PUBLIC FINANCES (% of GDP)</b>					
Revenues and Grants	20.0	20.3	18.2	26.1	27.1
Expenditures	29.9	38.7	29.3	24.9	28.1
Overall Surplus/ Deficit	-9.9	-18.5	-11.1	1.2	-1.0
Primary Surplus/ Deficit	-6.8	-15.6	-7.5	3.5	0.9
<b>CG DEBT (% of GDP)</b>	62.8	84.7	147.9	119.7	120.1
Domestic debt outstanding	19.5	31.1	54.2	41.8	29.3
External debt outstanding	43.3	53.6	93.7	77.9	90.8
<b>CG DEBT SERVICE (% GDP)</b>	8.5	5.7	6.7	8.0	5.4
<b>DEBT SERVICE (% CURRENT REVENUE)</b>	42.3	27.9	36.9	30.6	20.0
<b>BALANCE OF PAYMENTS (% of GDP)</b>					
Exports of Goods and Services	56.4	54.2	61.7	72.0	73.2
Net Services Balance	-12.5	-15.6	-11.6	-13.8	-14.0
Current Account Balance	-3.0	-10.6	6.6	5.5	2.1
Unrequited Transfers	4.1	3.4	4.4	6.4	5.5
Foreign Direct Investment Inflows (Net)	3.3	2.0	0.0	-4.2	-0.3
<b>AVERAGE EXCHANGE RATE</b>					
Suriname dollar (SRD) per \$	7.53	7.53	9.77	19.00	25.20

*Sources: Government of Suriname (GOS), Caribbean Development Bank (CDB), International Monetary Fund, Central Bank of Suriname.*

*n.a.: not available.*

**COUNTRY DATA: SURINAME**

	2018	2019	2020	2021	2022
<b>POPULATION</b>					
Total Population	590.1	598.0	608.9	616.5	624.9
Crude Birth Rate (per 1,000 people)	19.0	18.0	18.0	18.0	n.a.
<b>Life expectancy at birth, Total (years)</b>	72.6	72.2	72.6	70.3	n.a.
Female	75.9	75.7	76.0	73.6	n.a.
Male	69.3	68.9	69.3	67.2	n.a.
<b>EDUCATION</b>					
Primary School Gross Enrolment Ratio (%)	104	105	105	98	n.a.
Secondary School Gross Enrolment Ratio (%)	76	n.a.	73	66	n.a.
Pupil-Teacher Ratio (Primary)	13.4	n.a.	n.a.	n.a.	n.a.
Expected Years of Schooling	13.0	13.0	13.0	13.0	n.a.
Mean Years of Schooling	9.7	9.8	9.8	9.8	n.a.
<b>LABOUR FORCE</b>					
Unemployment rate (%)	7.7	7.5	8.7	8.5	8.2
Male	5.5	5.4	6.4	6.3	5.9
Female	10.8	10.6	12.1	11.7	11.5
Participation Rate (%)	60.6	n.a.	n.a.	n.a.	n.a.
Male	73.3	n.a.	n.a.	n.a.	n.a.
Female	48.2	n.a.	n.a.	n.a.	n.a.
Dependency Ratio (% of working age population)	52.0	51.6	51.2	50.9	50.7
Old (65 years and over)	10.3	10.5	10.8	11.0	11.1
Young (0-14 years old)	41.7	41.1	40.5	40.0	39.5
<b>HEALTH</b>					
Current Health Expenditure (% of GDP)	6.7	8.4	6.8	n.a.	n.a.
Measles Immunisation (% of population, ages 12-23 months)	77.0	64.0	45.0	58.0	74.0
Prevalence of HIV (% of population, ages 15-49)	1.4	1.3	1.3	1.3	n.a.
Mortality Rate, Neonatal (per 1,000 live births)	18.0	18.0	17.0	n.a.	n.a.
Mortality Rate, Under 5 Years (per 1,000 live births)	18.8	18.3	17.7	17.2	n.a.
<b>HUMAN DEVELOPMENT INDEX</b>	0.755	0.755	0.743	0.730	n.a.
<b>ENVIRONMENT</b>					
People using at least basic drinking water services (%)	97.1	97.5	98.0	98.0	98.0
Access to electricity (% of the population)	97.4	97.9	98.4	98.8	n.a.
Forest Area (% of land area)	n.a.	n.a.	97.4	97.4	n.a.
Carbon Dioxide Emissions (tons per capita)	4.4	4.3	3.8	3.8	n.a.
<b>ICT PENETRATION</b>					
Individuals using the Internet (% of population)	53.8	56.8	62.1	65.9	n.a.
Fixed broadband subscriptions (per 100 people)	12.3	13.4	15.2	20.1	20.2.

Sources: GOS; CDB; World Bank Development Indicators; United Nations Development Programme: Human Development Report 2021-22; International Labour Organisation.

n.a. – not available



### **GENDER MARKER SUMMARY**

<b>Gender Marker</b>	<b>Analysis</b>	<b>Design</b>	<b>Implementation</b>	<b>Monitoring and Evaluation</b>	<b>Score</b>	<b>Code</b>
	1	0.5	0.5	0.5	2.5	GM <sup>1</sup>

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<sup>1</sup> Gender Mainstreamed (GM): The Country Engagement Strategy is GM and has the potential to contribute significantly to gender equality. See Appendix 1 for the Gender Marker Analysis.

## **EXECUTIVE SUMMARY**

1. This Country Engagement Strategy (CES) articulates the programme of support and planned interventions of the Caribbean Development Bank (CDB/the Bank) for Suriname over the period 2024-2030. The CES responds to Suriname’s development priorities and is aligned with CDB’s Strategic Objectives<sup>1</sup> of building social, production, environmental, financial and institutional resilience; and the cross-cutting areas of promoting good governance, innovation, regional cooperation and integration (RCI) and gender equality which will be augmented by a focus on improving statistical capacity and facilitating evidence-based policy making.

### **COUNTRY DEVELOPMENT CONTEXT AND KEY CHALLENGES**

2. Suriname is at a critical juncture in its development. Suriname is slowly emerging from a deep economic, fiscal, and social crisis. The economy has returned to modest levels of growth, the balance of payments crisis has abated and foreign exchange reserves are growing steadily, the exchange rate has stabilised and inflation is slowing from high levels. The Government of Suriname (GOS/the Government) has improved its fiscal position and the debt-to-gross domestic product (GDP) ratio declined, but economic adjustment and public sector reform will continue to exert pressure on the country’s social fabric and will need to be accompanied by effective social sector policies to achieve development outcomes. Suriname is extremely vulnerable to natural hazards (extreme weather conditions), the socio-economic impact of which is exacerbated by climate change. Much of its population, its main urban centre and capital city, Paramaribo, and most of its highly fertile agriculture is concentrated on its relatively narrow, low-lying coastal plain which is highly vulnerable to sea level rise (SLR) and coastal flooding also exacerbated by climate change.

3. Suriname requires broad-based support to achieve its development goals. The public and the private sectors need significant capacity enhancement to create an enabling environment for extensive capital investment targeted at rebuilding the social sector, strengthening evidence-based decision making, protecting the environment, and stimulating broad-based economic progress.

### **NATIONAL PRIORITIES**

4. Suriname’s development priorities are undergirded by the Multi-Annual Development Plan (MADP) 2022-26 and aligned with the Sustainable Development Goals (SDGs). MADP is the vehicle to transition Suriname from a natural resource-rich country to a prosperous society and provides for strategic interventions across four broad policy areas: (a) *economic development*; (b) *social sector*; (c) *environment and infrastructure*; and (d) *public sector* (see Appendix 2).

### **COUNTRY STRATEGY 2024-2030: STRATEGIC PILLARS AND CES OUTCOMES**

5. The MADP implementation presents an opportunity for economic and social recovery, transformation, and resilience building. The CES supports its implementation. An indicative resource envelope of two hundred and fifty million United States dollars (\$250 mn) is proposed. The Strategy front loads concessionary funding to support Suriname in its quest to restore debt sustainability, especially during the first years of the CES. This notwithstanding, there is a significant need to implement policies and projects that will help Suriname to achieve SDGs. Therefore, CDB will increasingly provide Ordinary Capital Resources (OCR) in areas where the Bank has a comparative advantage and there is greatest need. CDB will seek opportunities to collaborate with other development partners, especially given Suriname’s implementation challenges.

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<sup>1</sup> CDB Strategic Plan Update 2022-24.

6. The CES rests on three strategic pillars: (a) *building social resilience*; (b) *enhancing the climate/disaster resilience of infrastructure and the environment*; and (c) *facilitating sustainable private sector and agriculture development*. The following CES outcomes align with GOS key priorities:

- (a) enhanced water supply provision and resource management;
- (b) strengthened social sector;
- (c) enhanced access to and quality of education;
- (d) enhanced statistical capacity;
- (e) enhanced procurement capacity;
- (f) strengthened environmental management and governance;
- (g) increased production and use of sustainable energy;
- (h) trade facilitation and enhanced private sector and micro, small and medium-sized enterprise (MSME) resilience; and
- (i) enhanced agriculture sector resilience.

7. The CES reflects lessons learnt in designing country strategies over the last decades – including from a review of the Bank’s first country strategy (CS) with Suriname<sup>2</sup> – and from managing projects in Suriname since the country joined the Bank in 2014. CDB will support outcomes through: technical assistance (TA) to build capacity and strengthen institutions; climate resilience initiatives that are cognisant and complement the efforts of other development partners; and capital investment to upgrade physical infrastructure that will help to improve the stock of modern climate and disaster-resilient infrastructure.

## **RISKS AND MITIGATING ACTIONS**

8. The main risks that may affect the implementation of the proposed CES fall under the financial (credit and liquidity) and operational (processes, governance, human resources and implementation, external events, and disasters) risk categories. CDB has identified measures to help mitigate these risks, including: (a) close monitoring of fiscal developments and regular policy dialogue on macroeconomic management aligned to Suriname’s macro-fiscal reform programme supported by the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB); (b) capacity building and institutional strengthening; and (c) incorporating disaster risk mitigation and climate change resilience in all infrastructure interventions.

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<sup>2</sup> CDB Suriname 2014-18 Country Strategy Completion Report.

## 1. COUNTRY CONTEXT

### ECONOMIC AND SOCIAL CONTEXT

1.01 Situated on the northeastern coast of South America, Suriname, a Dutch speaking nation, covers an area of 163,829 square kilometres (km<sup>2</sup>). Suriname is a small natural resource-rich, commodity-based economy. The natural resources sector, which historically was driven mainly by gold, but in the not-too-distant future is expected to be dominated by the oil and gas sector, contributes to more than one fifth of Suriname's economic activity, more than one third of government revenue, and more than four fifths of Suriname's exports. Declining global commodity prices – including for Suriname's most important export commodities of gold, bauxite, and oil – after the 2013-14 period, contributed to a harsh macroeconomic environment that still prevails, reflecting the adverse socio-economic impacts of the COVID-19 pandemic. GDP per capita dropped from more than \$10,000 to below \$6,000 over the 2014-2022 period.

1.02 Amid governance weaknesses and bouts of political instability, authorities have struggled to develop and implement adequate policy responses targeted at stabilising the economy and the social sector. The weak institutional and governance framework<sup>1</sup> contributed to a dramatic weakening of the fiscal stance and high budget deficits which averaged over 10% of GDP between 2014 and 2020, and the rapid accumulation of central government debt from 24.8% of GDP in 2014 to 147.9% in 2020. This deterioration culminated in the default on domestic and external debt in 2020. In 2021, authorities secured a 36-month IMF Extended Fund Facility (EFF) to stabilise and address the severe fiscal and balance of payments (BOP) crisis. Structural reforms achieved under the programme include the introduction of a value-added tax (VAT), the liberalisation of the exchange rate, and the implementation of a new monetary policy regime targeting lower inflation. Authorities managed to increase foreign reserves' import coverage from dangerously low levels, but the exchange rate remained under pressure and inflation levels remained stubbornly high (above 50% annually) over the years 2021-23, adding fuel to the social crisis and contributing to social unrest and emerging signs of political instability.

1.03 Towards the end of 2023, authorities were successful in concluding the debt restructuring with external commercial creditors which, in conjunction with the successful EFF programme, triggered an upgrade of the country's sovereign credit rating from 'selective default' to 'CCC+' by Standard and Poor's in December. The ratings upgrade, although being modest, reflects the authorities' perseverance in advancing the country's reform agenda, notwithstanding the series of external shocks including COVID-19 and a sharp rise in global inflation and global interest rates, and the reforms' expected positive impact on medium-term debt sustainability. The authorities have struggled to reform the generous and fiscally costly energy subsidies scheme and the economy remains in a very fragile state as economic activity is projected to remain below 2019 levels until the second half of the decade.

1.04 The authorities' policies over the CES period are expected to build on improvements to drive Suriname's broader development agenda. GOS is expected to take further steps to strengthen the reform programme to shield society and protect the economy from the multiple shocks affecting Suriname. Measures will need to include improving the business environment and stimulating the broader economy, enhancing the social safety net, and further increasing fiscal space.

1.05 Strengthening the reform programme will provide a key anchor for macro-economic stability by alleviating financing and external risks, which will further mitigate the BOP and fiscal crises and, ultimately, reduce negative social repercussions. Over the CES period, real economic growth is projected to improve to 3% annually, while inflation is expected to decline to an average of around 8%. Achieving

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<sup>1</sup> As measured by the decline in Suriname's scores in the World Bank (WB) Worldwide Governance Indicators.

stronger macro-economic performance requires broad public sector and business environment reform, while also leveraging the potential upside from digitalisation efforts. To further raise national productivity, education sector reform will be necessary to bridge labour market skills gaps and to enhance employment opportunities, which will also support increases in real incomes and purchasing power and thus help to maintain social stability going forward. The likely start of commercial offshore oil production towards the end of the decade is expected to lead to new government revenue streams and will require appropriate macroeconomic management to avoid Dutch disease<sup>2</sup> and the development of new skill sets to allow nationals and local businesses to partake in the expected economic transformation.

### **Social Sector Context**

1.06 Suriname has 90% of its population living along its northern coast and in the capital city, Paramaribo. Suriname boasts an estimated population, according to 2023 data from the United Nations (UN), of about 623,236 people inclusive of almost equal proportions of males (49.73%) and females (50.27%) and has one of the most ethnically diverse populations in the world. Population density has increased steadily over the years to four people per km<sup>2</sup>. Between 2012 and 2023, population change averaged at about 1.01% per annum, with a lower growth observed between 2020 and 2023, with a movement from 1.13% in 2020 to 0.84% by 2023. Suriname has a relatively young population, with 51.2% of its population under 30 years of age and just about 7.8% being 65 years of age or older. The country also has a high total dependency ratio indicating on average a total of 47 dependents to every 100 people in the working age category. A high dependency ratio underscores the level of financial pressure or high level of care that may be required to support dependents. Situations may become exacerbated when coupled with declining employment opportunities.

1.07 Persistent poverty remains a major development threat in Suriname (see Appendix 3) and data collected through the Multiple Indicator Cluster Survey in 2020 allows for calculations by WB of an estimated poverty rate at about 26% (162,041 people) of the population. For the most part, poverty is prevalent in rural areas. Figures presented by the Oxford Poverty and Human Development Initiative (OPHI) indicate that the 2018 Multidimensional Poverty Index (MPI) for Suriname was 0.011 as 2.9% of the population was multidimensionally poor and the intensity of deprivation across the 10 indicators spanning the 3 dimensions education, health and living conditions, stood at 39.4%. Rural areas recorded an MPI of 0.032 with a headcount index of 8%, compared with the 0.004 MPI and 0.9% headcount index noted for urban areas. The severity of poverty is at, or about, similar levels across urban and rural areas. According to the 2023 OPHI Country Brief for Suriname, aspects of nutrition, years of schooling, and school attendance were the greatest contributors to multidimensional poverty. The districts of Sipaliwini, Para, Brokopondo, and Marowijne with MPIs of 0.125, 0.028, 0.020, 0.017, respectively, were considered to have the highest levels of multidimensional poverty. In similar vein, the poverty head count index for these regions were outlined as 32.2%, 6.9%, 5.3% and 4.6%, respectively. The severity of poverty, however, was greatest in the districts of Wanica, Para, Paramaribo and Sipaliwini.

1.08 The situation of the most vulnerable, including indigenous people and people of afro-descent, women in the informal sector, and youth especially those from rural areas, is further exacerbated by the increasing cost of living and higher unemployment levels than before COVID-19, although these have started to decline slightly since 2020. It is estimated that the cost of food increased by 36.9% in December 2023 from December in the previous year. Unemployment remains high and was particularly impacted by COVID-19 according to the International Labour Organisation (ILO). It is estimated that total unemployment rose from 6.6% to 8.2% between 2013 and 2022, with women and youth particularly affected. Specifically, ILO

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<sup>2</sup> Dutch disease is usually defined as a loss of competitiveness due to large inflows of foreign currency, often associated with a boom in the natural resources sector, which could lead to strong price increases in the domestic economy resulting in a reduction of international competitiveness of the country's traditional export sectors.

reported that total unemployment among women reached 13.7% by 2022, while youth unemployment more than doubled from 13% to 30% between 2015 and 2022, and female youth unemployment increased from 21% to 45%. It is noted in the 2018 National Report on the Situation of Men and Women, that the larger proportion of persons seeking employment had low levels of education. It is further noted that the higher the level of education, the fewer number of males enrolled in comparison with girls.

1.09 Overall Human Development Index (HDI) values have increased over time in Suriname signalling improvements in key areas. In 2021, Suriname ranked 99 out of 191 countries registering a UN HDI at 0.730, which places the country in the high human development category. The pandemic's adverse effects, weighed on the HDI score which fell from levels experienced in 2018 when the HDI stood at 0.755, with the decline mainly attributed for by a drop in overall life expectancy from 72.6 years of age to 70.3 years of age over the period, as well as a fall in Gross National Income. Inequality in Suriname as per the Gini coefficient has fallen slightly from 0.551 in 2004 to 0.481 by 2017<sup>3</sup>. The IDB Survey of Living Conditions 2022 reports lower levels of inequality with the consumption-based Gini coefficient declining from 0.371 in 2016-17 to 0.36 in 2022, but the coefficient for the interior increasing by 0.047 to 0.498<sup>4</sup>. When the overall HDI is adjusted for inequality (IHDI) there continue to be losses to the overall HDI figure. For 2021, the loss to HDI due to inequality equalled 27%, with IHDI reported at 0.532 against an HDI of 0.730.

1.10 To date, Suriname has ratified one of the ILO Social Security conventions (No. 102), namely that of Equal Treatment (No. 118). Convention No. 102 further sets out the minimum levels of protection to be guaranteed in relation to coverage, adequacy of benefits, conditions for entitlement, and duration with respect to a set of nine social risks often referred to as the branches of national social security systems<sup>5</sup>. The current system of social protection provides needed support to many vulnerable families and individuals; overall, it suffers from gaps in risk coverage, a lack of coherence, and poor targeting of benefits to those most in need. While there are limited data on social protection coverage rates, according to ILO modelled estimates only a third of the population are covered by a basic 'social protection floor'. Estimates also from the ILO indicate that approximately 20% of households receive some form of cash benefit, while an estimated 30% of vulnerable persons are covered under the social assistance scheme. All households with children also receive a regular child benefit payment and there is a universal flat-rate pension for all citizens above retirement age.

1.11 Even prior to COVID-19 the need to increase attention to the health sector was acknowledged, as evidenced by the increase in the expenditure in health in Suriname between 2004 and 2018 from 2.4% to 5.3% of GDP. While the country has sought to increase its investment in health, data from the Pan American Health Organisation show, however, that by 2020 public expenditure on health accounted for 4.38% of GDP and 13.76% of total public expenditure, while out-of-pocket spending on health accounted for 20.52% of total health expenditure. Progress towards health-related SDG outcomes, however, still lag and by 2017 progress was recorded at or about 55% according to UN. A shift in the disease burden from infectious diseases to noncommunicable diseases has also been observed. Cardiovascular diseases, diabetes, and cancers all increased and were the top three causes of death and disability in 2019. Suriname, like many other Caribbean countries, had inadequate levels of resources to devote to counteracting the health and economic impacts of the COVID-19 pandemic. International Health Regulations capacities scores all fall way below the 100% mark, in particular the core capacities average scores for the National Health Emergency Framework and the Health Service Provision hover at about 60%.

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<sup>3</sup> [UNU WIDER: World Income Inequality Database.](#)

<sup>4</sup> [2022 Suriname Survey of Living Conditions | IADB.](#)

<sup>5</sup> The nine social security branches are: sickness benefits, maternity, unemployment, children/family, medical care, disability/invalidity, employment injury, survivors, and old age.

## **ENVIRONMENTAL CONTEXT**

1.12 Suriname faces significant vulnerability to climate variability and change, particularly along its low-lying coastal zone where much of its population, economic activities, and infrastructure are concentrated. The country has already witnessed extensive coastal erosion, heavy rainfall, flooding, higher temperatures, and ecosystem degradation, impacting its productive sectors. The threat of increased drought in some areas further stresses water resources with potentially highly adverse socio-economic impacts.

1.13 The anticipated impacts of SLR, temperature increases, and changing precipitation patterns by 2050 pose significant threats to various sectors, including housing, infrastructure, agriculture, water, energy, tourism, and health. This underscores the potential far-reaching consequences of climate change on Suriname's sustainable development. The exposure of a large segment of the population and economic activities along the coastal strip to climate risks carries negative implications for fiscal stability, private investment, sustainable growth, and poverty reduction, and, hence for Suriname's overall socio-economic development.

1.14 Similar to small island states, Suriname grapples with challenges such as limited resources, environmental fragility, and high transport costs. Key environmental issues include inadequate waste management, surface water pollution, mercury contamination from mining, and deforestation. Addressing these concerns is crucial for promoting environmental sustainability and resilience in the face of ongoing climate challenges. In an attempt to address these challenges, the Government has prepared the Suriname National Adaptation Plan which provides the overarching guidance for Suriname's climate change adaptation efforts.

## **2. KEY DEVELOPMENT CHALLENGES AND MEDIUM-TERM PRIORITIES**

### **Medium-Term Priorities**

2.01 Following expiry of the Policy Development Plan 2017-2021, Suriname adopted MADP which provides a blueprint for Suriname's transition process towards achieving the SDGs. Design of MADP benefitted from the lessons learnt derived from Suriname's earlier development plans by enhancing the feedback loops from stakeholder consultations, improving coordination between government agencies, increasing realism and selectivity regarding included projects, broadening the scope of interventions beyond the traditional main focus on the natural resources sector, increasing the focus on data, information and indicators for monitoring and evaluation (M&E), and embedding the development plan into a longer-term vision.

2.02 MADP was designed while Suriname faced a fiscal, economic, and social crisis including the outfall from COVID-19 and together with its development partners developed programmes and strategies to steer the country back to fiscal, economic, and social stability and address the most significant development gaps. As such, MADP addresses the four policy areas of economic development, social sector, environment and infrastructure, and public sector by defining goals, associated outcomes, outcome indicators, and strategic policy action points required to reach the indicators. Strategic action points include the thematic areas of production resilience, entrepreneurship, employment, and export capacity; transportation and infrastructure; sustainable environment; land policies and housing; social protection; education and healthcare; and good governance.

2.03 Where possible, outcomes and indicators are linked to the SDGs. Important linkages exist to other relevant national and sectoral strategies and policies including the Nationally Determined Contributions and the Green Climate Fund (GCF) Country Programme. MADP will be financed by equal financing contributions from the Government's own resources and development partners' resources. With the CES, CDB will provide strategic support to Suriname to help it achieve the outcomes identified by its MADP.

2.04 MADP is expected to be followed by a 2027-2031 successor development plan and Suriname has plans to develop a Green Development Strategy and a Vision 2050, which is expected to transition the country towards a society characterised by justice, inclusiveness, freedom, equality, and sustainability in which every resident takes pride in a life in a country that offers prosperity and wellbeing. The Bank will continue to support Suriname regarding this undertaking in close collaboration with the other international development partners (IDPs).

### **Key Challenges and Constraints**

2.05 Following a consultative process of discussion with GOS that incorporated a comprehensive review<sup>6</sup> of CDB's prior country engagement and the identification of areas of support, the following issues have been identified as a relevant foundation for building out a new assistance strategy and informing the Bank's programme formulation.

#### **Social Development and Resilience**

2.06 At the heart of the social development challenge for Suriname is the imperative to continue to efficiently, effectively, and strategically address the conditions faced by the society especially the most vulnerable, and critically to consider the interrelationships across key development imperatives. The MADP 2022-26 identifies achieving and maintaining a high level of security regarding education, healthcare,

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<sup>6</sup> CDB Suriname 2014-18 Country Strategy Completion Report.



utilities, social protection, other social services and food, along with land rights, affordable housing and employment. Apart from continuation of basic provisioning, GOS has prioritised enhancing social resilience and ensuring that the country is better poised at the individual, community, and institutional levels to withstand and recover from various social, economic, and environmental challenges. Overall, this signals GOS's clear focus on strengthening the transformational and sustainable impacts of investments on the lives of its people, particularly those who are disenfranchised or disproportionately affected by poverty.

2.07 Suriname can make significant progress in reducing multidimensional poverty and improving the wellbeing of its population. Reducing multidimensional poverty requires a comprehensive and targeted approach that addresses various interconnected factors contributing to poverty and deprivation. An essential requirement is targeted social policies and programmes particularly tailored to the needs of the most disadvantaged – including women, youth, persons with disabilities (PWDs) and indigenous and tribal people – with a keen focus on rural and remote communities. A well-articulated social protection framework and support for its implementation will be a critical pillar in covering gaps in areas of social risks such as unemployment/underemployment and informal workers, as well as to enhance the coverage, quality and sustainability of social security and social assistance mechanisms.

2.08 Livelihoods and job creation are essential for reducing unemployment, alleviating poverty, fostering social inclusion, and improving overall wellbeing and quality of life for individuals and communities. To achieve these outcomes, GOS will have to expand its efforts in promoting the creation of job opportunities and entrepreneurship by supporting targeted human capital development through skills development, training, and career advancement, and supporting the development of small and medium-sized enterprises, providing access to credit and financial services, and fostering a conducive business environment. Crucial will be considerations for youth, women, indigenous and tribal people, and PWDs. In addition, social inclusion can be enhanced by providing individuals from diverse backgrounds with opportunities for meaningful participation in the workforce. Social inclusion will help to reduce social disparities and inequalities by providing equal access to quality employment opportunities regardless of factors such as gender, race, ethnicity, socioeconomic or disability status. Furthermore, a steady income or opportunities to increase earnings enables people to afford basic necessities such as food, shelter, healthcare, and education, contributing to poverty reduction and improving quality of life and allows persons to transition off state-funded programmes.

2.09 Well-capacitated and functioning social services will support the development of a more inclusive, responsive, and effective social system that addresses the diverse needs of its population and contributes to sustainable social development and poverty reduction. Strengthening the institutional capacity of government agencies, non-governmental organisations (NGOs), and community-based organisations involved in delivering social services includes enhancing organisational structures, management systems, information systems, governance mechanisms, and administrative processes to improve service delivery, accountability, and transparency. Investment will be required in training and capacity building for social service and gender professionals. This includes providing ongoing professional development opportunities, mentoring programmes, and specialised training in areas such as child protection, mental health, community engagement, and social welfare. At the policy level, there is need to enhance the capacity of government institutions to develop, implement, and monitor social policies and programmes effectively, and to contribute to policy development in mainstream social considerations and gender equality across sectors.

2.10 A quality healthcare system is crucial for achieving the goal of health for all through the promotion of good health and wellbeing of individuals, communities, and societies. To reduce morbidity and mortality rates and disability, and to improve overall population health, there must be timely access to basic health services, preventive care, early diagnosis, effective treatment, and ongoing management of health conditions. Women's health must be paramount. The well-calibrated healthcare system will help reduce

health inequalities by ensuring equitable access to healthcare services for all members of society, regardless of their socio-economic status, geographic location, or other demographic factors. GOS will have to ensure that the healthcare system is resilient and adaptable to changing healthcare needs, emerging diseases, and evolving healthcare challenges. It involves continuous quality improvement, core capacity building, and preparedness to address current and future healthcare demands effectively.

### Community Development

2.11 Community development is a critical component of the sustainable development of any country and is a critical strategy in achieving the outlined developmental priorities. Empowering communities to act as change agents will enable local actors to design interventions geared at addressing national priorities in collaboration with stakeholders, and will contribute to the improved quality of life of the most vulnerable. Empowered communities are a conduit to improved service delivery as they manage key national deliverables, for example child protection and gender inclusion, by providing local coordination and response to these issues or opportunities. Additionally, communities often have a deep understanding of local resources, ecosystems, and traditional knowledge. With this unique position, they can play a key role in the design and implementation of sustainable development solutions and securing local ownership of development investments.

2.12 Critical to achieving the community development imperatives is a strong and active civil society sector. Civil society plays a crucial role in the functioning of a democratic society and contributes significantly to social, economic, and political development. Many civil society organisations (CSOs) in Suriname are not well capacitated to advocate on behalf of their constituents and to move towards greater self-determination. Institutional strengthening and capacity building are critical gaps highlighted in the CSO sector. In addition, civil society groups that provide support for the most vulnerable including youth, women, PWDs, and indigenous and tribal people, face significant deficits in funding to execute or expand their programmes. Some entities also lack adequate facilities and equipment to carry out programming and cannot meet the demands for their services (with some experiencing this in a marked way after COVID-19). The Government provides support, where it can, for those agencies that are filling gaps in service provision in vulnerable areas of Suriname. CSOs continue to leverage whatever resources they have to execute actions in areas where they can. CSOs also see the need to be continuously engaged as partners to improve service delivery to the most vulnerable and at-risk populations.

### Education and Human Capacity Development

2.13 Education continues to be one of the major instruments for sustainable and inclusive development in developing countries, if properly planned and implemented. As such, over the last decade, Suriname has invested on average 7.2% of GDP and made progress in providing access to education. According to the Ministry of Education (MOE), there has been steady growth in enrolment across all levels. In 2019, 97% of primary school age children attended primary, compared with 78% in 1999. Attendance rates in pre-primary and secondary education are moderate. The latest data show that 69% of children ages 4-5 attended pre-primary school in Suriname and 69.3% of students ages 12-17 attended secondary school in 2019, slightly lower than the averages observed in the Caribbean (Centre of Information to Improve Learning 2019). Notwithstanding progress made, serious challenges remain in terms of quality of education, access to learning, and adequate school infrastructure in remote areas. Notably, these challenges have been exacerbated by the COVID-19 pandemic which had severe consequences on education systems across the globe, and Suriname has not been excluded. The United Nations International Children's Emergency Fund (UNICEF) 2019 analyses for learning and equity in education for Suriname, identified several key challenges preventing the country from achieving higher standards of education and improving the quality of teaching and learning.

2.14 Completion rates in education vary widely between different societal groups. Evidence provided by MOE and UNICEF (2019) suggest that most students at the primary level (85%) complete primary education. However, completion rates decline steeply at higher levels of education, with only 23% of all children completing secondary education. This implies that compared with primary education, secondary education has higher rates of dropouts, repetition, or survival to the last grade. Equally troubling, the data show that across all levels, 66% of males are less likely to complete their education compared with females; most children not completing education live in urban areas; and the poorest quintile is over-represented among non-completers – over half of those who did not complete primary school. Furthermore, the indigenous populations are over-represented at all levels of education among those who did not complete. This was particularly striking for primary school where they were 56% of all non-completers. Also, in Suriname, given higher pre-pandemic levels of underperformance and early school exit among boys, it is likely that boys – particularly those from marginalised groups – will be disproportionately represented among those: (a) experiencing learning loss; and (b) who may not return to school.

2.15 Suriname's challenges with providing a quality education relate, in part, to the inadequate quality and relevance of the curriculum. For example, the provision of early childhood education and development is not formalised for children below four years of age, and existing institutions provide unstructured programmes with varying levels of quality. As a result, children entering the basic education system have very different levels of development and competences. Demographic differentials are also noticeable, with the share of children with foundational skills, both reading and numeracy, higher in urban areas among the richest and among certain ethnic groups. IDB (2020) also reports that the most striking differences in learning are seen in wealth inequality: among the richest children, 65% have foundational reading skills and 38% have foundational numeracy skills; and in contrast, the prevalence of reading and numeracy skills among the poorest is 32% and 16%, respectively.

2.16 While there has been enhancement of curriculum offerings, the lack of curriculum and programming relevance continues to be visible in the labour market. According to the most recent WB Enterprise Survey (2018), 45% of employers in Suriname report problems hiring staff, particularly young persons, with appropriate skills for existing positions and those required for emerging fields. Moreover, the absence of relevant policies and curriculum standards, as well as a National Qualifications Framework to be developed under the CDB-funded Enhanced Technical and Vocational Education and Training (E-TVET) Project, which will highlight the equivalency of technical qualifications, also constrains the progression to higher education and workforce readiness across the sector. Additionally, PWDs are considerably less active in the labour market than persons without disabilities (PWODs). A 2018 ILO/Organisation for Economic Cooperation and Development study reported that PWDs are generally less likely to be employed than PWODs. Moreover, exacerbated by the COVID-19 pandemic, the current curriculum focused on memorisation and standardisation is insufficient. A good blend of intelligence, emotional intelligence, and resilience is critical to unleashing students' potential.

2.17 Teaching practices are also critical for quality education, but the quality is low in Suriname. Notwithstanding the fact that most teachers received training and professional development, an unacceptably high number of teachers have never received sufficient training on how to manage independent and group work, motivate and engage students, or foster teacher-student interactions. Specific gaps also exist regarding the availability of specialist teachers in key disciplines. With COVID-19, two major issues have surfaced: firstly, many teachers' pedagogical skills do not cater to the online or distributed teaching-learning environment. The picture that emerged is that even when teachers are digitally skilled, it does not mean that they have the know-how to teach online classes and prepare materials appropriate for online education or blended education; secondly, teachers also do not seem to have been trained in how to support those most disadvantaged, who in turn will be suffering most from school closures.

2.18 Education in Suriname is seriously challenged by the lack of features promoting inclusiveness in the education system. According to a recent diagnostic of special education, inefficiencies persist because of the absence of critical mechanisms, including an inadequate policy framework, untrained teachers, irrelevant curricula, and limited access to assistive devices/technologies. In addition, the ethnic diversity and geographical divide of the student population are other challenges limiting the inclusivity of the system. Many teachers are not trained to teach in multilanguage classrooms and those who agree to work in the districts where this issue is more prevalent, are less experienced and have lower qualifications. Furthermore, access to the technology and materials needed to continue learning during the pandemic is desperately unequal for these already vulnerable students and those from the poorest quintile.

2.19 The low access to adequate school infrastructure is one of the major sector challenges. Despite the ongoing implementation of the E-TVET CDB-funded Project, persistent learning inequalities in remote districts are partly due to inadequate school infrastructure. As noted by IDB (2020), 11 preliminary results of an infrastructure census show that schools are in great need, with students and teachers report feeling discouraged when attending schools in such poor conditions.

2.20 A transformation of the education system is necessary to develop the system in a way targeted at addressing existing labour market skills gaps and providing the population with the skills needed for newly-emerging employment opportunities regarding new technologies and new industries. This includes the hydrocarbon sector which, although it has been in existence over several decades, is likely to record massive output growth over the short-to-medium term. Continued investment in education therefore remains a top priority of GOS to ensure that the country's education system is not further compromised but rather transformed and made resilient.

### Environmental Resilience

2.21 Effective coastal resource management is a key challenge faced by GOS. In 2017, GOS conducted a Coastal Resilience Assessment for the Greater Paramaribo area, identifying threats from pluvial flooding, coastal flooding, and erosion. Key findings included the dynamic coastline, low elevations vulnerable to flooding, mangrove depletion exacerbating erosion, and projected climate change impacts. Recommendations included preserving mangroves, reinforcing flood defences, designating a coastal floodplain, and installing a flood barrier. GOS faces infrastructure challenges in ensuring coastal and urban resilience, necessitating both structural and non-structural measures. WB supports the Saramacca Canal Drainage Improvement Project, but further assistance is needed for flood-risk management and urban planning. Development partners sponsor studies to enhance climate resilience in Paramaribo, focusing on community adaptation, capacity building, and green infrastructure design.

2.22 Another key national challenge is the deficiency in the country's early warning system (EWS), critical for supporting disaster risk management and adaptation to climate change impacts. The March 2022 flooding events in the coastal, interior, and Southern sections of the country – Brokopondo, Sipaliwini, Marowijne, Para, Saramacca, and Coronie – highlighted the gaps that exist in various aspects of the existing EWS. Key areas for which support is needed include multi-hazard EWS, community flood warning systems, establishment of Common Alerting Protocol system using SMS to alert the public, software systems for upgrading the EWS, review of EWS Policy, and EWS Public Awareness.

2.23 Climate finance remains central to achieving low-carbon, climate-resilient development in Suriname. However, meeting climate mitigation and adaptation needs requires considerable annual investment. The GCF has emerged as a potential source of financing for the country's mitigation and adaptation interventions. Still, Suriname lacks the capacity to access these funds. As such, CDB continues to support efforts to enhance the country's GCF readiness including strengthening the capacity of the Nationally Designated Authority and facilitating the implementation of GCF programmes.

2.24 Addressing environmental challenges and building resilience necessitates informed policies and interventions grounded in up-to-date evidence. However, Suriname's insufficient data and statistics infrastructure hinder the monitoring and reporting of climate change impacts and environmental degradation. Collaboration with various stakeholders is vital, including international, non-governmental, and private sector organisations, scientific institutions, indigenous peoples, and local communities. Achieving this requires a comprehensive approach supported by modern statistical systems focusing on timely data collection and dissemination. These systems should prioritise establishing environmental baselines, measuring responses to risks, and balancing economic factors.

#### Climate and Disaster-Resilient Infrastructure

2.25 Disasters induced by natural hazards pose a significant threat to the long-term sustainability of development in Caribbean countries throughout the Region, exacerbating substantial disaster and climate risks. The rise in disaster-related losses emphasises the critical need to effectively address disaster risk during the planning and design stages of infrastructure projects in CDB's Borrowing Member Countries (BMCs). Disaster risk emerges as a particularly pressing concern, given the substantial infrastructure investment requirements projected for the next 20 to 30 years. Anticipating the adverse effects of climate change, including the likelihood of more frequent and intense extreme weather events, underscores the urgency of proactive risk management measures.

2.26 Nationally, 95% of the population had access to at least basic drinking water services in 2017. However, there are challenges in the provision of equitable access to safe and affordable drinking water (SDG 6.1), which include limited availability of water when needed (rural areas – 55% and urban areas – 53%). Wider disparities between urban and rural populations are noted when regarding: using unimproved drinking water sources (8% vs <1%); accessing water from more than 30 minutes away (2% vs <1%); piped water (61% vs 88%); and having a water source accessible on premises (81% vs 97%). While Suriname possesses abundant water resources, drinking water supply is affected by aged infrastructure suffering from limited maintenance, high non-revenue water (NRW) levels, and deficiencies in the related institutional and operational arrangements, all contributing to a high production cost and limited cost recovery. Being traditionally dependent on groundwater resources for its piped public supply and with the majority of its population in coastal areas, SLR associated with climate change is also aggravating current and projected scenarios. GOS completed a CDB-funded TA project in 2023 aimed at assisting in the preparation of a water supply investment project that will provide improvements to the water supply facilities in the districts of Nickerie, Paramaribo, Wanica, and Para. That project, while substantially completed, was hampered by a lack of water resources data, partly due to limited capacity of the relevant institutions for exploration and testing of those resources.

2.27 Eighty-four per cent of the population benefits from at least basic sanitation (wastewater) services and 1% is being served by sewer connections. In some cases, where there are sewers, it is a combined sewer system that accepts both stormwater and sewage and discharges directly to the riverine environment. As for water supply, there is a disparity in services between rural and urban populations.

2.28 GOS has developed plans for integrated solid waste management, but resources are required for implementation, including construction of a sanitary landfill and measures to introduce a circular economy framework. Public-Private Partnership (PPP) solutions have been proposed for this sector.

2.29 The air transport sector features four entities responsible for its governance – the Civil Aviation Department, the Civil Aviation and Safety Authority of Suriname, Airport Management Limited, and Suriname Airways. Some consolidation and clarification of roles is required. While plans exist for the refurbishment, upgrade and expansion of the main airport, the Johan Adolf Pengel International Airport,

implementation is hindered by operational and land rights issues, including low traffic volumes. Security is the largest expenditure and work is required to maintain the requirements of the International Civil Aviation Authority and the Transportation Security Administration of the United States of America (USA).

2.30 Expansion of the capacity of the main port at Paramaribo and increased trade competitiveness through improvements to road transport infrastructure, port facilities, equipment, and logistics services, remain key priorities for GOS. IDB is providing support in this area through the development of a logistics centre; implementation of a Port Community System; upgrade of the roads and bridges serving the port; implementation of the Intelligent Transport Systems for traffic control, planning, and enforcement; and development of a Road Asset Management System for the associated road network.

2.31 Outside of the proposed improvement to road infrastructure serving the main port, GOS is pursuing investment in four major corridors (to Apoera, Pusugrunu, Mawaeane and Langataviki) preferably through PPP arrangements. The urban transport system is challenged with safety, congestion, and accessibility issues. Suriname's fatality rate from road traffic collisions has been consistently among the highest within BMCs. Anecdotal observations by GOS officials indicate that, subsequent to the movement restrictions imposed to mitigate the spread of COVID-19, traffic collisions and resulting serious injuries and fatalities have rebounded, continuing to impact most heavily on motorcyclists, pedestrians, and bicyclists. GOS has been piloting interventions to reduce congestion and is about to commence a road safety study. There may be interest in the Ministry of Transport in a sustainable urban mobility plan to improve safety, inclusion, affordability, and efficiency.

2.32 Ensuring the resilience of the coastal and largely urban population of Paramaribo to climate hazards, is among the main infrastructure challenges facing GOS. A combination of structural and non-structural measures has been proposed to mitigate the effects of pluvial, fluvial, and coastal flooding resulting from the low elevation of the coastal regions, increasing urbanisation, and the effects of climate change. WB is supporting the Saramacca Canal Drainage Improvement Project, but GOS requires further support to strengthen its capacity for flood-risk management and urban planning, and thereby reduce the vulnerability and risk of damage and loss from future hazard events, including the risk to the growing population and agricultural production in Nickerie. Development partners have supported other studies to prepare investments to strengthen climate resilience in Paramaribo, including enhancement of the adaptive capacity of urban communities, capacity building of GOS agencies, and the design of green and other adaptation infrastructure.

#### Sustainable Energy Infrastructure

2.33 The availability of reliable, sustainable, and affordable energy for the citizens of a country is the catalyst for development. The Ministry of Natural Resources (MNR), which has responsibility for "sustainable and efficient management and development of the natural resources potentially present in Suriname", has as its mission "The sustainable development of a transparent and integrated policy for the management of natural resources, in particular water, minerals and energy, for the benefit of human, economic and environmental capital development of Suriname." The importance of the role of the energy sector in the economic development of a country cannot be overstated. Within its remit, MNR currently has overall responsibility for the energy sector, including oversight of the power sub-sector. MNR has oversight of the sole electricity supplier in Suriname, Energie Bedrijven Suriname (EBS), including responsibility for ensuring compliance with the rules and regulations relevant to the distribution of energy. MNR also has responsibility for the regulator, Energie Authority Suriname (EAS) and for rural electrification for over 180 villages in the interior through the MNR Department of Electrification (DOE).

2.34 The power sub-sector is challenged by relatively new governance structures (legislation and accompanying institutional arrangements, and enforcing regulatory body to govern energy sector

activities), a lack of cost-reflective electricity tariffs and accompanying high levels of government subsidies, and challenges in the funding of development, particularly transmission and distribution systems in support of improvements in efficiency and anticipated increases in renewable energy (RE) penetration and inter-connection, and the transition of rural electrification to more sustainable energy sources. A systematic approach will be needed to address the current challenges and ensure sustainability.

2.35 The Electricity Act (2016) and the Suriname Energy Authority Act (2016) provide legislative guidance for activities in the power sub-sector. The Act established<sup>7</sup> the EAS as the regulator, but it became fully operationalised only in the fourth quarter of 2020. The EAS is the independent, supervisory and steering body in Suriname that regulates, monitors, informs and advises on matters pertinent to the electricity sector and provides regulation for sustainable development. Within these frameworks, it is anticipated that development within the sector can occur. The EAS is challenged by staffing and capacity issues, an example of the larger challenge facing Suriname in the ability to attract and retain a skilled workforce. Current efforts to support the Regulator include an allocated \$2 mn support facility for the EAS via MNR as a part of larger support provided by a multilateral institution.

2.36 For 2024, GOS has budgeted an amount of eight hundred million Surinamese dollars (SRD800 mn) for electricity subsidies, which constitutes a significant reduction in the annual allocation from SRD3,264 mn in the 2023 Supplementary Budget<sup>8</sup>. The rapid SRD depreciation during 2022 and during the first months of 2023 has led to a growing gap between the average cost of production and the average electricity tariff, a gap which was further influenced by the rising cost of heavy fuel oil and inflation<sup>9</sup>, before global oil prices started to ease in 2023. GOS is currently in an ongoing engagement with the IMF under the EFF to achieve full cost recovery for EBS through higher tariffs and by gradual reduction and eventual elimination of electricity subsidies. Significant tariff adjustments started in 2021 and tariffs will continue to be adjusted periodically by the EAS with the objective of achieving full cost recovery by the end of 2024. Subsequently, the EAS will adjust the tariff on a quarterly basis to maintain EBS generation cost recovery. The EAS has an important role in the dispensing of this responsibility. Currently, the EAS publishes a quarterly report of the rationale for each tariff adjustment and the estimated cost of providing electricity.

2.37 The EBS is in the process of implementing three system improvement projects on its electricity networks financed by IDB and CDB. The projects, which are at various stages of implementation, are designed to strengthen and upgrade the aging and overloaded transmission and distribution infrastructure. EBS is further challenged to secure financing to continue these necessary upgrades and to optimise its operations.

2.38 The DOE is challenged by the need to convert from fossil fuel-based diesel generation to RE and hybrid systems to ensure greater reliability and duration of access to electricity, and by the lack of availability of technical personnel for the villages in the interior which it serves.

### Private Sector Development

2.39 Suriname ranks 162 out of 190 countries in the 2020 WB Ease of Doing Business Report. According to WB, the biggest challenges that need to be addressed are enforcing contracts, starting a business, getting credit, protecting minority investors, registering property, and getting electricity – categories for which Suriname was ranked between 182 and 145. Enforcing contracts on average took more than 1,700 days and

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<sup>7</sup> Facilitated by the CDB Energy Sector Policy-based Loan (PBL).

<sup>8</sup> According to the latest published government finance statistics, subsidies to EBS related settlements stood at SRD3,716 mn – or 2.7% of GDP – over the January to November period.

<sup>9</sup> The EAS publishes status electricity supply, November 2023. <https://eas.sr/wp-content/uploads/2023/11/Persbericht-EAS-publiceert-status-Elektriciteitsvoorziening-07112023.pdf>.

cost 37.1% of the claim value; starting a business took 66 days; registering a property took 46 days; and getting electricity took 113 days.

2.40 MSME dominance in the Surinamese economy is axiomatic. Smaller businesses account for 98% of all firms and for 60% of total private sector employment in Suriname<sup>10</sup> which underlines their importance for the country's socio-economic development, but MSMEs display significant vulnerabilities owing to their lack of integration into export value chains, limited production capabilities, and limited access to finance. They face various operational constraints including inadequately qualified job applicants, operating systems, market access, and the absence of quality infrastructure. These vulnerabilities were exacerbated by the onset of the COVID-19 pandemic. There is also slow digital transformation and uptake and usage of digital and online tools, limited market intelligence on export market opportunities, low levels of conventional and digital literacy, and an absence of an MSME Act and legislation to target and foster sector development.

2.41 There are issues with regards to MSMEs' capacity to expand business under prevailing economic conditions. Past depreciation of SRD made it very difficult for MSMEs to plan and expand their operations as many inputs are either imported or still subject to exchange rate fluctuations. With only modest levels of growth in economic output, the current macro-economic situation in Suriname is still not conducive to the expansion of MSMEs. There are expectations that significant opportunities will open for MSMEs, and for bigger businesses, once investments in the offshore oil fields will be scaled up which will lead to positive spillover effects to the non-oil economy, but adequate local content policies are necessary to allow local companies to reap the benefits of a growing economy driven mainly by the oil and gas sector.

2.42 Regarding access to financing, the issue in Suriname is more of a reluctance to lend by Local Financial Institutions (LFIs) rather than liquidity in the banking system. The banking system is highly profitable and liquid and, while credit quality is still a major concern, the vast majority of LFIs prefers to lend to the bigger corporations, often in the mining sector. The Surinamese banking system is concentrated in a few financial institutions, as expected in a country of this size. The banks are quite liquid in general and concentrate on government business, large businesses, and mining companies. Their main challenge is the lack of trained and skilled staff, but also that there is little or no room for expansion in the segments they operate.

2.43 Trust Bank Amanah is one of the few LFIs active in the MSME segment in Suriname. Although they focus on providing Islamic banking, their business model has been successful in Suriname with almost half of their lending to non-Muslims. Islamic banking, with the prohibition of charging interest, is quite similar to venture capital, in the sense that Islamic banks employ equity participation systems by which they will partake in financed projects. It is a small bank, and its small size compared with other LFIs will pose a challenge in the credit area.

2.44 The National Development Bank (NDB) has a mandate from GOS to support and promote the MSME sector. But, by its own admission, it is experiencing challenges to fulfil its mandate. It has used a partial credit guarantee scheme provided by IDB which was very successful. This programme is now finished and NDB is open to partnering with CDB in a similar initiative. NDB has been recently restructured by the Government, with a view to providing a more streamlined and efficient service. One of the frequent complaints is that NDB takes too long to provide support to its clients, many of those being MSMEs. The changes should make NDB more responsive over the medium term although staff constraints remain.

2.45 The Chamber of Commerce and Industry (CCI) is also actively promoting programmes to support its members, most of them being local MSMEs. In the past, CDB financed the development of a MSME policy

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<sup>10</sup> WB 2018-19 Suriname Enterprise Survey.



for Suriname, which was presented last year, and for which GOS requires implementation support. The Bank will continue to address MSMEs' development challenges by providing support through the provision of demand-driven TA by its Caribbean Technological Consultancy Services (CTCS), which will also foster private sector development.

2.46 A partial credit guarantee scheme would be of significant benefit to MSMEs, by allowing these companies to access credit that would not be available to them otherwise.

### Regional Cooperation and Integration

2.47 Over the 2010-2020 period Suriname relied mainly on the mining sector for its export revenues, with exports of non-monetary gold, alumina (until 2016), crude oil, crushed stone, and cement accounting for 82% of the country's total exports. The trade balance with the Caribbean Community (CARICOM) was consistently negative and about 17% of total trade consisted of intra-CARICOM trade. Intra-trade accounted for 22% of Suriname's total imports, but only for 13% of its exports<sup>11</sup>. Suriname's trade policy objectives are laid down in five-year medium-term development plans, of which the latest covers the period 2022-26. Key objectives include the diversification of the economy, an improvement of the business climate, and increased participation in international and regional markets. Strategic action items to enhance trade include performing value chain analyses for higher value processed products including in agriculture, manufacturing, timber products and tourism; facilitating and encouraging local producers by providing support through a combination of tariff and non-tariff policies; and enhancing trade statistics.

2.48 The 2019 World Trade Organisation (WTO) Trade Policy Review for Suriname indicated that the trading environment was constrained by significant delays in adopting important trade-related laws. Crucial legislation related to customs, foreign investment, mining, trade facilitation, VATs, competition, standards, and intellectual property has been pending in many cases for more than 10 years. Suriname is a signatory to the WTO Trade Facilitation Agreement (TFA) but is yet to deposit its instrument of ratification. The current rate of implementation commitments stands at 10.1%, with a timeframe spanning from February 2017 to December 2030. Consequently, there is a low level of predictability in the trade regime and concerns about governance issues, which result in high costs of doing business in relation to trading across borders.

2.49 In 2022, the Havenbeheer Suriname Port Management Company won the Caribbean Shipping Association's Ludlow Steward Award, becoming the Caribbean's container port of the year. However, notwithstanding Suriname's logistics system is still characterised by significant frictions in the processes that enable the efficient flow of goods, services, and information through the supply chain, limiting its productivity and international competitiveness. Institutional arrangements and processes need to be strengthened to enhance production resilience, facilitate trade within the country's borders and across borders, and stimulate economic and export diversification. In terms of connectivity, it would be paramount to include Suriname in any initiative for a Southern Caribbean ferry service to facilitate the competitive freighting and haulage of cargo and deepen economic and cultural ties with the rest of the Caribbean.

### Agricultural Development

2.50 GOS has prioritised economic diversification, with a particular focus on bolstering the agriculture sector. Agriculture makes a significant contribution to Suriname's economy, accounting for about 12.1% of total export earnings in 2021 and 7.6% of GDP in 2023 (when including fisheries and forestry). The main agricultural products include rice, bananas, fisheries, aquaculture, roots and tubers, fruits, and vegetables,

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<sup>11</sup> The higher share for imports when compared with exports is partially accounted for by the fact that import values include cost, insurance, and freight, while export values are free on board.

primarily cultivated in the northern lowland areas. The farming population mainly comprises smallholder farmers, contributing approximately 8% to total employment.

2.51 Suriname possesses favourable conditions for agricultural development, including ample arable land, abundant freshwater resources, a suitable climate, and relatively low exposure to natural hazards, except for coastal flooding. However, the sector faces challenges such as low productivity due to limited modern production methods, weak storage and processing facilities, high incidence of pests and diseases, vulnerability to weather-related hazards, climate change, and insufficient investment in agricultural infrastructure and research. Governance and policy frameworks are also weak, and limited agricultural extension services impede the sector's growth potential.

2.52 Despite these challenges, the agricultural sector plays a crucial role in Suriname's socio-economic landscape, ensuring food and nutrition security while sustaining rural communities. Significant investments from both public and private sectors are required to enhance its performance, focusing on human capital development and innovative finance solutions tailored to address gaps across the production and processing segments of industry value chains. Strengthening agriculture infrastructure, especially in transportation and logistics, is crucial for optimising supply chains. Additionally, Suriname should continue to capitalise on opportunities within the fisheries subsector while enhancing the management of fisheries resources at the national level. Furthermore, agriculture sector planning and implementation strategies are vital, underpinned by robust governance and management frameworks. This necessitates developing and implementing appropriate plans and strategies to guide sectoral development and align outcomes with overarching national objectives.

2.53 The MADP identifies agriculture as a priority area and an economic driver, aiming to create an enabling environment for increased private sector investment and addressing production and market constraints. In its 2024 national budget, GOS outlined various initiatives to enhance agricultural infrastructure. These include plans for improving irrigation and drainage systems in the rice industry, improving feeder roads and drainage, and strengthening sea defences to mitigate saltwater intrusion. The budget outlines the plans for agriculture research and development, as well as for promoting agriculture exports through investments in food safety, agro-processing, and cold chain facilities. Additionally, resources will be allocated to the National Agribusiness Development Fund to support agri-MSMEs and enhance their capacity to meet local and regional market demands.

### Procurement

2.54 Enhancements in governance have been identified as important in building on the gains from the current reform programme and setting the stage for inclusive, sustainable growth and development. Improving public sector governance structures, including through procurement reform, is a critical concern for GOS due to the need to ensure that fundamental practices, processes, and structures that guide operations within the public sector function efficiently and effectively. Ensuring that policies, legislation, and the decision-making process continue to be inclusive, transparent, accountable, responsive, and equitable and redound to the benefit of all people in Suriname remains of paramount importance.

2.55 To ensure that public procurement is conducted in a consistent manner, which reflects international best practice, it is essential to have a well-crafted legal and regulatory framework that aligns with the wider strategies and policies of Suriname. The objectives of this framework should include the efficient, cost-effective, and sustainable acquisition of goods, work, and services. Suriname has made progress in addressing public procurement challenges by presenting a new procurement bill to parliament in January 2023. This attempt followed a previous attempt made in January 2019 to undertake legal and regulatory reform related to public procurement. The 2023 Bill provides for: (a) dedicated procurement roles to be introduced to ensure appropriate checks and balances within the system; (b) a new procurement

authority having sole responsibility for procurement, while the party responsible for managing the contracts shall sign the contracts; and (c) the business community to be represented in the Supervisory Board, in addition to the Government. The legislation does not currently address existing regulations related to the Execution of Works (Uitvoering voor Werken) which it is understood would remain in force<sup>12</sup>, so this discrepancy will need to be addressed.

2.56 CDB reviewed the latest Bill and provided feedback to GOS. In close collaboration with other development partners, the Bank will continue to support the Government in further strengthening the Bill. Further to the above recommendations, amongst other things, it is recommended that the Bill and the plans for public procurement in MADP are aligned<sup>13</sup>. In addition to the finalisation of the Public Procurement Bill, there will be a need to prepare associated procurement regulations, manuals and standard bidding documents and forms of contract, and to design and implement a comprehensive capacity building initiative. It is also recommended that the reform process includes the adoption of a suitable e-procurement system to enhance efficiency and transparency.

### Statistical Capacity

2.57 A critical area in need of focus is statistics due to its deficiencies regarding comprehensive coverage, timeliness and quality, and its invaluable use in supporting evidence-based decision making and policy reforms. Suriname is currently carrying out the fieldwork for its ninth General Population and Housing Census – which was delayed by several years due to the challenges stemming from the COVID-19 pandemic – which promises to enrich the availability of economic, social, and environmental indicators to guide development practitioners and national authorities. Going forward, and with the present surge of data demand arising out of the SDGs, the Census can provide a useful benchmark for at least one quarter of the indicators that are to be measured under the 2030 Agenda.

2.58 Enhancement of statistics is required to provide relevant and up-to-date data and information to support good decision making. Suriname requires assistance in the development of Natural Capital Accounts as nature provides a multitude of benefits for socio-economic progress and wellbeing of the population which requires the measuring and the monitoring of natural capital. Impacts of socio-economic activity on the value of natural capital, including from but not limited to environmental degradation, climate change, and biodiversity loss, need to be quantified to be actively considered at the policy formulation stage to support evidence-based decision making. Additionally, the investments must follow international and regional best practices; one growing practice is increased integration and penetration of digital products, processes, and services within statistical systems. This must form part of the modernisation and innovation of the national statistical system (NSS).

### Digitalisation

2.59 GOS e-Government Strategy 2012-16 included targets for e-commerce, e-procurement, and establishing a single electronic window, among other areas. An IDB report (2020)<sup>14</sup> stated that there is a low level of digital service provision by the public sector, highlighting relatively low levels of internet usage and the decline in the nation's ranking on the UN e-Government Development Index from 110 in 2016 to 122 in 2020 (out of 166 countries, with 1 being the highest rated services provision). In fact, it is reported that the country's online service index – which measures a government's capability and willingness to provide services and communicate with its citizens electronically – at 0.29 was below the

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<sup>12</sup> [Eindverslag aanbestedingswet 2023.pdf \(dna.sr\)](#).

<sup>13</sup> <https://observatorioplanificacion.cepal.org/sites/default/files/plan/files/MOP-2022-2026-Volledig-FINAL-DNA-approved-Engels.pdf>.

<sup>14</sup> [Suriname in Times of COVID-19: Navigating the Labyrinth \(iadb.org\)](#).

regional averages of 0.50 for Latin America and the Caribbean and 0.59 for the Caribbean. Suriname's scores were higher for the telecommunications infrastructure and the human capital indices but were still lagging regional averages. GOS established an e-government office in the Cabinet of the President which is working on increasing digital awareness, digital capacity, and digital access. The United Nations Development Programme (UNDP) Digital Readiness Assessment (2022) reports that Suriname has made good progress in systematically shaping and driving digital transformation as the country has built good foundations of digital literacy within and beyond government, but the visibility and government efforts around digital may not be reaching the general population as survey correspondents were largely uncertain regarding the Government's approach to digitalisation.

2.60 Stimulating national productivity levels will crucially depend on enhanced digital infrastructure and capacity in education, health, private sector operations, and the public sector. Analysis by IDB (2022) suggests high fiscal multipliers of investments in digital and telecommunications infrastructure and services. Capital investments and supporting policies to bring infrastructure in line with the average of developed nations, would be expected to raise GDP levels in Suriname by 8% over a six-year period<sup>15</sup>. The National Digital Strategy (2023-2030) sets out a vision for digital transformation aiming at creating a digitally transformative environment that sustainably enables the prosperity and wellbeing of all citizens by strengthening digital infrastructure, improving internet, introducing digital identities and improving government digital services, and ensuring improvements in digital learning. GOS is currently working on introducing a digital land registration system. There is interest in digitalising the building permit system.

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<sup>15</sup> [Caribbean Quarterly Economic Bulletin: Volume 10: Issue 3, January 2022: Digital Infrastructure and Development in the Caribbean \(iadb.org\)](https://www.iadb.org/publications/quarterly-economic-bulletin/volume-10-issue-3-january-2022-digital-infrastructure-and-development-in-the-caribbean).

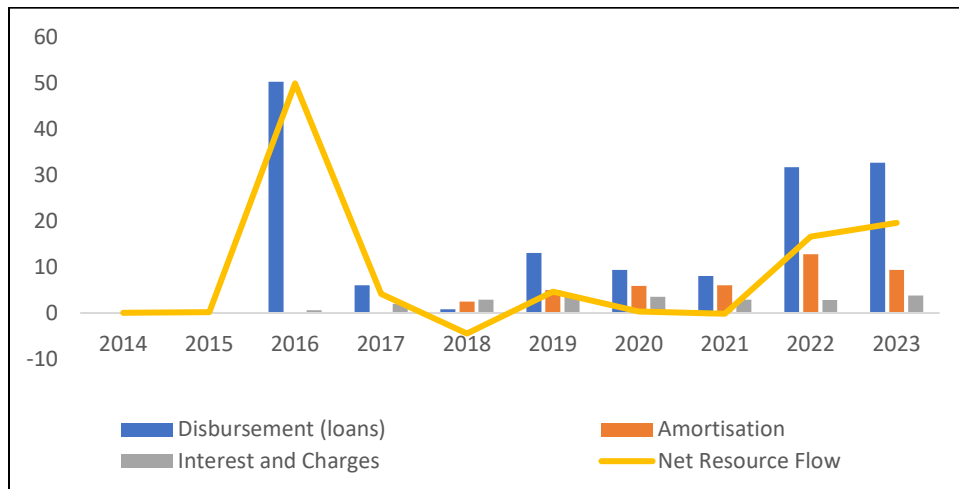
### 3. COUNTRY PORTFOLIO REVIEW AND LESSONS LEARNT

#### COUNTRY PORTFOLIO

3.01 CDB approved \$185.4 mn in loans and \$4.5 mn in grants for Suriname between 2014 and the end of December 2023. Therefore, Suriname was the eleventh largest recipient of loans and the thirteenth largest recipient of grants since the inception of the Bank. Disbursed loans amounted to \$157.4 mn and disbursed grants to \$2.3 mn. At December 2023, CDB’s loan exposure to Suriname was \$115.9 mn, making up 5.4% of the Bank’s total portfolio. The active portfolio consisted of three projects with a total approved value of \$121.8 mn. Of these, \$98.7 mn (85.2%) has been disbursed and the projects have an average weighted life of 6.7 years. The historical disbursement ratio during the 2014-18 CS period stood at 4% with the projects being agreed in March 2015 and towards the end of the strategy in May 2017 and August 2018. The portfolio continues to be affected by the slow implementation of some projects mainly due to capacity issues and inter-agency coordination, but total disbursements of \$64.4 mn over the 2022-23 period reflect a slight easing of implementation constraints.

3.02 The Bank’s net resource flow to Suriname was positive over the last decade at \$94.1 mn (see Figure 3.1). As debt amortisation for Suriname is on an upward trend and active projects under implementation have almost been completely disbursed, how the net resource flow will develop over the CES period and over the medium term will depend on the timely approval and implementation of new pipeline of projects. Towards the end of the CES (2024-2030) Suriname could start to benefit from budget allocations from oil revenue, which could influence its funding needs from International Financial Institutions.

**FIGURE 3.1: PORTFOLIO FLOWS**  
( \$ mn )



Source: CDB.

#### COUNTRY STRATEGY REVIEW 2014-18

3.03 The last approved CS for Suriname covered the period 2014-18. The CS responded to Suriname’s development priorities by promoting social sustainability and improving educational standards, increasing competitiveness of the agricultural sector and of MSMEs through the means of broad infrastructure improvements, and enhancing environmental resilience and promoting good governance. The CS was the Bank’s first strategy for Suriname and was approved within one year of the country becoming a BMC.

3.04 With a resource envelope totalling \$264 mn, approvals totalled \$168.8 mn (see Appendix 3), \$167.3 mn in loans and \$1.5 mn in grants. Project implementation and disbursements have been slow, mainly due to the Government's limited absorptive capacity. The 2014-18 period saw disbursements of only \$57.8 mn, of which \$57.2 mn in loans and \$0.7 mn in grants. Appendix 3 provides a summary of the CS Completion Report, including the outcome ratings and loan approvals and disbursements to the end of December 2020 for each project.

3.05 The overall performance of the CS 2014-18, measured as its progress toward achieving CS outcomes, was rated "Unsatisfactory"<sup>16</sup>. None of the targeted programme outcomes were achieved by the end of the strategy period in 2018 as in most cases no CDB intervention took place. Where CDB interventions were started, implementation was very tardy and generally no significant progress was made towards the 14 outcomes set out in the Results Framework (RF) of the Strategy. Out of the Strategy's 26 targeted outcome indicators, only the indicator pertaining to the Enhancement of TVET attained a "Partially Achieved" rating while all the other 25 were rated "Not Achieved".

## LESSONS LEARNT

3.06 The CES 2024-2030 builds on lessons identified from the review of the previous CS and Suriname's portfolio:

- (a) **Implementation Capacity Constraints:** Capacity building and institutional strengthening needs of executing agencies should be prioritised in Suriname. Continuous capacity building and the adoption of appropriate systems would help in building effective and lasting capacity in the country's implementation agencies. The CES has been built around strengthening the social sector with a special focus on vulnerable communities and providing GOS with support regarding its implementation capacity. Especially during the earlier stages of the strategy, implementation capacity will be prioritised across all areas of intervention in close collaboration with other IDPs. The programme covers thematic areas where CDB has developed knowledge, competence, and strong engagement with GOS and other stakeholders. The programme partially builds on the programme from the last CES, for example in the areas of the education sector, private sector development, and the water sector. The CES is also coordinated and harmonised with the plans of other development partners.
- (b) **Country Engagement:** Structured engagements throughout the project and strategy cycle on a continuous basis are critical requirements for monitoring and execution, and for embedding flexibility into the CES framework to enhance responsiveness and to increase the development impact of a country's scarce investment resources. The CES cycle envisages continued engagement at the project and portfolio levels, and at the strategic level. These afford the Bank the opportunity to ensure that shifting priorities in country are adequately reflected and captured in the strategy and RF. CDB will continue to deepen country engagement through use of the CES, pipeline management, and the portfolio monitoring and review processes to engage GOS to monitor and provide support for project implementation. COVID-19 has exposed the need for improved resilience and agility. Mid-term reviews are also an important component of the monitoring framework that allows for this flexibility.

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<sup>16</sup> CDB Suriname 2014-18 CS Completion Report. The ratings are based on a four-step scale of Highly Satisfactory, Satisfactory, Marginally Unsatisfactory, and Unsatisfactory.

- (c) **Strategy Design and Resourcing:** The design of a CS reflects the prevailing environment in which the strategy is being implemented. While the past CS design corresponded well to Suriname's development priorities, it was overly ambitious by targeting a broad range of capital investment loans and TA which could not all be taken under consideration due to Suriname's limited absorptive capacity and implementation challenges, which were partially due to frequent turnover of key personnel in implementing agencies. Implementation and development effectiveness of the Strategy were limited, in part, by these design flaws.

#### **4. COUNTRY ENGAGEMENT STRATEGY 2024-2030**

##### **STRATEGIC ALIGNMENT**

4.01 Through a series of engagements, GOS and CDB have identified projects and programmes which fall under nine CES outcomes that are expected to contribute to strategic objectives that will facilitate GOS in working towards achieving the overarching MADP goals of:

- (a) developing a competitive economy;
- (b) building a resilient social sector;
- (c) promoting environmental resilience while strengthening infrastructure; and
- (d) modernising the public sector.

4.02 While Suriname is experiencing a return to modest economic growth, MADP puts a strong emphasis on profound economic and social transformation. As GOS has emerged from its recent default and remains committed to its reform programme to restore social and debt sustainability, financing the development agenda especially during the earlier years of the CES will require a financing blend containing a significant grant element. CDB's Strategy provides a package of finance to assist GOS with a focus on social and economic transformation through investments that will contribute to the pursuit of the above stated outcomes. While the required TA and capital investments to pursue the targeted outcomes will need to span a broad set of developmental areas in line with country development needs, development effectiveness suggests that a special focus should be laid on CDB's cross-cutting themes. Especially, given the importance of good governance, there is agreement that this theme will need to be prioritised across all interventions as it is considered that progress in this area has lagged when compared with general progress made on fiscal and macro-economic reforms. CDB will support GOS in these key development areas where feasible, with development effectiveness in mind and with close alignment to reaching the SDG goals.

4.03 The CES will define the Bank's development cooperation with Suriname over the 2024-2030 period. An extended CES period is expected to facilitate Suriname in its transition period towards debt sustainability which limits initial absorptive capability, while also incorporating for the fact that capacity building and institutional strengthening will need to be prioritised before engagement can be expanded to a broader range of sectors and areas leading to significant ramp-up in capital investment. The protracted economic, fiscal and social crisis has contributed to an environment in which current developmental challenges are not expected to dissipate quickly over the strategy period. The CES seeks to maximise effectiveness through a focused programme formulated collaboratively with GOS; is consistent with MADP; reflects CDB's comparative advantage and expertise by concentrating capital projects at the earlier stages of the strategy in areas where CDB had carried out prior country work; and takes full account of the interventions of other development partners. It considers capacity constraints that will need to be addressed to realise the identified outcomes and incorporates TA options for ensuring effective implementation of projects and capacity enhancement within implementing agencies. The proposed capital investments entail a significant grant element through planned access to GCF, Special Development Fund (SDF), Adaptation Fund (AF) and other soft resources, and have strong linkages to building climate resilience consistent with the theme of SDF 10 and with one of Suriname's key development challenges going forward, which is adaptation to, and mitigation of, the adverse impacts of climate change.



## RESOURCE ENVELOPE

4.04 The CES's indicative resource envelope is estimated at \$250 mn. Table 4.1 lays out already identified investment opportunities totalling \$161 mn. The contributions from the different funding sources include OCR, GCF, SDF country allocation, AF and contributions from Other Special Funds, Basic Needs Trust Fund (BNTF) 10 and 11, SDF thematic set-asides, the Caribbean Action for Resilience Enhancement (CARE), and others. The financing mix will reflect the country sustainable financing needs and Bank-funding limitations. Concessional resources make up almost half of the entirety of the resource envelope. Considering Suriname's commitments to successfully exit the EFF by the end of March 2025, the Bank expects the country to make further progress in its macro-economic development while also significantly stabilising the social sector. Further improvement in macro-economic, fiscal, and social metrics are expected to keep the sovereign credit rating on a modestly positive trend which should facilitate Suriname in getting broader access to OCR to meet the large resource needs required for MADP implementation and achieving the SDGs. In addition, Suriname will remain eligible for other soft resources as they become available during the strategy period and TA will be used to build capacity and support institutional strengthening, where possible.

4.05 GOS has access to CDB's regional TA initiatives and the proposed CES is expected to put a strong focus on disaster resilience, environmental resilience, and climate change adaption, which will facilitate the sourcing of further concessional funding including, and not limited to, CDB's CARE programme, GCF, AF, and other relevant facilities.

## STRATEGIC PILLARS AND COUNTRY ENGAGEMENT STRATEGY OUTCOMES

4.06 The CES rests on three strategic pillars:

- (a) building social resilience;
- (b) enhancing climate/disaster resilience in infrastructure and the environment; and
- (c) facilitating sustainable private sector and agriculture development.

4.07 CDB has sought to collaborate with development partners where projects and initiatives align with CDB programming for Suriname (see Appendix 4). CDB will remain actively engaged with GOS and will closely monitor developments during CES implementation with a view to reassessing and expanding the scope of the strategy in line with Suriname's evolving development priorities, especially if GOS should require more funding for projects with transformational impact prior to the end of the strategy. The key thematic areas and interventions of the current engagement are:

### **Pillar I: Building Social Resilience**

#### Expected Outcome 1: Enhanced Water Supply Provision and Resource Management

4.08 CDB will build on the results and lessons learnt from the recently completed TA project to undertake the following interventions:

- (a) *Water Sector Enhancement Project*: Undertake a capital project to complete project preparation for a water supply improvement project, provide Surinaamsche Waterleiding Maatschappij (SWM) with services and equipment to design and implement a test, production and monitoring well programme; prepare designs for a new water quality laboratory; and support human resource development in the sector.

- (b) *Water Supply Improvement Project*: Mid-term in the strategy cycle, it is proposed to have this project approved and commenced with GCF or other climate financing, with the aim of improving the water supply and building resilience in Nickerie; and reducing NRW in selected districts in Paramaribo through an expansion of the IDB-funded initiatives in this area.
- (c) BNTF 10 support for the water sector.

Expected Outcome 2: Strengthened Social Sector

4.09 The CES will support livelihoods in disadvantaged and vulnerable communities in Suriname. Furthermore, it will support improved institutions and evidence-based policy making, key components of enhancing governance standards, facilitating access to key social services, resilience building, and poverty reduction. Strengthening the CSOs and social service ministries, and empowering tribal and indigenous people are key areas of focus. As such the Bank identified:

- (a) TA for institutional strengthening and capacity building to prepare a comprehensive listing of CSOs highlighting their areas of focus, and a capacity development plan for CSOs. The TA will develop and implement a comprehensive multi-annual programme of institutional strengthening and capacity building targeting CSOs, their leaders, and new generation NGOs; and provide resources to better respond to the needs of those represented by CSOs.
- (b) Empower Tribal People of African Descent and Indigenous People.
  - (i) Prepare sustainable development plans or life plans for selected groups for the period 2025-2030, to aid locally-driven planning and strengthen their advocacy for development assistance.
  - (ii) Implement small pilot projects from the Development Plan.
- (c) Support strengthening of institutional and operational capacity of entities within the social sector.
- (d) Facilitate the conduct of the Enhanced Country Poverty Assessment (CPA) to interrogate the cause, nature, and severity of multi-dimensional poverty, and to support evidence-based decision making and precision delivery of key services.
- (e) TA to support the development of a national parenting programme.
- (f) TA to develop capacity of the Ministry of Social Affairs and Housing (SOZAVO), the Gender Bureau, and other relevant ministries to plan, implement and monitor social policy and to integrate social and gender+ considerations and gender mainstreaming/gender equality in policy development and programming across key sectors.
- (g) TA to develop and implement capacity building for stakeholder engagement in the social services sector and to firmly embed stakeholder engagement in operations across the sector and enhance social cohesion.

- (h) Assess the IK Ben ('I Am') programme looking at its efficacy and to identify areas for improvement.
- (i) BNTF 10 and 11 support for livelihood programmes.

Expected Outcome 3: Enhanced Access to and Quality of National Education System

4.10 Continued investment in education will have positive cumulative effects and therefore remains a top priority of GOS. To ensure that the country's education system is not further compromised, but rather transformed and made resilient, the Strategy will support GOS to invest in the following priorities:

- (a) Increase access to quality basic education, including early childhood education development, by improving basic education facilities, particularly those in rural/underserved areas, improving teacher effectiveness and the integration of technology into the teaching-learning process.
- (b) Increase access to Science, Technology, Engineering, and Mathematics (STEM) education including specialised training to ensure educators are well equipped to deliver effective instruction in STEM, improve the curriculum to include experiential learning and improved facility standards.
- (c) Expand the provision and access to quality education for learners with disabilities and special educational needs through enhancing teacher training in special education needs, improving infrastructure for accessibility and access to assistive devices/technology, and developing and implementing policies to support inclusive education.
- (d) Continued expansion of demand-driven skills development/TVET programme consistent with the Caribbean Vocational Qualification framework, including aligning TVET curricula with labour market needs and modernising facilities targeting underserved communities, youth at-risk and those in conflict with the law.
- (e) BNTF 10 and 11 support for education and training.

Expected Outcome 4: Enhanced Statistical Capacity

4.11 Enhancement of statistics is required to provide relevant and up-to-date data and information and statistics to support good decision making which is necessary for building productive, environmental, and social resilience. CDB plans to support Suriname in areas that can help to strengthen the capacity of NSS:

- (a) TA for institutional strengthening of the General Bureau of Statistics (GBS) with a special focus on digitalisation, including support to upgrade necessary equipment.

**Pillar II: Enhancing Climate/Disaster Resilience of Infrastructure and the Environment**

Expected Outcome 5: Enhanced Procurement Capacity

4.12 CDB's strategy will support GOS with its procurement reform agenda. CDB has identified the following potential interventions to be carried out in close cooperation with other multilateral development partners:

- (a) TA for current state analysis and assessment of the procurement system to determine the best approach for developing a comprehensive approach for a reform and capacity building programme, facilitating the development of a downstream procurement reform programme to:
  - (i) Finalise legal and regulatory reform and provide associated guides and standard bidding documents.
  - (ii) Establish a structured approach to procurement professionalisation to develop a cadre of procurement professionals with the necessary expertise to oversee and undertake procurement in accordance with the new legal and regulatory framework ensuring that critical public services and infrastructure are provided efficiently, with the highest standards of integrity being upheld. This will also facilitate the efficient execution of CDB-financed projects.

#### Expected Outcome 6: Strengthened Environmental Management and Governance

4.13 The CES will target strengthening institutional capacity with respect to the analysis and formulation of public policy in the field of sustainable environmental management. To facilitate the institutional strengthening of Suriname's environmental framework, the enhancement of environmental statistics as a basis for evidence-based decision making in the environmental sector, and to improve the provision of disaster risk information and assessments including timely and accurate early warnings for at-risk communities, CDB identified the following interventions:

- (a) PBL series consisting of two operations to strengthen institutional capacities for improving national environmental outcomes.
- (b) TA for setting up natural capital accounts.
- (c) TA for strengthening EWS for the Brokopondo district.

#### Expected Outcome 7: Increased Production and Use of Sustainable Energy

4.14 The Strategy proposes, in collaboration with development partners such as IDB, to support GOS and its institutions in their efforts to improve the availability, affordability, and environmental quality of the supply of electricity, particularly through institutional strengthening and scaling-up the use of RE. Such interventions will promote climate change mitigation. The following interventions have been identified for support:

- (a) TA for the regulator for capacity building and training to support the ongoing development and implementation of cost-recovery electricity tariffs.
- (b) TA for MNR for provision of training on operations, maintenance, and monitoring for hybrid RE systems.
- (c) TA for studies to optimise the operation of the Coronie solar photovoltaic (PV) plant.

### **Pillar III: Facilitating Sustainable Private Sector and Agriculture Development**

#### Expected Outcome 8: Trade Facilitation, and Enhanced Private Sector and MSME Resilience

4.15 CDB will continue to support the enabling environment in line with international best practices to foster a regionally and internationally competitive MSME sector. The focus will be on establishing new legislation, introducing new business facilitation processes, and effecting reforms of existing processes. This will improve operational efficiency and reduce costs associated with high-frequency business facilitation services (for example, starting a business, eliminating (credit) information asymmetry, and improving turnaround times for permits and customs approvals). The Bank anticipates that this support will lead to enhancements in operational efficiency and reduced transaction costs – resulting in improved productivity and competitiveness in the private sector. The CES will therefore focus on key policy interventions including: legal and legislative reforms; national MSME business support; establishing a MSME framework/MSME Act; incentive framework for MSMEs; and formalising the informal sector.

4.16 To grow and scale, businesses need a suite of financing instruments available and suitable to each stage of development, from the seed and early stage to maturity. Access to finance continues to be a limiting factor to MSME growth in Suriname. To improve access to appropriate and affordable finance, CDB will seek to: establish financing partnerships with financial institutions, such as Trustbank Amanah which manages the MSME Fund and the Agri Fund; support de-risking mechanisms, such as through partial credit guarantees; and engage in initiatives such as loan syndication, to address the specific financing needs of large firms. The CES will also include capacity-building for financial institutions and business support organisations, such as NDB and CCI.

4.17 The CES, through CTCS, will focus on enterprise development, with a focus on capacity building for firms, as well as business support organisations that provide business development services to the private sector, in order to close important knowledge gaps that constrain firm competitiveness. In this regard, CTCS will continue to provide training to selected MSMEs in areas including Financial Literacy and Management, Business Continuity Planning, and Digital and Social Media Marketing, Project Management for Innovation and Entrepreneurship, Greenhouse Farming, and Customer Service.

4.18 The CES through the Bank's RCI remit will seek to build an effective and resilient trade facilitation framework enabling Suriname to improve its trade interactions with the eastern and southern Caribbean territories. In particular, trade to easterly regions of the Caribbean is constrained due to the absence of a logistics and supply chain framework. Coupled to this challenge is the lack of a coordinated framework which will enable Suriname to appropriately streamline its foreign policy engagement with the rest of the world. Addressing these challenges will open greater market access opportunities for Suriname thereby leading to an improved and competitive trade regime for its private sector participants.

4.19 The Bank within the framework of the CES will therefore seek to:

- (a) Improve the capacity of the relevant government departments and related agencies to coordinate the design and implementation of trade policy, thereby leading to the ratification of the TFA Agreement.
- (b) Address the gaps in national quality infrastructure that will help exporters establish and adopt best practises in international standards requirements while ensuring compatibility with member country Sanitary and Phyto Sanitary (SPS) regulatory conditions.

- (c) Improve the capacity of ministries with responsibility for agro-industrial and agricultural development to support matters related to technical barriers to trade and SPS regulatory reform.
- (d) Foster opportunities for improved market entry into new markets for priority goods and services.
- (e) Empower the private sector to explore opportunities for the exchange of best practices in the field of Intellectual Property (IP) Rights alternative dispute resolution (ADR) and mediation.
- (f) Enhance opportunities for the commercialisation of IP Assets within the Region.
- (g) Improve, through TA, the supply chains by the means of a logistics case study with the UN International Trade Centre (ITC), including the identification of specific policy and reform measures to improve logistics and raise productivity. The TA is expected to facilitate private sector development, improve competitiveness, and build production and economic resilience.

Expected Outcome 9: Enhanced Agriculture Sector Resilience

4.20 CDB proposes, in collaboration with development partners such as IDB, Food and Agriculture Organisation (FAO), Inter-American Institute for Cooperation on Agriculture, and ITC to support GOS in its effort to enhance agriculture human capital, improve transportation and logistics, and strengthen governance, strategic planning, and implementation. The following interventions have been identified for support:

- (a) TA for capacity building and the establishment of a national horticulture innovation hub, technical cooperation centre, and the federation of farmer cooperatives.
- (b) TA to enhance national SPS regime and improve transportation and logistics for increased access to regional markets.
- (c) TA for updating the agriculture strategic plan and improving capacity in governance, strategic planning and agriculture project implementation.
- (d) BNTF 11 to support agriculture sector.

**TABLE 4.1: INDICATIVE SUPPORT PROGRAMME**

Sector/Area	Main Intervention Areas Identified	Share of Resource Envelope
<b>Pillar I: Building Social Resilience</b>		
<u>Expected Outcome 1: Enhanced Water Supply Provision and Resource Management</u>		
Water and Sanitation	Water sector enhancement and Nickerie water supply upgrade.	23.6% (\$59.0 mn)
<u>Expected Outcome 2: Strengthened Social Sector</u>		
Social Sector and Civil Society	Social sector and community development and strengthening of civil society.	4.0% (\$10.0 mn)
<u>Expected Outcome 3: Enhanced Access to and Quality of Education</u>		
Education	Improving access, participation, and quality education/skills development at basic and post-secondary levels.	12.0% (\$30.0 mn)
<u>Expected Outcome 4: Enhanced Statistical Capacity</u>		
Statistics	Institutional strengthening of GBS with a special focus on statistical capacity and increased digitalisation.	0.3% (\$0.8 mn)
<b>Pillar II: Enhancing Climate/Disaster Resilience of Infrastructure and the Environment</b>		
<u>Expected Outcome 5: Enhanced Procurement Capacity</u>		
Procurement	Assessment and enhancement of procurement legal and regulatory framework.	0.1% (\$0.4 mn)
<u>Expected Outcome 6: Strengthened Environmental Management and Governance</u>		
Environmental Sector	Institutional strengthening of environmental management including strengthening of multi-hazard EWSs, enhancement of environmental statistics, and development of natural capital accounts.	20.6% (\$51.5 mn)
<u>Expected Outcome 7: Increased Production and Use of Sustainable Energy</u>		
Sustainable Energy	Support for improving availability, affordability and environmental quality of the supply of electricity through institutional strengthening and scaling-up the use of RE.	0.8% (\$2.0 mn)
<b>Pillar III: Facilitating Sustainable Private Sector and Agriculture Development</b>		
<u>Expected Outcome 8: Trade Facilitation, and Enhanced Private Sector and MSME Resilience</u>		
Private Sector	Support regarding RCI, capacity enhancement and funding for MSMEs and strengthening of NDB.	2.8% (\$6.5 mn)
<u>Expected Outcome 9: Enhanced Agriculture Sector Resilience</u>		
Agriculture	Support for enhanced agriculture human capital, transportation and logistics and strengthening governance, strategic planning and implementation.	0.2% (\$0.5 mn)

Source: CDB.

## **IMPLEMENTING THE 2024-2030 STRATEGY**

4.21 A RF has been prepared to monitor the CES (see Appendix 5). Performance indicators will be used to monitor and assess progress on the proposed interventions which are expected to contribute to the CES outcomes. Monitoring and coordinating the CES will be done by CDB (led by the Economics and Projects Departments) and country authorities. CDB's engagement will be focused on promoting mutual accountability for results and fostering open and frequent policy dialogue with GOS. Through the Bank's pipeline management, an implementation monitoring framework is in place to track the progress of projects and programmes. CDB will continue to support Suriname regarding procurement arrangements, including procurement training for key personnel, which is expected to facilitate project implementation. The Bank's procurement capacity was strengthened by setting up a roster of experienced and highly proficient professionals with country-specific knowledge and country-specific assignments and responsibilities. This is expected to facilitate and enhance procurement arrangements in CDB-financed projects and, hence, is to benefit project implementation in all BMCs including Suriname. The Bank will also remain committed to address country-specific project implementation issues in Suriname – which include challenges regarding key project staff remuneration and talent retention – already at the project design stage, which is expected to facilitate the removal of project implementation bottlenecks and to have beneficial impacts for overall CES implementation and disbursement ratios. Some of the macro-economic and fiscal downside factors such as strong exchange rate depreciation, which impaired contractors' implementation capabilities, and lack of fiscal space, which hindered effective human resources policies for project implementation units, should progressively diminish during the strategy period as GOS is expected to remain committed to economic and fiscal policies conducive to macro-fiscal stability. CDB will consider the allocation of procurement agents and project implementation officers for specific projects on a case-by-case, and on an as-needed, basis. Recently CDB also contracted consultancy services to analyse and to address implementation deficits in its BMCs which is expected to lead to the identification of further remedies for addressing these issues by the end of 2025.

4.22 In the case that Suriname's economy and its social fabric should undergo an accelerated pace of change, adjustments in the chosen path of development over the strategy period will be required and can be accommodated by a re-direction of the Strategy. CES implementation will be reviewed at mid-point by taking stock of planned programme activities to assess the continuing relevance of the Strategy and adjust it where necessary. Given the current difficult socio-economic climate that could impact CES implementation, continuous monitoring will facilitate and allow for the required adaptability and flexibility in the Strategy to adjust the scope and to reprioritise in the event of changes to conditions on the ground. At expiry of the Strategy, a CES completion report will be conducted to self-assess the progress in achieving the CES outcomes according to the RF.

## **COORDINATION WITH DEVELOPMENT PARTNERS**

4.23 Donor coordination is crucial to minimise duplication within programming and to enhance collaboration. Suriname accesses development resources from a variety of bilateral and multilateral sources. The CES considers the engagement of other development partners (see Appendix 6) to create synergies and draws on CDB's comparative advantage. This is supported by dialogue with the development partners, as well as officials in Suriname. The official coordination of development partners is undertaken by the Ministry of Finance and Planning (MOFP).

4.24 Suriname's main multilateral and bilateral partners include IDB, the agencies of the UN system, Islamic Development Bank (IsDB), WB, China, India, the USA, the European Union (EU) and France (via Agence française de développement, [AFD]). IDB has an active CS (2021-25) with Suriname which comprises the strategic areas restoring macroeconomic sustainability, private sector competitiveness, and basic services and social protection. WB is working on a new Country Partnership Framework with



Suriname which will be based on the four pillars of equitable allocation of resource revenues, human capital and social protection, business environment and private sector, and environmental resilience; and the UNDP's country programme document for Suriname (2022-26) centres around democratic governance, social development, and the environment, climate change and natural resources management.

## **RISK ANALYSIS AND MITIGATION**

4.25 Potential risks to the achievement of the CES's objectives are centred around macro-economic and fiscal, social, institutional, and human resource capacity, and environmental challenges. Most of these risks emanate from Suriname's challenges to efficiently implement development projects. The risk mitigation measures identified focus on having a systematic framework of monitoring and country engagement.

4.26 All interventions will be screened for climate and disaster risks, associated risks documented, and contingencies built into each project based on the screening (see Appendix 7). Table 4.2 summarises the likely risks, as well as CDB's proposed mitigation measures.

**TABLE 4.2: RISK ASSESSMENT AND MITIGATION MEASURES**

<b>Risk Type</b>	<b>Description of Risk</b>	<b>Mitigation Measures</b>
Credit	<p>At times, GOS has struggled to stick to EFF programme parameters and achieve quantitative targets and structural benchmarks.</p> <p>Fiscal slippage could put fiscal consolidation into question and increase risks to debt sustainability. This type of risk would also include risks to social cohesion leading to fiscal slippage as these could manifest itself in reduced government capacity to service debt.</p> <p>A strong downwards gold or oil price shock due to a global recession or any other event depressing gold and oil demand, could negatively impact government revenue and medium-term fiscal plans, and lead to a slowdown in development projects.</p> <p>Any of the above shocks, a classical macro-economic shock of a sizeable magnitude, or a combination of shocks, could slow down growth and worsen fiscal and debt metrics.</p>	<p>While the credit risk is still high, GOS has already made significant progress regarding fiscal consolidation, and the IMF projects the debt/GDP ratio to drop to 60% by 2032.</p> <p>CDB will continue to monitor macro-economic developments, step up country surveillance in close collaboration with IMF and IDB, and is prepared to engage with GOS to develop appropriate emergency responses to further unforeseen developments.</p> <p>Almost half of the resource envelope is of concessional nature which will have little impact on debt vulnerabilities.</p> <p>Reforms supported by other development partners, including IDB and WB, on fiscal strengthening and debt management are expected to help strengthen macro-fiscal resilience and increase the prospect for better fiscal management.</p>
Liquidity	<p>GOS has insufficient liquidity to meet debt service obligations to CDB and to provide counterpart contributions.</p> <p>A strong downwards gold price shock could unravel Suriname’s progress made in resolving its BOP crisis.</p>	<p>The fiscal adjustment under the current IMF programme and the debt restructuring has reduced liquidity risks as reflected in a decline in the projected 2024-28 gross borrowing requirement to 6.7% of GDP, from 16.8% during the 2019-2023 period.</p> <p>CDB will continue to closely monitor these types of risks during the CES period and provide policy advice and assistance as necessary.</p>
Operational: Processes, Governance	<p>Limited institutional project implementation capacity is a hurdle for ambitious Public Sector Investment Programme (PSIP) roll-out. Procurement arrangements remain a risk for project implementation as key personnel lacks experience and expertise.</p>	<p>CES has a strong focus on capacity-enhancing initiatives through provision of TA, especially during the earlier stages of the Strategy.</p> <p>CDB started to support GOS on the Procurement Bill 2023 and will continue to provide assistance to strengthen procurement capacity during the CES period in collaboration with other IDPs.</p>

<b>Risk Type</b>	<b>Description of Risk</b>	<b>Mitigation Measures</b>
Operational: People, Human Resources, and Implementation	<p>Authorities and agencies lack the adequate level of human resources required to efficiently execute their ambitious PSIP which adds to implementation capacity constraints. Training in Public Policy Analysis and Management (PPAM) and Project Cycle Management (PCM) was conducted by CDB during the last CS period, but gaps remain.</p> <p>Project implementation units might face challenges to pay competitive salaries and retain key staff.</p> <p>Labour market skills gaps in the private sector could cause the most productive public sector employees to leave GOS for gainful employment opportunities in the private sector, especially once the offshore oil industry starts to develop.</p>	<p>Further training in PPAM and PCM through online course delivery is available.</p> <p>CDB will continue to assist GOS with broad-based support in the education sector in an effort to strengthen human resources and raise productivity in Suriname.</p> <p>Assuming continued fiscally responsible GOS policies, more fiscal space for public sector human resources will become available. Also, enhanced consideration to be given to appropriate staffing for implementation at project design stage.</p>
Operational: External Events, Disaster Risk	Direct and indirect exposure of key sectors to extreme hazard impacts, including pandemics, can cause major disruption and delays to programme implementation.	The Bank will support Suriname regarding its disaster preparedness. CDB has already demonstrated, and the CES allows for, flexibility to respond to the challenges posed by hazard impacts by making additional specific disaster-response financing available.
Developmental: Gender, Environmental, Climate, Social	Inadequate consideration of the importance of gender, environmental, climate change and social considerations in project design, implementation and operation can compromise the desired developmental outcomes.	All interventions are/will be subject to environmental, social, gender and climate risk screening and the appropriate designs and monitoring plans put in place. The CES programme is gender mainstreamed.

**GENDER MARKER ANALYSIS**

<b>Project Cycle Stage</b>	<b>Criteria</b>	
Analysis	Relevant categories include groups of males and females differentiated by age, ability.	0.5
	Sector and/or institutional analysis considers gender risks and/or gender disparities that impact the achievement of project outcomes.	0.5
Design	Project interventions address existing gender disparities.	0.5
Implementation	Includes or engages with gender-relevant stakeholders such as National Gender Bureau, representatives of women's and men's groups/community based/youth organisations in the project communities, relevant NGOs.	0.5
M&E	Collection of sex-disaggregated data is part of the project.	0.5
	At least one gender specific indicator in the RF.	0.0
		<b>2.5</b>

**MULTI-ANNUAL DEVELOPMENT PLAN 2022-26: STRATEGIC ACTION POINTS**

<p><b>Production, Entrepreneurship, Employment, Export</b></p> <ul style="list-style-type: none"> <li>• Local content policy</li> <li>• Improving business climate</li> <li>• Set up SME fund</li> <li>• Differentiating tax rates</li> <li>• Business clusters for Nickerie, Moengo, Brokopondo, Groningen and Commewijne</li> <li>• Residue and veterinary lab for food export</li> <li>• Lower import tariffs for green technology and production</li> <li>• Stimulating wood processing and phasing out round wood export</li> <li>• Cultivation of high-quality nutritious cut grasses and moringa</li> <li>• Training and information for farmers in a PPP format</li> </ul> <p><b>Transportation and Infrastructure</b></p> <ul style="list-style-type: none"> <li>• New connection across the Suriname River</li> <li>• Scattered public transport hubs</li> <li>• Redesigning van 't Hogerhuysstraat</li> <li>• Implementation of radar systems for overflight charges</li> </ul> <p><b>Liveable Environment &amp; Nature and Safety</b></p> <ul style="list-style-type: none"> <li>• Phasing out toxic substances in mining</li> <li>• Start up phase 2 of Safe City</li> <li>• Community monitoring for the protection, rehabilitation and sustainable use of biodiversity</li> <li>• Stimulating regionally spread development opportunities and production possibilities</li> <li>• Drone surveillance</li> <li>• Implementation of 4 water laws</li> <li>• Adoption of the Nature Conservation Act</li> </ul>	<p><b>Land and Housing</b></p> <ul style="list-style-type: none"> <li>• Adopt Apartment Law</li> <li>• More affordable and faster handling of family land transfers</li> <li>• Annual construction of 500 homes for social housing</li> </ul> <p><b>Social Protection</b></p> <ul style="list-style-type: none"> <li>• Adopting the Basic Bank Account Act</li> <li>• Implementation of cashless social benefits</li> <li>• Homeless shelter set up</li> <li>• Determining the poverty line and minimum hourly wage</li> <li>• Set up job bank for different skill levels</li> <li>• Implement a national program to combat violence against children</li> <li>• Provide decentralized training, education and project opportunities</li> </ul> <p><b>Education and Healthcare</b></p> <ul style="list-style-type: none"> <li>• Poverty reduction through educational innovations based on cognition, whereby dropouts are reduced</li> <li>• Make healthcare affordable, accessible, and reliable through a decentralized range of specializations</li> <li>• Promote distance learning</li> <li>• Operationalize Training Authority with involvement of the entrepreneurial field</li> <li>• More focus on prevention</li> </ul>
<p><b>Efficient and Effective Government</b></p> <ul style="list-style-type: none"> <li>• Privatization of state-owned enterprises</li> <li>• Better tax collection</li> <li>• Making government processes more efficient and transparent</li> <li>• Implementation modalities to reduce civil servants</li> <li>• Adopt the New Civil Code, Transparency Act, General Administrative Law Act</li> <li>• Establish a corruption hotline and prohibition of conflicts of interest</li> <li>• Create opportunities for districts to legally collect their own financial infows</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening institutions</li> <li>• Digitization and automation of processes</li> </ul>

Source: GOS.

**SOCIAL VULNERABILITY MATRIX**

<b>Beneficiaries</b>	<b>Types of Risks/Vulnerabilities Faced</b>	<b>Existing Policies and Programmes</b>	<b>Partners</b>	<b>Recommendations for Mitigation</b>
Children under 16 years.	<ul style="list-style-type: none"> <li>• Access and quality of education and training especially for children at the upper end of the age spectrum.</li> <li>• Access to health, water, and sanitation, services.</li> <li>• Access to internet services.</li> <li>• Access to sporting and recreational facilities.</li> <li>• Child poverty.</li> <li>• Weak capacity to protect children, especially in the interior.</li> </ul>	<ul style="list-style-type: none"> <li>• IK Ben (“I Am”) programme.</li> <li>• Education Policy.</li> <li>• Child Social Assistance Programme.</li> <li>• Supply of play and pedagogical resources to early childhood development by UNICEF.</li> <li>• Positive Parenting Programme.</li> </ul>	<ul style="list-style-type: none"> <li>• MOE.</li> <li>• SOZAVO.</li> <li>• UNDP.</li> <li>• BNTF (CDB).</li> <li>• CDB.</li> <li>• UNICEF.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of improved access to quality education, sports, and recreational facilities especially in rural communities.</li> <li>• Enhancing capacity for the delivery of social assistance and strengthened capacity in the Ministry of Social Affairs to provide protection for vulnerable.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender responsive and socially inclusive Social Protection Policy and Strategy (SPPS).</li> </ul>
Young Persons (ages 16 to 35 years).	<ul style="list-style-type: none"> <li>• Unemployment and underemployment.</li> <li>• Poverty.</li> <li>• Lack of Skills.</li> <li>• Sexual and Reproductive Health Issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Skills straining programmes provided through the Ministry of Labour, BNTF and NGOs.</li> <li>• Education Policy.</li> <li>• Decent work.</li> <li>• Health policies and programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO.</li> <li>• Ministry of Labour.</li> <li>• ILO.</li> <li>• BNTF (CDB).</li> <li>• Various NGOs.</li> <li>• UN Women.</li> <li>• Ministry of Health (MOH).</li> <li>• CDB.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased provision of quality secondary, tertiary and TVET opportunities for young persons.</li> <li>• Upscaling of investments in youth entrepreneurship development and training programmes.</li> <li>• Improving access to quality health care for women and girls.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>
Women.	<ul style="list-style-type: none"> <li>• Unemployment.</li> <li>• Informal work.</li> <li>• Inequality towards Women.</li> <li>• Low participation rate in labour force.</li> <li>• Access to Credit.</li> <li>• Sexual and gender-based violence.</li> <li>• Trafficking in Persons (TIP).</li> <li>• Sexual and economic violence against young women.</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurship programme.</li> <li>• Training of vulnerable groups by BNTF.</li> <li>• Training Programmes by Ministry of Labour.</li> <li>• Ministry of Justice programme on trafficking in persons.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO.</li> <li>• Ministry of Labour.</li> <li>• MOH.</li> <li>• United Nations Population Fund.</li> <li>• UNICEF.</li> <li>• UN Women.</li> <li>• BNTF (CDB).</li> <li>• CDB.</li> <li>• ILO.</li> </ul>	<ul style="list-style-type: none"> <li>• Upscaling of investments in entrepreneurship development and training programmes for women.</li> <li>• Support for the implementation of the National Gender Policy and Strategic Plan.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>

<b>Beneficiaries</b>	<b>Types of Risks/Vulnerabilities Faced</b>	<b>Existing Policies and Programmes</b>	<b>Partners</b>	<b>Recommendations for Mitigation</b>
Older Persons.	<ul style="list-style-type: none"> <li>• Poor food.</li> <li>• Neglect.</li> <li>• Poverty.</li> <li>• Discrimination.</li> <li>• Lack of a policy and strategy on ageing.</li> <li>• Access to quality water and sanitation.</li> <li>• Inadequate accommodation and care for seniors and overall senior management programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• National pension programme for all seniors.</li> <li>• National Health Programme.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO.</li> <li>• MOH.</li> </ul>	<ul style="list-style-type: none"> <li>• Crafting of a national gender-responsive policy and strategy on ageing.</li> <li>• Construction of a senior citizens home and the development of standards of care for such homes.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>
Indigenous Peoples.	<ul style="list-style-type: none"> <li>• High levels of poverty and unemployment.</li> <li>• Marginalisation.</li> <li>• Infrastructure deficits.</li> <li>• Limited access to basic services such as water and sanitation services, quality health care, electricity, internet, and education.</li> <li>• Limited access to recreational services.</li> <li>• Access to credit.</li> </ul>	<ul style="list-style-type: none"> <li>• Projekta Advocacy Programme.</li> <li>• Various programmes through the Ministry of Regional Development and Sports.</li> <li>• MNR Electrification Programme.</li> <li>• Project to facilitate the development of development plans for and with indigenous people.</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Regional Development and Sports.</li> <li>• SOZAVO.</li> <li>• Ministry of Labour.</li> <li>• Various NGOs including Projekta Foundation.</li> <li>• UNDP.</li> <li>• ILO.</li> <li>• BNTF (CDB).</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of improved access to quality basic services.</li> <li>• Support for development plans by indigenous and tribal people.</li> <li>• Implement water and sewerage infrastructure to alleviate water shortages.</li> <li>• Facilitate the increase in investment in entrepreneurship and training activities targeted at indigenous and tribal people.</li> <li>• Strengthen the capacity of CSOs/NGOs who work with indigenous and tribal people.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>
PWDs.	<ul style="list-style-type: none"> <li>• Abuse.</li> <li>• Neglect.</li> <li>• Discrimination.</li> <li>• Issues of care and protection.</li> <li>• Risk of homelessness.</li> <li>• Capacity for employment and stigma affecting employment.</li> <li>• Poverty.</li> </ul>	<ul style="list-style-type: none"> <li>• Programme of the Foundation for PWDs.</li> <li>• Training through the Ministry of Labour.</li> <li>• Training funded through BNTF.</li> <li>• ILO Entrepreneurship Programme.</li> <li>• Social Assistance Programme for PWDs.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO</li> <li>• MOH.</li> <li>• Ministry of Labour.</li> <li>• ILO.</li> <li>• UNDP.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance the capacity to deliver programmes for PWD.</li> <li>• Upscaling investment into entrepreneurship and training programmes for PWDs.</li> <li>• Strengthening the delivery of social protection measures through the development of a SPPS.</li> </ul>

<b>Beneficiaries</b>	<b>Types of Risks/Vulnerabilities Faced</b>	<b>Existing Policies and Programmes</b>	<b>Partners</b>	<b>Recommendations for Mitigation</b>
Low-income families/male/female single-parent household.	<ul style="list-style-type: none"> <li>• Lack of livelihoods skills and employment capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO social assistance for low-income families.</li> <li>• MOH programme to expand access to free healthcare.</li> <li>• Entrepreneurship Development by ILO.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO.</li> <li>• MOH.</li> <li>• MOFP.</li> <li>• ILO.</li> <li>• UNDP.</li> </ul>	<ul style="list-style-type: none"> <li>• Upscaling of investments in gender-responsive entrepreneurship development and training programmes.</li> <li>• Conducting Enhanced CPA.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>
Rural Poor.	<ul style="list-style-type: none"> <li>• Livelihoods opportunities.</li> <li>• Capacity gaps regarding community mobilisation, organisational capacity development and training.</li> </ul>		<ul style="list-style-type: none"> <li>• SOZAVO.</li> <li>• MOH.</li> </ul>	<ul style="list-style-type: none"> <li>• Expanding the investment supporting livelihoods interventions for rural poor.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>
Urban Poor.	<ul style="list-style-type: none"> <li>• Lack of affordable housing, sanitation, water and energy.</li> <li>• Limited second chance educational opportunities programmes for inner city youth.</li> <li>• Crime and violence.</li> <li>• Limited wraparound services.</li> <li>• Social assistance programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• NGOs/CSOs services.</li> <li>• MOH.</li> <li>• MOE.</li> <li>• SOZAVO.</li> </ul>	<ul style="list-style-type: none"> <li>• SOZAVO.</li> <li>• MOH.</li> <li>• MOE.</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting the development of infrastructure to facilitate the delivery of second chance and wrap around services for youth at risk.</li> <li>• Strengthening the capacity to deliver social services to urban communities.</li> <li>• Strengthening the delivery of social protection measures through the development of a gender-responsive and socially inclusive SPPS.</li> </ul>



**COUNTRY STRATEGY COMPLETION REPORT (2014-18)**  
**Country Strategy Outcome Ratings**

<b>Pillar 1: Promoting Social Sustainability</b>	
Outcome 1: Increased access to high quality and relevant education and training	<i>Not Achieved</i>
Outcome 2: Improved access by rural communities to basic social and economic infrastructure services and income-generating opportunities	<i>Not Achieved</i>
Outcome 3: Improved gender mainstreaming capabilities within GOS	<i>Not Achieved</i>
<b>Pillar 2: Promoting Economic Sustainability</b>	
Outcome 4: Improved agricultural sector output – targeting both internal and external markets	<i>Not Achieved</i>
Outcome 5: Increased MSMEs access to credit and business support services	<i>Not Achieved</i>
Outcome 6: Reduced human, economic and financial losses due to road traffic accidents	<i>Not Achieved</i>
Outcome 7: Enhanced efficiency and capacity of port operations	<i>Not Achieved</i>
Outcome 8: Improved coverage, efficiency, and quality of potable water supply	<i>Not Achieved</i>
Outcome 9: Increased electricity coverage	<i>Not Achieved</i>
Outcome 10: Improved capacity of EBS transmission and distribution system	<i>Not Achieved</i>
<b>Pillar 3: Promoting Environmental Sustainability</b>	
Outcome 11: Enhanced governance framework for environmental management	<i>Not Achieved</i>
Outcome 12: Enhanced community resilience to coastal hazards through strengthened sea defence infrastructure and improved community-level disaster and climate resilience strategies	<i>Not Achieved</i>
<b>Pillar 4: Promoting Good Governance</b>	
Outcome 13: Nationally-accepted poverty indicators established by December 2016	<i>Not Achieved</i>
Outcome 14: Enhanced capability to formulate better results-based projects and development plans	<i>Not Achieved</i>

**Country Strategy 2014-18: Loan and TA Approvals and Disbursements (\$ mn)\***

<b>Approvals</b>	<b>Approval Date</b>	<b>Amount Identified in CS Paper (\$ mn)</b>	<b>Approved Amounts (\$ mn)</b>	<b>Undisbursed Balance at Dec 2020 (\$ mn)</b>	<b>(Age from Loan signing to completion, Dec 31, 2020)</b>	<b>Project Status at Dec 2020</b>	<b>Project Performance Rating</b>
<u>Increased access to high quality and relevant education and training</u> Enhancement of TVET	11-Dec-14	60.0; distributed over 5 education sector interventions	21.9	10.2	1.5	Under Implementation	3.0
<u>Improved access by rural communities to basic social and economic infrastructure services and income-generating opportunities</u> BNTF Ninth Programme	16-Mar-17	n.s.	0.8	0.6	2.0	Implementation	n.a.
<u>Increased MSMEs access to credit and business support services</u> CTCS – TA Programme in business modelling, Management for Development Results for business support organisations, and loan appraisals for MSMEs	21-Jul-14 through 23-Feb-18	1.0	0.2	0.1	n.a.	Implementation	n.a.
<u>Improved coverage, efficiency, and quality of potable water supply</u> Grant – Feasibility Study to Upgrade Water Supply Facilities	13-Oct-16	n.s.	0.2	0.2	3.1	Approved	n.a.
Loan – Feasibility Study to Upgrade Water Supply Facilities	13-Oct-16	n.s.	0.5	0.5	3.1	Approved	n.a.
<u>Improved capacity of EBS’ transmission and distribution system</u> Power Project – Electricity System Upgrade and Expansion	13-Oct-16	n.s.	65.0	56.4	3.6	Implementation	2.88

n.a. – not applicable; n.s. – not specified.

\* December 31, 2020, was the cut-off date used for the portfolio review in the CS 2014-18 Completion Report prepared in 2021.

Source: CDB.

## DEVELOPMENT PARTNERS' ENGAGEMENT

Sector/Area	Agriculture			
<b>CDB</b>	Value-Chain analysis soft commodities	Capacity building in governance, strategic planning, and implementation.	Strengthening SPS regimes and transportation and logistics	Support for establishment of national horticulture innovation hub, technical cooperation center, and the federation of farmer cooperatives.
<b>IDB</b>	Agricultural Competitiveness Programme	Sustainable Agricultural Productivity Program	Promoting Sustainable Forest Management	
<b>UN Agencies</b>	Suriname Agricultural Market Access Programme	Pineapple value chain Savannah Belt	GCF Readiness Rice	Improving Capacity to Climate Change Resilience (FAO)
<b>IsDB</b>	Support Small Crop Producers			
<b>EU</b>	Caribbean Investment Facility-Agriculture Competitiveness Project	National Indicative Programme – Suriname Agricultural Market Access Programme	Sustainable Forest Livelihoods for Communities	

Sector/Area	Citizen Security			
<b>CDB</b>	Enhancing Access Through Stakeholder Engagement	Neighbourhood Policing		
<b>UN Agencies</b>	Peace, Safety, Justice, and Rule of Law	Indigenous People's Rights		
<b>EU</b>	Strengthening CSOs in Suriname. Change Nickerie – Enhancing women and children's rights	Caribbean Regional Indicative Programme – Strengthening the (criminal) justice system in Suriname	Local Actors for Change – Addressing social and economic development in Brownsveg	Stand with Us – Creating Building Block for a LGBT-inclusive Suriname.

Sector / Area	DRM and Climate Change			
<b>CDB</b>	PBL Environmental Management	Strengthening National Designated Authority regarding GCF Readiness	Multi-Hazard EWS in the Brokopondo district	Development of Natural Capital Accounts.
<b>IDB</b>	Spatial Planning Assessment and Development Support for Suriname			
<b>UN Agencies</b>	Resilience to Climate Change and Natural Resources Management	Land Policy and Forest Management	Environment and Natural Resources Management	Joint SDG Financing Facility
<b>WB</b>	Saramacca Canal System Rehabilitation			
<b>EU</b>	Global Climate Change Alliance (GCCA+)– Resilience building through integrated water resource management and integrated coastal zone management	Mangrove Protection and Restoration		
<b>USAID</b>	Climate Change Support			
<b>AFD</b>	Biodiversity, Forest Community and Livelihood (EU grant)			

Sector / Area	Energy			
<b>CDB</b>	Sustainable Energy, Streetlight Retrofit and Solar PV	EAS and MNR Capacity Building	Solar PV Optimisation	
<b>IDB</b>	Consolidating a Sustainable Energy Sector	Support for rural electrification with RE, potable water and telecommunications in Suriname	Promotion of energy efficiency (EE) and distributed generation in Suriname	
<b>UN Agencies</b>	Off-grid RE Solutions in Rural Suriname			
<b>IsDB</b>	Energy			
<b>EU</b>	RE/EE	Caribbean Investment Facility – Support to improve sustainability of the electricity service		
<b>India</b>	Rural Electrification			
<b>AFD</b>	Energy			

Sector / Area	Education			
<b>CDB</b>	Education Sector Reform	E-TVET		
<b>IDB</b>	Second Basic Education Improvement Programme	Consolidating Access to Inclusive Quality Education in Suriname	Language Training and Connectivity	
<b>UN Agencies</b>	Education (UN Environment Programme)			
<b>IsDB</b>	TVET			
<b>WB</b>	Human Capital			

Sector/Area	Financial Sector			
<b>CDB</b>	Partial Credit Guarantee Scheme	NDB and LFI Capacity Building		
<b>IDB</b>	Organisational Transformation of NDB			
<b>IMF</b>	Financial Sector Stability	AML/CFT Support		
<b>UN Agencies</b>	Sustainable Financial System			
<b>IsDB</b>	Islamic Finance	TA Central Bank of Suriname (CBS) Islamic Finance		
<b>WB</b>	Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) Support			
<b>USAID</b>	AML/CFT Support			

Sector/Area	Fiscal Sector			
<b>IDB</b>	Fiscal Strengthening to Support Economic Growth	Budgetary Support	Fiscal Programme to Regain Growth	
<b>IMF</b>	IMF EFF Budgetary Support and TA	Fiscal Framework (Caribbean Regional Technical Assistance Center)		
<b>WB</b>	Public Financial Management Systems			

Sector/Area	Private Sector Development/Trade			
<b>CDB</b>	RCI and Trade Facilitation	Logistics Support with UN ITC	MSME Support	
<b>IDB</b>	Foreign Investment and Export Promotion	Labor Market Alignment with New Industries	SUSTAME: Catalysing Change for the Development of a Value Chain for Sustainable Timber in Suriname	Reigniting empowerment of tribal women in Suriname through engagement in transformative technology
<b>UN Agencies</b>	Economic Resilience and Shared Prosperity	Artisanal and Small-Scale Gold Mining		
<b>IsDB</b>	Micro Finance			
<b>WB</b>	Governance and sector regulation, enhancing private investment	Competitiveness and Sector Diversification		
<b>USAID</b>	Ease of Doing Business and Entrepreneurship			

<b>Sector/Area</b>	<b>Public Sector Reform/Governance</b>			
<b>CDB</b>	Procurement Reform			
<b>IDB</b>	Support to State Asset Surveillance Management System			
<b>IMF</b>	CBS Governance Reform			
<b>UN Agencies</b>	Stronger Systems for Democratic Governance			
<b>WB</b>	Competitiveness and Sector Diversification			

<b>Sector/Area</b>	<b>Social Sector</b>			
<b>CDB</b>	Social Sector Resilience Building	BNTF	Community Development	
<b>IDB</b>	Safety Nets for Vulnerable Populations in Suriname	Innovation in the Management of Social Programmes in Suriname	Social Inclusion within Paramaribo's Historic Inner City: Addressing Homelessness and Other Vulnerable Populations	
<b>IMF</b>	Assessment of distributional aspects of electricity subsidies removal and identification of mitigating measures for vulnerable households.			
<b>UN Agencies</b>	Access to Social Protection Systems	Livelihood Enhancement (UNDP, UN Women, FAO)		
<b>WB</b>	Social Protection			
<b>USAID</b>	Youth Policy Support	Education Support		

<b>Sector/Area</b>	<b>Statistics</b>			
<b>CDB</b>	Capacity and Digitalisation Support	Development of Natural Capital Accounts		
<b>IMF</b>	Quality and Dissemination of Economic Data			

<b>Sector/Area</b>	<b>Transport (Air, Marine, Land)</b>			
<b>IDB</b>	Improving Transport Logistics and Competitiveness			

<b>Sector/Area</b>	<b>Urban Development, Drainage and Coastal Protection</b>			
<b>IDB</b>	Paramaribo Urban Rehabilitation Programme			
<b>WB</b>	Saramacca Canal System Rehabilitation			

<b>Sector/Area</b>	<b>Water and Sanitation</b>			
<b>CDB</b>	Water Supply Enhancement	Nickerie Water Supply Upgrade		
<b>IDB</b>	Water Supply Modernisation Programme			
<b>UN Agencies</b>	Integrated Water Resources Management			
<b>EU</b>	Caribbean Investment Facility-Sustainable Water Supply Project			
<b>AFD</b>	Improving Drinking Water Supply and Sanitation in Coastal Suriname			



## RESULTS FRAMEWORK

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
<b>PILLAR I: Building Social Resilience</b>						
<b><i>CES Expected Outcome 1: Enhanced Water Supply Provision and Resource Management</i></b>						
i. Climate-resilient infrastructure development to ensure availability of drinking water.	i. Lack of capacity to support supply of potable water and management of groundwater resources.	i. Enhanced capacity of SWM to increase water supply, manage groundwater resources, and maintain water quality.	i. Well programme established: <i>Baseline (2023): No.</i> <i>Target (2026): Yes.</i> <i>Source: SWM.</i>  ii. Water lab designs completed: <i>Baseline (2023): No.</i> <i>Target (2026): Yes.</i> <i>Source: SWM.</i>  iii. Water operators trained: <i>Baseline (2023): to be defined (TBD).</i> <i>Target (2026): [Increase].</i> <i>Source: SWM.</i>  iv. Nickerie Water Treatment Plant constructed: <i>Baseline (2023): No.</i> <i>Target (2028): Yes.</i> <i>Source: SWM.</i>	i. Water Sector Enhancement Project.  ii. Nickerie Water Supply Upgrade Project.	<u>Main Risks</u> i. Capacity constraints affect implementation of water infrastructure works.  <u>Main Mitigation Measures</u> i. Improved project planning and identification and costing of delays in project design.  ii. Engagement of industry partners and stakeholders during the design and implementation phases.  iii. Active supervision of project and programme activities by CDB.	SDG 3; SDG 6; SDG 11; and SDG 13.

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
<b>CES Expected Outcome 2: Strengthened Social Sector</b>						
i. Strengthened social services sector to deliver services to vulnerable populations.	i. Limited capacity within the sector to guarantee delivery of services.	i. Improved capacity to deliver timely and quality social services to the most vulnerable.	<ul style="list-style-type: none"> <li>i. CSO listing and capacity development plan prepared: <i>Target (2026).</i></li> <li>ii. Development plan for indigenous and tribal people crafted: <i>Target (2026).</i></li> <li>iii. Capacity development activities conducted across the sector including with CSOs: <i>Target (2026).</i></li> <li>iv. Gender Policy/Action Plan implemented: <i>Target (2027).</i></li> <li>v. Enhanced CPA conducted: <i>Target (2025).</i></li> <li>vi. Capacity for Stakeholder Engagement enhanced: <i>Target (2026).</i></li> </ul>	<ul style="list-style-type: none"> <li>i. TA to prepare CSO listing and capacity development plan.</li> <li>ii. TA to create development plans for indigenous and tribal peoples.</li> <li>iii. Social sector capacity strengthening TA.</li> <li>iv. TA to support implementation of Gender Policy/Action Plan.</li> <li>v. Enhanced CPA.</li> <li>vi. Capacity building for stakeholder engagement in the Social Sector Project.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. Limited capacity of social service ministries to implement interventions in a timely manner.</li> </ul> <p><u>Main Mitigation Measures</u></p> <ul style="list-style-type: none"> <li>i. Establishment of a project management unit.</li> <li>ii. CDB to provide support to facilitate the implementation of projects.</li> </ul>	SDG1; SDG 3; SDG 5; SDG 8, SDG 10; and SDG 17
<b>CES Expected Outcome 3: Enhanced Access to and Quality of National Education System</b>						
i. Education and human capacity development.	<ul style="list-style-type: none"> <li>i. Low access to adequate school infrastructure.</li> <li>ii. Low pedagogical skills, especially in special education and effective online delivery.</li> <li>iii. Lack of curriculum and programming relevance to labour market needs.</li> <li>iv. Inadequate policy framework to ensure institutionalisation of inclusive education.</li> </ul>	i. Enhanced access to, and quality of, the national education system.	<ul style="list-style-type: none"> <li>i. Net Enrolment Rates (Primary): <i>Baseline (2020) total: 92%; Rural: 88%. Target (2030) total: 100%; Rural: 95%. Human Resources Development Strategy (HRDS) data collection instrument.</i></li> <li>ii. Net Enrolment Rates (Secondary): <i>Baseline (2020) total: 71%; Rural: 37%. Target (2030) total: 80%; Rural: 50%. Data source: HRDS data collection instrument.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. Programme to improve access to basic education, including early childhood education development.</li> <li>ii. Improve access to and quality of the delivery of STEM education.</li> <li>iii. Expand the provision and access to quality education for learners with disabilities and special educational needs.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. Lack of quality and quantity of human resource capacity within the education sector to support implementation.</li> </ul> <p><u>Main Mitigating Measures</u></p> <ul style="list-style-type: none"> <li>i. CDB will continue to assist GOS in the implementation of its education sector projects, especially in TVET, and stands ready to provide further support to strengthen human resources in Suriname.</li> </ul>	SDG 4 SDG 4.2 SDG 4.3, SDG 4.5, SDG 4a, SDG 4c

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
	v. Limited access to assistive devices and technologies.		<p>iii. Percentage of teachers who received at least a minimum organised pedagogical teacher training required for teaching special education needs and online/distributed learning:  <i>Baseline: (TBD).</i>  <i>Target: (TBD).</i>  <i>Data source: HRDS data collection instrument.</i></p> <p>iv. Percentage schools with access to adapted infrastructure and materials for students with special education needs:  <i>Baseline: (TBD).</i>  <i>Target: (TBD).</i>  <i>Data source: HRDS data collection instrument.</i></p> <p>v. Percentage of students achieving two or more STEM subjects in final year of secondary:  <i>Baseline (2019) total: 43%;</i>  <i>Target (2030): 55%.</i>  <i>Data source: HRDS data collection instrument.</i></p> <p>vi. Percentage of youth and adults in education and training in the previous 12 months:  <i>Baseline: (TBD)</i>  <i>Target: (TBD)</i>  <i>Data source: GOS Information system.</i></p>	iv. Expansion of TVET programming and skill development.		

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
<b>PILLAR I: Building Social Resilience</b> <i>CES Expected Outcome 4: Enhanced Statistical Capacity</i>						
i. Enhanced statistics facilitating evidence-based policy making.	i. Limited institutional capacity of NSS in adopting modern technologies to support the production and sharing of data throughout NSS.  ii. Lack of digitalisation of systems and processes at GBS.	i. Enhanced statistical capacity of NSS.	i. Enhanced statistical capacity through increased digitalisation. Increased use of digital technology and modern web-based systems in the conduct of fieldwork, storage, analysis, and dissemination of data and statistics: <i>Baseline (2023): Partial use of digital and modern technologies in data collection and analysis.</i> <i>Target (2028): Used in all surveys.</i> <i>Source: GBS.</i>	i. TA for institutional strengthening and digitalisation of GBS including support with hardware.	<u>Main Risks</u> i. Lack of GOS prioritisation of institutional strengthening and digitisation of NSS.  <u>Main Mitigation Measures</u> i. Continued CDB support on digitalisation strategy in collaboration with international partners.	SDG 16; and SDG 17.
<b>PILLAR II: Enhancing Climate / Disaster Resilience of Infrastructure and the Environment</b> <i>CES Expected Outcome 5: Enhanced Procurement Capacity</i>						
i. Understanding of current state of procurement systems and capacity.  ii. Finalisation and implementation of procurement reform action plan.	i. Outdated public procurement system.  ii. Need for a new legal/regulatory framework with supporting institutions and capacity building.	i. Enhanced procurement capacity.	i. Procurement Assessment and reform action plan completed and approved: <i>Baseline (2023): No.</i> <i>Target (2026): Yes.</i> <i>Source: Assessment Report/ plan.</i>  ii. New procurement law/regulations approved: <i>Baseline (2023): No.</i> <i>Target (2026): Yes.</i> <i>Source: Government website.</i>	i. Collaboration with other Multilateral Development Banks (MDBs) to support GOS with procurement assessment and action plan.  ii. Assistance for the development of new procurement law and related regulations.	<u>Main Risks:</u> i. Procurement reform does not remain a GOS priority. ii. MDB coordination challenges.  <u>Main Mitigation Measures:</u> i. Dialogue to continue with GOS and efforts to build and deepen relationship. iii. CDB to proactively coordinate with other MDB partners.	SDG 12.7.

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
<b>CES Expected Outcome 6: Strengthened Environmental Management and Governance</b>						
i. Improved sustainable environmental management.	i. Limited institutional capacity of sustainable environmental management.	i. Enhanced institutional capacity of sustainable environmental management.	<p>i. Number of approved and disbursed PBLs containing prior actions for institutional strengthening: <i>Baseline [2023]: 0.</i> <i>Target [2026]: 2.</i></p> <p>ii. Establishment of initial natural capital accounts, including creation of natural asset registry and asset valuation mechanisms: <i>Baseline [2023]: 0.</i> <i>Target [2028]: 1.</i> <i>Source: GOS.</i></p> <p>iii. Percentage increase in the coverage and accuracy of EWSs for various hazards. <i>Baseline [2023]: TBD.</i> <i>Target [2028]: [Increase]</i> <i>Source: GOS.</i></p>	<p>i. A series of two PBLs for institutional strengthening of environmental management.</p> <p>ii. TA for setting up natural capital accounts, inclusive of natural asset registry, asset valuation, and production of first set of accounts.</p> <p>iii. Enhancing Multi-hazard EWS for Brokopondo district.</p>	<p><u>Main Risks</u></p> <p>i. Macro-fiscal issues triggering instability.</p> <p>ii. Asset registry and valuation not kept up to date or inadequate resources allocated for continued measurement.</p> <p><u>Main Mitigation Measures</u></p> <p>i. CDB to continue to provide macro-fiscal policy advice to GOS in collaboration with IMF, IDB and other IDPs.</p> <p>ii. Administrative data sources will be incorporated in the baseline to ensure there is a steady flow of statistics from all key producing agencies. Furthermore, changes to stocks of baseline NCA flows will be measured as they happen through said administrative data sources.</p>	SDG 11; SDG 13; SDG 15; SDG 16; and SDG 17.
<b>PILLAR II: Enhancing Climate / Disaster Resilience of Infrastructure and the Environment</b>						
<b>CES Expected Outcome 7: Increased Production and Use of Sustainable Energy</b>						
i. Improved energy security and increased access to reliable, durable, modern sustainable energy at an affordable cost.	<p>i. Weak institutional capacity.</p> <p>ii. Producer inefficiency.</p> <p>iii. Over-reliance on imported petroleum products.</p>	<p>i. Improved application of cost-reflective electricity tariffs.</p> <p>ii. Increased producer operational efficiency.</p> <p>iii. Improved energy security.</p>	<p>i. Number of EAS staff trained in tariff reform and stakeholder engagement. <i>Baseline [2023]: TBC.</i> <i>Target [2025]: TBC.</i> <i>Source: EAS.</i></p> <p>ii Report on optimisation of the operations of the Coronie Solar PV Plant developed. <i>Baseline [2023]: No.</i> <i>Target [2025]: Yes.</i> <i>Source: EBS.</i></p> <p>iii Number of MNR staff trained in operations and maintenance of hybrid RE systems. <i>Baseline [2023]: TBC.</i> <i>Target [2025]: TBC.</i> <i>Source: MNR.</i></p>	<p>i. TA for the regulator (EAS) for capacity building and training.</p> <p>ii. TA for the utility (EBS).</p> <p>iii. TA for MNR DOE.</p>	<p><u>Main Risks</u></p> <p>i. Delays in the execution of training programmes and consultancies.</p> <p><u>Main Mitigation Measures</u></p> <p>i. Project implementation schedule to consider delays.</p>	SDG 1 SDG 5 SDG 7 SDG 9 SDG 10 SDG 11 SDG 13

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
<b>PILLAR III: Facilitating Sustainable Private Sector and Agriculture Development</b> <i>CES Expected Outcome 8: Trade Facilitation, and Enhanced Private Sector and MSME Resilience</i>						
i. Increased MSME capacity and economic diversification.	<ul style="list-style-type: none"> <li>i. Limited institutional capacity of NDB.</li> <li>ii. Limited access to finance of MSMEs.</li> <li>iii. Weak Enabling Environment.</li> <li>iv. Poor innovative, management and operational practices within MSMSEs.</li> </ul>	<ul style="list-style-type: none"> <li>i. Enhanced institutional capacity of NDB.</li> <li>ii. Enhanced MSME access to finance.</li> <li>iii. Enhanced legal and regulatory framework.</li> <li>iv. Improved innovation, managerial and operational capacity of MSMEs.</li> </ul>	<ul style="list-style-type: none"> <li>i. Institutional assessment of NDB: <i>Baseline [2023]: 0. Target [2025]: 1. Source: NDB.</i></li> <li>ii. Number of MSMEs benefitting from partial credit guarantees: <i>Baseline [2023]: 0. Target [2028]: 200. Source: NDB &amp; LFIs.</i></li> <li>iii. Number of policy and/or regulatory reforms submitted to government for approval: <i>Baseline (2023): 0. Target (2025): 2.</i></li> <li>iv. Number of MSME operators trained and supported by CTCS in improved management, production processes and products/services. <i>Baseline (2023): 0. Target (2028): 250. Disaggregation: sex, age.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. Institutional assessment of NDB.</li> <li>ii. TA capacity strengthening for NDB operations management.</li> <li>iii. Developing new products targeted at MSME, such as partial credit guarantees, to be extended through selected banks and NDB.</li> <li>iv. TA to assist GOS with recommendations arising from MSME Policy.</li> <li>v. CTCS training and support in Project Management for Innovation, Business Continuity Planning, Financial Literacy and Management, Digital and Social Media Marketing, and Customer Service.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. NDB's lack of engagement with CDB.</li> <li>ii. Banking sector geared towards large business in mining and oil sectors.</li> <li>iii. Poor implementation of partial credit guarantee programme.</li> <li>iv. Lack of uptake in MSME TA capacity building interventions.</li> </ul> <p><u>Main Mitigation Measures</u></p> <ul style="list-style-type: none"> <li>i. Maintaining continuous engagement with lead agencies, NDB.</li> <li>ii. Proper training and coordination with LFIs and NDB regarding partial credit guarantee programme.</li> <li>iii. Increased collaboration with business support organisations.</li> </ul>	SDG 3; SDG 6; SDG 9 SDG 11; and SDG 13.
i. Expansion of export trade opportunities (products and services) with the view of diversifying trade between Suriname and the eastern and southern Caribbean Region	i. Limited access to CARICOM market due to limited supply chain logistics	<ul style="list-style-type: none"> <li>i. Improved capacity to coordinate the design and implementation of trade policy.</li> <li>ii. Enhanced National Quality infrastructure to help exporters meet international standards requirements.</li> <li>iii. Improved capacity of the ministries with responsibility for trade/agriculture to support matters related to agricultural trade and SPS issues.</li> </ul>	<ul style="list-style-type: none"> <li>i. Number of staff from Associated Trade Ministries and business support organisations trained in development and design of policy. <i>Baseline [2023]: No Target [2025]: TBC. Source: GOS.</i></li> <li>ii. Study on trade logistics carried out and recommendations implemented. <i>Baseline [2023]: No Target [2027]: Yes. Source: GOS.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. TA to assist Suriname in operationalising WTO TFA.</li> <li>ii. Study on trade logistics and recommendations for improvement joint with UN ITC.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. Capacity constraints affect implementation of TA programmes.</li> <li>ii. Responsiveness of the MSME sector to participate in the capacity building exercises.</li> </ul> <p><u>Main Mitigation Measures</u></p> <ul style="list-style-type: none"> <li>i. Prior project implementation training to executing agencies.</li> <li>ii. Engagement of industry partners and stakeholders during the design and implementation phases.</li> <li>iii. Active supervision of project/programme activities by CDB.</li> </ul>	SDG 2 SDG 8 SDG 10 SDG 17

Country Development Priorities	Specific Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Contribution to Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation	SDGS
		<ul style="list-style-type: none"> <li>iv. Opportunity for the exchange of best practices in the field of IP ADR and mediation.</li> <li>v. Greater export opportunities in existing and new markets.</li> <li>vi. Up-to-date regulatory trade facilitation framework.</li> <li>vii. Enhanced opportunities to commercial IP assets within CARICOM Region.</li> <li>viii. Ratification of TFA.</li> </ul>				
<b>Expected Outcome 9: Enhanced Agriculture Sector Resilience</b>						
Improved Agriculture Sector Productivity and Resilience	<ul style="list-style-type: none"> <li>i. Limited agriculture sector human capital.</li> <li>ii. Weak transportation and logistics.</li> <li>iii. Weak governance strategic planning and implementation capacity.</li> </ul>	<ul style="list-style-type: none"> <li>i. Improved agriculture sector human capital.</li> <li>ii. Enhanced transportation and logistics.</li> <li>iii. Improved governance strategic planning and implementation frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>i. Number of platforms established: <i>Baseline [2023]: 0. Target [2026]: TBC.</i></li> <li>ii. Number of plans updated: <i>Baseline [2023]: 0. Target [2025]: TBC.</i></li> <li>iii. Number of persons trained in governance, strategic planning and implementation from Ministry of Agriculture and relevant farmers/stakeholder organisations: <i>Baseline [2023]: 0. Target [2027]: TBC.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. TA – Capacity building and support for establishment of platforms (national horticulture innovation hub, technical cooperation centre and federation of farmer cooperatives).</li> <li>ii. TA – Strengthening SPS regimes and transportation and logistics.</li> <li>iii. TA – Capacity building in governance, strategic planning, and implementation.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. Unavailability of key stakeholders and delays in the execution of training, capacity building programmes and consultancies.</li> </ul> <p><u>Main Mitigation Measures</u></p> <ul style="list-style-type: none"> <li>i. Active engagement of development partners and stakeholders and effective coordination of interventions and consultancies.</li> </ul>	<ul style="list-style-type: none"> <li>SDG 1</li> <li>SDG 2</li> <li>SDG 8</li> <li>SDG 12</li> </ul>

**CLIMATE AND DISASTER RISK SCREENING**

**Basic Programme Information**

<p>Programme Title: Country Engagement Strategy</p> <p>Country: Suriname</p> <p>Sector: Multisector</p>	
<p><u>Programme Outcomes and Brief Description:</u> Identify the overall climate risks to priority sectors critical to meeting the country’s CES outcomes and priorities based on climate and geophysical hazards and sector potential impact but adjusted for the sector’s institutional readiness and the challenges and opportunities presented by the larger development.</p>	
<p><u>Sectors</u></p> <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• RE</li> <li>• Water</li> <li>• Education</li> <li>• MSMEs</li> </ul>	
<p><b>Summary of Climate and Disaster Risk Screening</b></p>	
<p><b>A. Exposure: Brief Description of Hazards likely to affect the project</b></p>	
<p><b>Hazard/Climate Risks</b></p>	<p><b>Description</b></p>
<p>Drought</p>	<p><u>Current:</u> Severe droughts in 2004-05 and 2009 led to decreased water levels in Lake Brokopondo, impacting electricity generation. In 2004-05, lake levels dropped so low that temporary diesel generators had to be installed at a high cost to avoid power outages. This increased emissions and was significantly more expensive than hydropower. In 2013, low lake levels again limited electricity generation, with a significant portion allocated to a gold mining company leaving less for domestic and industrial consumers. Reduced discharges from the dam also adversely affected downstream water use and ecology. Additionally, algal blooms in the lake caused operational issues, requiring frequent shutdowns for cleaning, impacting supply continuity. These blooms may be linked to changes in water temperature and nutrient levels driven by climate factors.</p>
	<p><u>Projected:</u> The far western and southern Caribbean, including the eastern Caribbean Island chain, dry at 1.5°C (up to 50%). At 2.0°C, the warming and drying intensify, and there is a reversal of a wet tendency in parts of the north Caribbean.</p>
<p>Winds/Extreme Weather</p>	<p><u>Current:</u> Winds in Suriname are generally light, averaging 1.3-1.6 on the Beaufort scale (equivalent to 1-5 m/s) annually, but daily variations can be higher, reaching up to 3-4 Beaufort (3-8 m/s). High winds, known as "sibi busi," coincide with heavy thundershowers at the end of the rainy season, reaching speeds of 20-30 m/s. Extreme weather, often linked to El Niño and La Niña events, includes extremely dry conditions during strong El Niño events and extremely wet conditions during strong La Niña events. Sibi busi events can bring winds up to 58 knots, causing significant damage in urban areas.</p>



	<p><u>Projected:</u> Maximum daily winds, gale wind days, and strong wind days are projected to vary little. The main patterns visible in the historical map change very little in all scenarios and time horizons.</p>
Rainfall	<p><u>Current:</u> Rainfall is a crucial parameter in Suriname's climatology, determining its four seasons. However, incomplete data complicates trend analyses in scenario modeling. Average annual rainfall is 2,200 millimetres (mm); however, localised rainfall varies over the terrain where the coastal plains receive on average, 1,500 mm to 1,750 mm and the central region receives 2,500 mm to 3,000 mm. Suriname experiences two wet seasons: a major wet season between May and July when most of the country receives 250 mm to 400 mm per month; and a minor wet season from November to January which brings around 150 mm to 200 mm of rainfall per month. The country also experiences two short dry seasons: a short dry season from February-April with mean monthly rainfall of 100 mm; and a long dry season from August to December with less than 100 mm of rainfall per month. Suriname is south of the hurricane belt and therefore evades this threat.</p>
	<p><u>Projected (2100):</u></p> <ul style="list-style-type: none"> <li>• Yearly accumulated rainfall is expected to decrease significantly, potentially surpassing 20% of historical averages.</li> <li>• The number of rainy days per year is anticipated to decrease, particularly along the coastal and southwestern regions, resulting in a shorter and drier rainy season in these areas but with more intense precipitation events.</li> <li>• The interior regions will experience heavy precipitation events, leading to increased river water levels and potential flooding in residential areas.</li> <li>• Maximum precipitation in both five-day and one-day periods is forecasted to increase substantially across all locations, indicating a shift towards fewer but more intense precipitation events.</li> <li>• Dry season precipitation, short dry season precipitation, and short rainy season precipitation are expected to become drier nationwide.</li> <li>• While the rainy season is projected to become drier along the coast, it is expected to become wetter in the interior regions.</li> </ul>
Temperature	<p><u>Current:</u> Suriname's geographical location just 2°-6° north of the equator gives it a warm and moist tropical climate. Mean temperature is 25°C-27.5°C throughout the year in the north, and a little cooler, at around 23°C-25°C, in the southern regions. The average daily temperature can vary from 26°C in January to 31°C in October. Inter-annual variations in climate are caused by the El Niño Southern Oscillation. El Niño episodes bring dry conditions throughout the year, and bring warmer temperatures between June and August, while La Niña episodes bring wetter conditions throughout the year and cooler temperatures between June and August.</p>
	<p><u>Projected (2100):</u></p> <p>Daily mean, minimum, and maximum temperatures are projected to increase in the entire country, although less at the coast and more in the southwest. Frequency of hot days and hot nights will increase throughout the country. Frequencies of cold days and cold nights will decrease and almost disappear.</p>
SLR/Sea Surface Temperatures	<p><u>Current:</u> Increases by 0.25 metres in the severe scenario by the end of the century.</p>

	<p><u>Projected:</u> The projected SLR in Suriname has been calculated according to the A2 and B2 Intergovernmental Panel on Climate Change (IPCC) scenarios. Elements from both scenarios have been used, since one specific scenario is difficult to apply to the national circumstances of Suriname. Suriname has adopted a projection of a 1-meter SLR, considering various factors:</p> <ul style="list-style-type: none"> <li>• Analysis of five major projections, excluding the IPCC AR4 projection due to newer evidence suggesting higher predictions.</li> <li>• Limited reliable data on SLR in Suriname, emphasising the importance of considering local factors like storm surge and subsidence in projecting SLR.</li> </ul>
<p>Sensitivity<sup>1</sup>: Brief description of Hazards likely to affect the project<sup>2</sup></p>	<p><u>Agriculture and Food Security:</u> The agriculture sector is considered one of the major sectors of the economy of Suriname because of its contribution to the GDP and the high number of people engaged in it. The sector contributed 8.1% to Suriname’s GDP in 2018. It employs 8% of the economically active workforce. There are about 10,000 smallholder farmers who produce rice and other crops. Reduction of agricultural land, lack of appropriate irrigation, extreme weather events, and seawater intrusion are major threats to agriculture and national food security. Historically, the agriculture sector has been affected mainly by floods, such as in 2006 and 2008. According to the socioeconomic impact assessment of the 2006 flood carried out by Simpson et al. (2012), agriculture was the second most affected sector, concentrating 39% of the total monetary damage. Apart from increased precipitation and floods, SLR, high winds, and droughts are also affecting the agriculture sector and increasing the risk of food insecurity. In the coastal areas, saltwater intrusion has decreased the productive land available for agriculture.</p> <p><u>Education:</u> The highest vulnerability is to floods. However, some schools have significant vulnerabilities to flooding, SLR and storm surges, temperature increase, and drought. The direct impacts of climate change are experienced primarily through potential destruction of infrastructure resulting from rapid onset events such as floods. The May 2006 floods, for example, particularly in the Brokopondo and Sipaliwini districts, caused damage and loss valued to the education sector. Climate change may also affect the sector indirectly through effects on food security, livelihoods, water, and health.</p> <p>Drought and increasing temperatures can lead to poor harvests and food scarcity, and increased costs for food that have negative impacts upon educational attainment. Extreme weather events reduce the availability of safe drinking water, compromise sanitation, and increase the incidence of weather-related diseases such as malaria and diarrhea, leading to absenteeism. The majority of Suriname’s population is not aware of the effects of climate change, including SLR. Without climate change education, the capacity of Suriname’s population to adapt to changes in climate will remain low.</p> <p><u>Water:</u> Groundwater, rainwater, and surface water are the primary sources of freshwater in Suriname. A decrease in rainfall and numerous drought events have already affected Brokopondo, the country's largest reservoir, between 1987-1988, in 1999, 2001, and 2005. Decreased precipitation leading to drought also negatively impacts water availability and</p>

<sup>1</sup> The presence of people, livelihoods, species or ecosystems, environmental services and resources, infrastructure, or economic, social, or cultural assets in places that could be adversely affected by a hazard.

<sup>2</sup> A physical process or event (hydro-meteorological or oceanographic variables or phenomena) that can harm human health, livelihoods, or natural resources.

quality. Conversely, excessive rainfall has also posed several problems in the past. In 2006 excessive rainfall caused two weeks of sustained flooding of the Tapanahony, Saramacca, and Suriname Rivers in the interior of Suriname. Moreover, flooding and intense precipitation negatively impact the country's freshwater sources. SLR threatens Suriname's coast, as the saltwater intrusion leads to the salinisation of the aquifer, and alarmingly high salt contents have already been found in Nickerie, the north of Paramaribo, and Commewijne.

*Key Threats*

- Climate change induced drought due to prolonged dry periods.
- Salinisation of water resources.
- Insufficient legal, regulatory, and institutional capacity.
- Legislation and regulations relating to water supply.

*Adaptation Options*

To improve water management and sustainability:

- Conduct comprehensive studies and establish observation networks.
- Assess climate change risks to drinking water infrastructure and pilot artificial aquifer recharge projects.
- Integrate water planning with institutional frameworks and review legislation to include climate considerations.
- Construct emergency irrigation networks and upgrade infrastructure.
- Raise awareness on climate impacts and post-disaster water contamination avoidance.

Sustainable Energy: Nearly half of Suriname's electricity generation comes from renewable sources, primarily hydropower, with the rest sourced from diesel or heavy fuel oil. However, the heavy reliance on hydropower makes the country vulnerable to adverse effects from droughts and rising temperatures, which can decrease water availability for energy production and increase the risk of energy insecurity. Supply interruptions due to extreme weather events and higher energy prices further exacerbate the risk of unreliable and unaffordable electricity in Suriname.

To address these challenges, Suriname is focusing on energy supply through RE and EE initiatives, including projects like the "Development of RE, EE and electrification of Suriname" and solar energy supply for water stations in rural areas. Other efforts include improving public street lighting efficiency and developing an energy sector plan.

*Adaptation Options Include*

- Implementing awareness and capacity-building programmes to train professionals in energy research and development, and to promote energy conservation and efficiency among domestic and commercial users.
- Upgrading existing hydropower facilities and exploring options like artificially increasing water levels in lakes using water from neighboring rivers and creeks.

MSMEs: Climate change impacts present a major challenge to private sector firms, particularly medium, small and micro enterprises which are regarded as playing a significant role in stimulating growth and development in Suriname. Direct impacts of climate change include property and location damage, and disruption to production. Indirect impacts include increasing scarcity and increased prices of resources such as water and energy, supply chain disruptions, and changes in demand for goods that they produce. Most MSMEs are unable to adapt to climate change.

**B. Adaptive Capacity Assessment<sup>3</sup>**

Suriname, a tropical nation facing significant climate change risks, has launched a national initiative to address these challenges. The Coordination Environment within the Office of the President oversees the coordination and implementation of climate policies. Key initiatives include the First National Communication to the United Nations Framework Convention on Climate Change (UNFCCC), the National Climate Change Policy, Strategy, and Action Plan, and the second National Communication. The National Adaptation Plan (NAP) is the next step, aiming to facilitate comprehensive medium and long-term climate adaptation planning. NAP focuses on reducing impacts through adaptation and resilience building while integrating climate change into national decision making and development planning across sectors. Prepared in line with UNFCCC guidelines, the NAP process consists of four customisable stages.

While several policies and strategies have been developed, none of the institutions with responsibility for managing these sectors have taken a comprehensive and systematic approach to incorporating climate change considerations into their operations and decision making.

Overall Risk Assessment Rating

Moderate to High.

Climate Screening Required? (Yes/No): Yes. Climate Risk Screening is conducted for CDB-financed projects in Suriname.

Potential Impacts	Agriculture		Water		Education		Sustainable Energy	
	Historical	Projected	Historical	Projected	Historical	Projected	Historical	Projected
Extreme Temperature	Yellow	Red	Red	Red	Yellow	Orange	Yellow	Red
Extreme Precipitation/Flooding	Orange	Red	Orange	Red	Orange	Orange	Yellow	Red
Drought	Red	Red	Orange	Red	Yellow	Red	Red	Red
SLR	Orange	Red	Orange	Red	Yellow	Orange	Yellow	Yellow
Strong Winds	Orange	Orange	Orange	Orange	Yellow	Yellow	Yellow	Yellow
Overall Sector Potential Impact	Orange	Red	Orange	Red	Yellow	Orange	Yellow	Red
Institutional Response	0-4	5-8	0-4	5-8	0-4	5-8	0-4	5-8
Preliminary Sector Impact	Orange	Yellow	Orange	Red	Yellow	Orange	Yellow	Red
Development Context Considerations	<ul style="list-style-type: none"> <li>• Access to technology</li> <li>• Financial resources</li> <li>• Legal enforcement</li> <li>• Urbanisation</li> </ul>		<ul style="list-style-type: none"> <li>• Access to technology</li> <li>• Financial resources</li> <li>• Education</li> <li>• Legal enforcement</li> <li>• Pollution</li> </ul>		<ul style="list-style-type: none"> <li>• Access to technology</li> <li>• Financial resources</li> <li>• Legal enforcement</li> </ul>		<ul style="list-style-type: none"> <li>• Access to technology</li> <li>• Financial resources</li> <li>• Legal enforcement</li> </ul>	
Overall Sector Risk	Orange	Red	Orange	Red	Yellow	Yellow	Yellow	Red

<sup>3</sup> The ability of systems, institutions, humans, and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences of hazards.