

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**SURINAME**

**SUPPORT TO SAFETY NETS FOR VULNERABLE POPULATIONS IN SURINAME**

**(SU-L1073)**

**PROJECT PROFILE**

This document was prepared by the project team consisting of: Carolina Freire, Project Team Leader; Marco Stampini, Alternate Team Leader; Alexandre Bagolle, Florencia Magdalena Mendez and Vanessa Curran (SCL/SPH); Sara Vila Saint-Etienne (LEG/SGO); Veerle Vivienne Combée and Cleide Berlanda C da Silva (VPC/FMP); Felicia Hewitt and Gisele Teixeira (CCB/CSU); Anaitée Mills (CSD/CCS); Virginia Barreiro, Alejandro Cruz, Miguel Székely and Juan Mejalenko (Consultants).

Under the Access to Information Policy, this document is subject to Public Disclosure.

## PROJECT PROFILE

### SURINAME

#### I. BASIC DATA

<b>Project Name:</b>	Support to Safety Nets for Vulnerable Populations in Suriname
<b>Project Number:</b>	SU-L1073
<b>Project Team:</b>	Carolina Freire, Team Leader; Marco Stampini, Alternate Team Leader; Alexandre Bagolle, Florencia Magdalena Mendez and Vanessa Curran (SCL/SPH); Sara Vila Saint-Etienne (LEG/SGO); Veerle Vivienne Combée and Cleide Berlanda C da Silva (VPC/FMP); Felicia Hewitt and Gisele Teixeira (CCB/CSU); Anaitée Mills (CSD/CCS); Virginia Barreiro, Alejandro Cruz, Miguel Székely and Juan Mejalenko (Consultants).
<b>Borrower:</b>	Republic of Suriname
<b>Executing Agency:</b>	Ministry of Social Affairs and Public Housing
<b>Financial Plan:</b>	IDB (ORC-Ordinary Capital): US\$40,000,000 Total: US\$40,000,000
<b>Safeguards:</b>	Classification: C

#### II. GENERAL JUSTIFICATION AND OBJECTIVES

##### A. Background, problems to be addressed, and rationale

- 2.1 **Macroeconomic and social context.** Suriname is emerging from an economic crisis that stemmed from an overhang of the 2015 commodity shock, the COVID-19 pandemic, and unfavorable developments in international macroeconomic conditions. To restore macroeconomic stability and promote sustainable and inclusive growth, the Government of Suriname (GoS) implements an economic recovery program<sup>1</sup> with financial and technical support from international organizations, including the Inter-American Development Bank (IDB) and the International Monetary Fund (IMF).<sup>2,3</sup> According to the 2022 Suriname Survey of Living Conditions (SLC) the poverty and extreme poverty rates are 21.7% and 2.6%, respectively.<sup>4</sup> Both are significantly higher in the interior, at 36.9% and 6.3%, respectively.<sup>5</sup> The population living in the rural interior and rural coastal areas, especially in the districts of Brokopondo, Marowijne, Nickerie and

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<sup>1</sup> As of December 2023, the Suriname Debt Management Office reported that approximately 60% of the external debt was fully restructured.

<sup>2</sup> The IDB approved two policy-based loans in 2022 and 2023: Fiscal Sustainability Program for Economic Development I (5635/OC-SU) and Support to Public Management and Transparency Policies in Suriname (5839/OC-SU).

<sup>3</sup> The IMF approved an [extended arrangement](#) under the Extended Fund Facility (EFF) for Suriname in 2021. The [fifth review](#) of the arrangement was approved in March 2024.

<sup>4</sup> IDB, 2023. [2022 Suriname SLC](#).

<sup>5</sup> Calculations based on 2022 Suriname SLC.

Sipaliwini, are especially vulnerable to climate-related events such as floods.<sup>6</sup> Inequality in the distribution of per capita income is high, with a Gini coefficient of 0.41.<sup>7</sup>

**2.2 Most vulnerable population groups.** Households with children and persons with disabilities (PwD) are among the most vulnerable. The 2022 SLC shows that the poverty rate among the population living in households with children under 18 years of age is higher (22.4%) than that among the population living in households without children (7.6%).<sup>8</sup> Together with poor health and education outcomes, high dependency ratios, are a key driver of multidimensional poverty.<sup>9</sup> The population living in a household with a member with one or more disabilities experiences slightly higher poverty rates (17.5%) than other households (15.2%). However, this apparently small difference is misleading because the use of a single poverty line fails to account for the fact that households with a PwD incur much higher levels of expenditure (for transportation, home adaptation, healthcare, etc.) to achieve the same level of wellbeing, compared with households without disability. Evidence shows that in low and middle-income countries, households with a PwD experience approximately 10–15% higher expenditures, which rise to 30-50% if the disability is severe.<sup>10</sup> Households with children or PwD are especially disadvantaged due to disparities in access to quality health, education, and family support services. The prevalence of moderate to severe stunting is higher (11.4%) among children under five years old living in the lowest income quintile compared to children in the highest income quintile (4.7%). While 66.5% of children aged three to five in the highest income quintile receive early childhood education services, only 32% of children in the lowest income quintile are enrolled. As a result, children in poor households are at greater risk of developmental delays.<sup>11</sup> PwD also have lower levels of educational attainment than those without disabilities, having completed fewer years of schooling.<sup>12</sup>

**2.3 Social safety net and Bank's programmatic approach.** To address poverty among these vulnerable population groups, the Ministry of Social Affairs and Public Housing (MOSAPH) implements unconditional cash transfer programs (CTPs). **The Child Allowance (AKB)** is a nearly universal benefit of SRD200 (Surinamese dollars -SRD) per child per month aimed at households with children under 18 years old whose parents are not employed or do not receive a child allowance from their employer. It is capped to four children per household and benefits 45,507 households. **The Support for Disadvantaged Persons with Disabilities (FBMMEB)** is a monthly transfer of SRD2,500 benefiting 15,770 people, 50.1% of whom are women,<sup>13</sup> who are certified with permanent or temporary disability by a medical practitioner. **The Support for Poor Households (FBZwHH)** provides a monthly benefit of SRD1,750 to 8,433 households with a monthly income below

<sup>6</sup> Based on data from the 2017 SLC and national environmental data statistics, the districts of Brokopondo, Marowijne, Nickerie and Sipaliwini have poverty rates above 30% and the highest frequency of floods (between 2000 and 2024).

<sup>7</sup> IDB, 2023. [2022 Suriname SLC](#).

<sup>8</sup> The poverty rate is estimated using data from the 2022 SLC and the IDB's moderate poverty line, which is equivalent to SRD4,103 per person per month expressed in September 2023 prices. (Sobrado, 2023).

<sup>9</sup> [Sobhie & Kisoensingh, 2023](#).

<sup>10</sup> Mitra, S, et.al. (2017). Extra Costs of living with a disability. Disability and Health Journal.

<sup>11</sup> United Nations Children's Fund, 2018. Multiple Indicator Cluster Survey.

<sup>12</sup> International Labour Organization, 2020. [Employability of people with disabilities in Suriname](#).

<sup>13</sup> 12.5% of the population has at least one disability (2012 Census).

SRD4,500, of which 86.6% are female-led.<sup>14</sup> The IDB has supported the GoS since 2020 in financing these programs through the Support to Safety Nets for Vulnerable Populations Affected by Coronavirus in Suriname (4112/OC-SU) and the Support to Safety Nets for Vulnerable Populations in Suriname (5447/OC-SU).<sup>15</sup> To ensure that the different CTPs work in a coordinated fashion as components of a social protection system, the IDB also supports the development of a Beneficiary Information System (BIS).<sup>16</sup> The BIS will provide a unified, automated, and interoperable beneficiary registry enabling MOSAPH to quantify, identify, and characterize beneficiaries. Social registries contribute to the efficiency and transparency of the social protection system by increasing traceability and reducing the potential duplication of benefits.<sup>17</sup> With IDB support, MOSAPH has expanded digital payments of CTPs and developed a Social Protection Strategy and Action Plan in collaboration with the International Labour Organization.

- 2.4 **Problems addressed.** The program will address poverty in Suriname, specifically among the most vulnerable households, by addressing the social safety net's main challenges, which are the focus of this operation. First, it does not provide adequate income support to households in poverty with children and PwD. Second, it uses heterogenous targeting mechanisms that hamper the ability to identify the target population. Finally, cash transfer programs lack case management services that help families build a strategy out of poverty.
- 2.5 **The social safety net has significant coverage gaps among the most vulnerable population groups.** Although Suriname's social assistance expenditures are relatively high, the social safety net has potential for expansion, especially for households with children and PwD. Suriname's budget for social assistance transfers equaled 2.2% of gross domestic product (GDP) in 2023, up from 1.9% in 2022.<sup>18</sup> The increase is part of the GoS's efforts to enhance the efficiency of public spending, in the context of a reduction in general subsidies under the EFF agreement with the IMF.<sup>19</sup>
- 2.6 The CTPs contribute to poverty reduction by 3.3 percentage points (p.p.) and the recent increases in amounts reduce poverty by an additional 0.2 p.p.<sup>20</sup> However, poverty reduction impacts could be higher as 43.3% of the population in the lowest consumption quintile is not enrolled in CTPs.<sup>21</sup> The AKB has extensive coverage, but the value of its transfers is just a fraction of other programs'. The coverage of the FBZwHH and the FBMMEB are the lowest among the CTPs and their impact

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<sup>14</sup> The safety net includes the Elderly Allowance for individuals aged 60 or older and the Social Benefits Program which provides a temporary monthly benefit of SRD1,250 to households.

<sup>15</sup> Financing of the social protection system comes from the national budget and is complemented by external financing from the IDB, specifically 5447/OC-SU.

<sup>16</sup> The development of the BIS, in coordination with the E-Gov department, is supported by 5447/OC-SU.

<sup>17</sup> Social Protection and Poverty Sector Framework Document (GN-2784-12). IDB.

<sup>18</sup> Calculations based on data published by the Ministry of Finance and Planning. As part of the economic reform program, the GoS has set a target to increase annual social spending to 3% of GDP.

<sup>19</sup> As part of the [economic reform program](#), the GoS has phased out fuel and electricity subsidies.

<sup>20</sup> Calculations based on the [2022 SLC](#).

<sup>21</sup> Ibid.

on poverty reduction is modest in comparison to other programs.<sup>22</sup> Their benefits reach only 33.3% and 17.5% of eligible households, respectively.<sup>23</sup>

- 2.7 The social protection system employs weak targeting mechanisms.** MOSAPH employs inefficient targeting mechanisms that lead to inclusion and exclusion errors. First, the CTPs use different criteria for classifying poverty. Even though the FBZWHH and the FBMMEB are intended to provide income support to poor individuals and households, each program has different income thresholds for determining poverty. Second, MOSAPH lacks a homogenous and transparent method for identifying eligible beneficiaries. Although field workers conduct a social evaluation of potential FBZWHH and FBMMEB beneficiaries that includes a house visit and an interview, there is no clear method for determining whether applicants meet the socioeconomic eligibility criteria or not. Third, the CTPs do not have clear rules for determining the exit criteria, including mechanisms for the periodic recertification of a beneficiary's eligibility based on their welfare level. Consequently, there is significant leakage with 44.8% of households within the highest income quintile receiving at least one of the social assistance programs.<sup>24</sup> To address leakage, targeting mechanisms that allow for the selection of poor households can maximize results in poverty reduction in a context of fiscal constraints, enhancing the effectiveness of social spending. Disability certification is an important tool for guaranteeing compatibility of eligibility criteria and access to social protection programs. However, Suriname does not have a disability certification system nor a unified classification instrument which could lead to discrepancies in determining a person's disability.
- 2.8 Support services are not available to vulnerable population groups.** Although the CTPs have widespread coverage in Suriname, their design does not include orientation to families on the use of the benefits or facilitate access to multiple social services like education, health, and other social services that can address the multidimensional nature of poverty and vulnerability. MOSAPH manages 66 field offices staffed by field workers that support households with CTP enrollment but do not provide family support or case management services, a priority area identified by MOSAPH.
- 2.9 Programmatic approach.** Since 2020, the Bank has supported the GoS's efforts to support minimum income levels for vulnerable populations through cash transfer programs. Bank programs have also contributed to the efficiency and transparency of the social protection system through the expansion of CTP digital payments and the design of technical specifications for the BIS's development as well as the strengthening of the Ministry's digital infrastructure.<sup>25</sup> The approach has consisted of the approval of operations Fiscal Strengthening to Support Economic Growth Program 4112/OC-SU and 5447/OC-SU totaling US\$50 million, of which US\$28.8 million has been disbursed as of April 30, and US\$200,000 in technical cooperations to support execution.

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<sup>22</sup> Calculations based on the [2022 Suriname SLC](#). The FBZWHH and the FBMMEB contribute 0.096 p.p. and 0.28 p.p., respectively, to poverty reduction, in comparison to 2.27 p.p. of the AOV.

<sup>23</sup> Calculations based on the [2022 Suriname SLC](#).

<sup>24</sup> Ibid.

<sup>25</sup> The BIS will be developed by the E-Gov Commission and is expected to be completed by December 2024. A Memorandum of Understanding between MOSAPH and E-Gov is currently under revision.

- 2.10 **Program strategy.** The program strategy is to support minimum income levels among poor households with children and PwD by financing the existing CTPs and expanding the coverage of the FBMMEB and the FBZwHH, while linking beneficiaries to social services. The expansion of these two programs is justified because they are the only CTPs specifically targeted toward households with children and PwD, who are overrepresented among the poor. The Program's strategy is also to enhance the efficiency of social investment through improved targeting mechanisms.<sup>26</sup>
- 2.11 **Strategic alignment.** The Program is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and aligns with the objective of: (i) reduce poverty and inequality by financing cash transfers that are targeted towards vulnerable population groups. It aligns with the operational focus areas of: (i) gender equality and inclusion of diverse population groups; (ii) institutional capacity, rule of law, and citizen security; and (iii) social protection and human capital development.
- 2.12 It aligns with the IDB Group Country Strategy with Suriname 2021-2025 (GN-3065) strategic area 3) Improving the provision of basic services and social protection as it provides income support to vulnerable populations and contributes to the efficiency of the social protection system through targeting mechanisms, and the IDB Strategic Objective 3.3) Strengthening social protection and equality. It aligns with the Climate adaptation, disaster risk management and resilience priority area of the ONE Caribbean strategy as it strengthens resilience to climate-related shocks among vulnerable populations. It is consistent with the following sector frameworks: Social Protection and Poverty (GN-2784-12) and Early Childhood Development (GN-2966-7); and with the IDB Group Gender and Diversity Action Plan 2022-2025 (GN-3116-1). The operation responds to the Gender and Diversity Sector Framework Document (GN-2800-13) by focusing the expansion of the social safety net on the increased coverage of the FBZwHH, a program whose beneficiaries are overwhelmingly female (86.6% of beneficiary households are female-led) and of the FBMMEB directed specifically toward PwD. The expansion in coverage is intended to enhance the consumption of households that are female-led and have at least one member with disability. The intervention is consistent with the Amazonia Forever initiative's "People Pillar" and the transversal area of action in support of Women, Indigenous Peoples, Afro-descendants & Local Communities.
- 2.13 **Bank experience and lessons learned.** Substantial evidence demonstrates that cash transfers are effective at increasing the consumption of beneficiary households, improving resilience against transitory shocks (such as events caused by climate change), and reducing the incidence and intensity of poverty.<sup>27</sup> The Bank has accumulated extensive experience in the design, implementation, and evaluation of CTPs.<sup>28</sup> The following lessons are considered in the Program: (i) adopting targeting mechanisms for CTPs improves the identification of poor households and increases efficiency in social expenditure. Lessons from the implementation of the Social Inclusion and Development Program (3512/OC-PN)

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<sup>26</sup> The proposed improvements to the BIS and the management of the social protection system are the first steps towards developing adaptive features in the system.

<sup>27</sup> Ibarrarán et al., 2017. [How Conditional Cash Transfers Work](#). IDB.

<sup>28</sup> Ibid.

show that means testing design should especially consider household size, disability, and other factors, a lesson that is incorporated into Component I; and (ii) evidence shows that family support programs aimed at the most excluded families can improve the demand for social programs,<sup>29</sup> a lesson that is incorporated into Component II. The literature reports that family support programs improve families' perspectives of their capabilities and generate positive effects on both the children and the functioning of the family. It also shows that the best results are associated with services delivered by qualified human resources with appropriate supervision.<sup>30</sup> The implementation of 4112/OC-SU and 5447/OC-SU has demonstrated the need for strengthening the technical capacity of government counterparts. These lessons informed the design of Component II which supports MOSAPH's capacity for managing CTP with efficiency and transparency by introducing homogenous targeting mechanisms.

## **B. Objectives and components**

- 2.14 **Objective.** The general objective is to contribute to poverty reduction and increase access to social services among poor households. The specific objectives are to: (i) support minimum income levels and expand social protection coverage among poor households with children and households with PwD; and (ii) increase the efficiency of the social protection system and promote access to social services by beneficiaries.
- 2.15 **Component I. Support and expansion of the social safety net (US\$31,108,289).** This component will finance up to six months during four years of the AKB, FBMMEB, and FBZWHH. The IDB's support will be phased out progressively throughout the loan program to ensure sustainability. The programs were selected because of their extensive coverage of populations with specific vulnerabilities (see ¶2.2). This component will also finance the progressive expansion of the FBZWHH and the FBMMEB to reduce coverage gaps for up to 5,000 new beneficiaries using the targeting mechanisms adopted with Program support, while prioritizing enrollment among beneficiaries who live in areas with high vulnerability to climate-related events.
- 2.16 **Component II. Efficiency of the social protection system (US\$8,391,711).** This component will finance: (i) the design and implementation within the BIS of a homogenous targeting mechanism for classifying poverty and determining eligibility; (ii) the design of a recertification protocol; (iii) services for the implementation of targeting mechanisms for the enrollment and recertification of beneficiaries; and (iv) the design and implementation of a disability certification system. This component will also finance the design and implementation of a family support program to facilitate access to education, health, and other social services provided by MOSAPH for CTP beneficiaries, as well as the training and certification of field workers.
- 2.17 **Program administration and evaluation (US\$500,000).** These activities will finance the costs associated with planning, implementation, and supervision.

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<sup>29</sup> Ibid.

<sup>30</sup> Dunst et al., 2007; Trivette and Dunst, 2005; Schorr, 2003.

- 2.18 **Beneficiaries.** The direct beneficiaries are: (i) 45,507 households who receive the AKB; (ii) 15,770 individuals who receive the FBMMEB and their families; and (iii) 8,433 households who receive the FBZWHH. All beneficiaries from programs managed by the MOSAPH will benefit indirectly from a more efficient institution.

### III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 The Program is structured as a specific investment loan of US\$40 million from the Ordinary Capital resources of the Bank to be disbursed in five years. This instrument is considered appropriate due to its fixed scope, logical interdependence of the components and its physical and technical individuality. The borrower is the Republic of Suriname (Ministry of Finance and Planning), and the Executing Agency is the MOSAPH. The MOSAPH's current Project Implementation Unit (PIU) will be responsible for planning, procurement, financial management, and monitoring and evaluation. An update to the evaluation of MOSAPH's institutional capacity will be performed. A risk assessment, cost-benefit analysis, and Program Operations Manual (POM) will be developed at the Project's Proposal for Operation Development (POD) stage.

### IV. ENVIRONMENTAL SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 In accordance with the Environmental and Social Policy Framework (ESPF), the operation was classified as Category "C" as it is expected to cause minimal or no negative environmental or social impacts. Given the type of interventions to be financed, no significant threats or risks or exacerbations to existing situations given by the execution of the operation are identified. Therefore, disaster and climate change risk has been classified as low.
- 4.2 **Risks.** The following Execution Environment risks were identified as Medium-High: (i) the upcoming presidential elections may lead to a change in government authorities which, in turn, can result in the lack of prioritization of the Program's activities, delaying project execution; and (ii) if macroeconomic conditions are unstable, there could be fiscal constraints that could affect the funding of the social safety net. A Risk Workshop and Mitigation Plan will be completed during the Analysis Mission.
- 4.3 **Procurement.** The procurement processes will follow the Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank (GN-2349-15), the Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank (GN-2350-15), and the Amendment to the Financial Management Guidelines for IDB-financed Projects (OP-273-12).

### V. RESOURCES AND TIMETABLE

- 5.1 Annex V establishes estimated dates for POD distribution to the Quality and Risk Review Meeting (QRR) members on July 1st, 2024, and to the Operations Policy Committee on August 9th, 2024. The Board of Executive Directors is expected to



consider the Loan Proposal on September 25th, 2024. The estimated cost of preparation, funded through administrative resources, is US\$42,000.

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<sup>1</sup> The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.

## Operation Information

Operation Name	
Support to Safety Nets for Vulnerable Populations in Suriname	
Operation Number	SU-L1073

## Operation Details

Organizational Unit	IDB Sector/Subsector
SCL/SPH	POVERTY ALLEVIATION
Type of Operation & Modality	Original IDB Amount
LON / ESP	\$40,000,000.00
Executing Agency	Borrower
SU-MSAH	MINISTRY OF FINANCE AND PLANNING
ESG Primary Team Member	Team Leader
	Carolina Angelica Freire Samudio
Toolkit Completion Date	Author
22/04/2024	Jessica Eileen Arango Laws (Esg Guidance Service)
Applicable ESPs with requirements	
ESPS 1; ESPS 2; ESPS 10	

## Operation E&S Classification Summary

Environmental and Social Impact Categorization (ESIC)	C
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Disaster and Climate Change Risk Classification (DCCRC)	Low
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Environmental and Social Risk Rating (ESRR)	Moderate
Overwritten ESRR Justification	Elevate: Additional risk likely
Overwritten ESRR Comments	
Due to risk factors cause, contribution, context and performance the overall rating is Moderate due the contextual risk associated with project implementation if lack of formal agreements with traditional authorities in the interior for conducting project-related activities could provoke local conflicts and disruptions, affecting program execution..	

## Summary of Impacts / Risks and Potential Solutions

The project has no environmental and social impacts and/or risks therefore no Environmental and Social Assessment (ESA) or Environmental and Social Impact Assessment (ESIA) process will be conducted for the project during preparation.

There are no contextual risks associated with the project (e.g. political instability, oppression of communities, armed forces in the project area).

The operation will not have direct impacts associated with child labor or forced labor in the workforce.

The operation will not have significant indirect and/or cumulative impacts associated with child labor or forced labor in the workforce.

The Executing Agency or other relevant entity (in relation to the operation) has a proven track record to respect and protect the fundamental principles and rights of workers (including fair treatment, commitment to non-discrimination, equal opportunity, protection of workers including workers in vulnerable situations, work accommodations, migrant workers' rights, collective bargaining and rights of association) and compliance with national employment and labor laws.

The operation will not result in the direct loss of employment (i.e. retrenchment).

The operation will not result in the indirect and/or cumulative loss of employment (i.e. retrenchment).

The Borrower will prepare and operate a Grievance Redress Mechanism for all workers (direct and contracted).

The operation will not cause direct impacts associated with accidents, injury, and disease arising from, associated with, or occurring in the course of work.

The operation will not cause indirect and/or cumulative impacts associated with accidents, injury, and disease arising from, associated with, or occurring in the course of work.

The operation will promote a sustainable use of resources including energy, water and raw materials.

The operation will not have direct adverse impacts on human health and the environment due to pollution from project activities.

The operation will not have indirect and/or cumulative adverse impacts on human health and the environment due to pollution from project activities.

The operation will not generate direct impacts generated by solid waste (hazardous and/or non-hazardous).

The operation will not generate indirect and/or cumulative impacts generated by solid waste (hazardous and/or non-hazardous).

The operation will not have direct negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of hazardous materials such as PCBs, Radiological Waste, Mercury, CFCs, etc.

The operation will not have indirect and/or cumulative negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of hazardous materials such as PCBs, Radiological Waste, Mercury, CFCs, etc.

The operation will not have direct negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of pesticides.

The operation will not have indirect and/or cumulative negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of pesticides.

The operation is not expected to or currently produce directly GHG emissions.

The operation is not expected to or currently produce indirectly-cumulatively GHG emissions.

The operation is not considering alternatives to implement technically and financially feasible and cost-effective options to avoid or minimize project-related GHG emissions during the design and operation of the project.

The operation has no exposure to climate transition risks related with a loss of value of a project driven by the transition to a lower-carbon economy, result from extensive policy, legal, technology, and/or market changes to address climate change.

There are no direct health and safety risks associated with the design of structural elements or components of the operation (e.g. existing or new buildings, earthworks, bridges, drainage, roadways, power stations, transmission and distribution poles, underground utilities, and dams), and/or road transport activities (e.g. transport of heavy or over-sized equipment) which could result in health and safety impacts to third parties and project-affected people.

There are no indirect and/or cumulative health and safety risks associated with the design of structural elements or components of the operation (e.g. existing or new buildings, earthworks, bridges, drainage, roadways, power stations, transmission and distribution poles, underground utilities, and dams), and/or road transport activities (e.g. transport of heavy or over-sized equipment) which could result in health and safety impacts to third parties and project-affected people.

The project will not directly affect the public (including workers and their families) by exposing them to hazardous materials released by the project, particularly those that may be life threatening.

The project will not indirectly-cumulatively affect the public (including workers and their families) by exposing them to hazardous materials released by the project, particularly those that may be life threatening.

There is no potential for the project or project-related activities (e.g. the influx of temporary or permanent project labor, among others) to directly result in or exacerbate community exposure to water-related (i.e., waterborne, water-based, and vector-borne diseases) and/or communicable diseases (e.g. COVID).

There is no potential for the project or project-related activities (e.g. the influx of temporary or permanent project labor, among others) to indirectly-cumulatively result in or exacerbate community exposure to water-related (i.e., waterborne, water-based, and vector-borne diseases) and/or communicable diseases (e.g. COVID).

The project's direct impacts on priority ecosystem services will not result in adverse health and safety risks and impacts to the project-affected people.

The project's indirect and/or cumulative impacts on priority ecosystem services will not result in adverse health and safety risks and impacts to the project-affected people.

There is no potential for an emergency or unanticipated event to occur in the project area of influence that demands immediate action to prevent or reduce harm to people, property, and/or the environment.

Natural hazards, such as earthquakes, droughts, landslides, floods, wildfires, or others, including those caused or exacerbated by climate change, are not likely to occur in the project area, and there will be no impact the project, and/or the project will not exacerbate the risk from natural hazards to human life, property, and/or the environment.

There is no potential direct impacts to workers and project-affected people related to the use or arrangement of security services to safeguard personnel and/or property.

There is no potential indirect and/or cumulative impacts to workers and project-affected people related to the use or arrangement of security services to safeguard personnel and/or property.

The project will not lead to direct impacts related to physical, and/or economic displacement - Impacts include, and are not limited to, relocation; expropriation; loss of shelter; loss of land; loss of assets; restrictions on land and natural resources; loss of income; loss of livelihoods; loss of social safety net.

The project will not lead to indirect and/or cumulative impacts related to physical, and/or economic displacement - Impacts include, and are not limited to, relocation; expropriation; loss of shelter; loss of land; loss of assets; restrictions on land and natural resources; loss of income; loss of livelihoods; loss of social safety net.

Vulnerable people will not be disproportionately affected by direct impacts related to land acquisition - people may be considered vulnerable by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, color, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable people include the elderly, children, single-headed households, refugees, internally displaced persons, natural resource dependent communities.

Vulnerable people will not be disproportionately affected by indirect and/or cumulative impacts related to land acquisition - people may be considered vulnerable by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, color, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable people include the elderly, children, single-headed households, refugees, internally displaced persons, natural resource dependent communities.

The operation doesn't have the potential to directly impact modified habitat that include significant biodiversity value.

The operation doesn't have the potential, including through the supply chain, to indirectly-cumulatively impact modified habitat that include significant biodiversity value.

The operation doesn't have the potential to directly convert or degrade natural habitat.

The operation doesn't have the potential, including through the supply chain, to indirectly-cumulatively convert or degrade natural habitat.

The operation doesn't have the direct potential to implement project activities in critical natural habitat.

The operation doesn't have the indirect and/or cumulative potential, including through the supply chain, to implement project activities in critical natural habitat.

The operation is not expected to directly impact a legally protected area or an internationally recognized area.

The operation is not expected, including through the supply chain, to indirectly-cumulatively impact a legally protected area or an internationally recognized area.

The project will not directly introduce (intentionally or accidentally) alien, or non-native, species of flora and fauna that have the potential for invasive behavior in areas where they are not normally found.

The project will not indirectly-cumulatively, including through the supply chain, introduce (intentionally or accidentally) alien, or non-native, species of flora and fauna that have the potential for invasive behavior in areas where they are not normally found.

The project is not likely to adversely directly impact ecosystem services.

The project is not likely to adversely indirectly-cumulatively, including through the supply chain, impact ecosystem services.

The project is not expected to cause adverse direct impact on Indigenous Peoples. FPIC is required when there will be (i) impacts on lands and natural resources subject to traditional ownership or under customary use; (ii) Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use; or (iii) significant impact on Cultural Heritage.

The project is not expected to cause adverse indirect/cumulative impact on Indigenous Peoples.

Indigenous Peoples are not expected to be adversely impacted by direct project related land-acquisition or access restrictions. Note that all impacts on lands and natural resources subject to traditional ownership or under customary law requires FPIC.

Indigenous Peoples are not expected to be adversely impacted by indirect/cumulative project related land-acquisition or access restrictions. Note that all impacts on lands and natural resources subject to traditional ownership or under customary law requires FPIC.

The project doesn't have the potential to cause adverse direct impacts on Indigenous Peoples who live in isolation and initial contact.

The project doesn't have the potential to cause adverse indirect and/or cumulative impacts on Indigenous Peoples who live in isolation and initial contact.

The project is not expected to directly damage or negatively impact cultural heritage.

The project is not expected to indirectly-cumulatively damage or negatively impact cultural heritage.

The project is not expected to directly damage or negatively impact critical cultural heritage.

The project is not expected to indirectly-cumulatively damage or negatively impact critical cultural heritage.

The project will not negatively directly affect people due to their gender, sexual orientation or gender identity.

The project will not negatively indirectly-cumulatively affect people due to their gender, sexual orientation

or gender identity.

The project is not expected to lead to direct risks and impacts associated with Sexual and Gender-based Violence.

The project is not expected to lead to indirect and/or cumulative risks and impacts associated with Sexual and Gender-based Violence.

The project will not potentially face direct barriers to equitable gender-based participation.

The project will not potentially face indirect and/or cumulative barriers to equitable gender-based participation.

The project will not deal with a subject matter and/or be implemented in an area where the manipulation, interference, coercion, discrimination, and intimidation of stakeholders has been documented.

#### ESPS 1 - Assessment and Management of Environmental and Social Risks and Impacts

The Executing Agency will prepare and maintain an Environmental and Social Management System (ESMS) for the operation as defined under ESPS 1.

#### ESPS 2 - Labor and Working Conditions

The Executing Agency will prepare and maintain an Environmental and Social Management System (ESMS) for the operation with specific elements related to Labor and Working Conditions under ESPS 2.

#### ESPS 10 - Stakeholder Engagement and Information Disclosure

The Borrower will operate a Grievance Redress Mechanism at the Project level (direct and contracted).



### **PP ANNEX III - ENVIRONMENTAL AND SOCIAL SAFEGUARD STRATEGY (ESS)**

In accordance with the Environmental and Social Policy Framework of the Bank, the operation was classified as Category “C” because only minimum or no negative environmental or social effects are to be expected. The actions of the Program will finance:

**Component I. Support and expansion of the social safety net (US\$31,108,289).** This component will finance up to six months during four years of the following existing cash transfers: AKB, FBMMEB, and FBZWHH. The IDB’s support will be phased out progressively throughout the loan program to ensure sustainability. The programs were selected because of their extensive coverage of the populations with specific vulnerabilities (see ¶2.3). This component will also finance the progressive expansion of the FBZWHH and the FBMMEB to reduce coverage gaps for up to 5,000 new beneficiaries using the targeting mechanisms adopted with Program support, while prioritizing enrollment among beneficiaries who live in areas with high vulnerability to climate-related events.

**Component II. Efficiency of the social protection system (US\$8,391,711).** This component will finance: (i) the design and implementation within the BIS of a homogenous targeting mechanism for classifying poverty and determining eligibility; (ii) the design of a recertification protocol; (iii) services for the implementation of targeting mechanisms for the enrollment of new beneficiaries and recertification in the field; and (iv) the design and implementation of a disability certification system. This component will also finance the design and implementation of a family support program to facilitate access to education, health, and other social services provided by MOSAPH for CTPs beneficiaries, as well as the training and certification of field workers.

**Program administration and evaluation (US\$500,000).** These activities will finance the costs associated with planning, implementing, and supervising the Program.

## INDEX OF COMPLETED AND PROPOSED SECTORAL ACTIVITIES

THEMES	DESCRIPTION	STATUS	REFERENCE
Diagnosis	Stampini, Marco; Medellín, Nadin; Ibarrarán, Pablo. Cash Transfers, Poverty, and Inequality in Latin America and the Caribbean (October 2023)	Completed	<a href="#">Link</a>
	Suriname Survey of Living Conditions: 2022.	Completed	<a href="#">Link</a>
	Khadan, Jeetendra (2020). COVID-19: Socioeconomic Implications on Suriname.	Completed	<a href="#">Link</a>
	Khadan, Jeetendra (2020). Suriname in times of COVID-19: Navigating the Labyrinth.	Completed	<a href="#">Link</a>
	Arteaga, Maricruz; Beuermann, Diether; and Khadan, Jeetendra (April 2021). The Consequences of COVID-19 on Livelihoods in Suriname: Evidence from a Telephone Survey.	Completed	<a href="#">Link</a>
	National Assembly (18 September 2020).	Completed	<a href="#">Link</a>
	Presidential Decree no. 40/2021 (31 May 2021).	Completed	
	Act of 20 of March 1981. General Old Age Provision Fund	Completed	
	Resolution No.6245 of 27 June 1973 on the establishment of a scheme for general child benefit (General Child Benefit Regulation)	Completed	

THEMES	DESCRIPTION	STATUS	REFERENCE
	Missive of July 2023 on the Increase in amounts in MOSAPH programs	Completed	
	Rosita Sobhie & Anjali Kisoensingh. Methods and techniques to determine and combat poverty in Suriname. Multidisciplinary Working Group on Poverty Line Determination 2020-2023 (July 2023)	Completed	
	UNICEF, Social Policy Research Institute (SPRI). Mapping of Social Protection for Children in Suriname. Final Report (October 2022)	Completed	
	UNICEF, Social Policy Research Institute (SPRI). Multidimensional Child Poverty in Suriname. Final Report (October 2022)	Completed	
Technical Options and Design	IDB Group Country Strategy with Suriname 2021-2025	Completed	<a href="#">Link</a>
	IDB (2021). Social Protection and Poverty Sector Framework Document	Completed	<a href="#">Link</a>
Cost-Benefit Analysis and Economic Feasibility	Cost-benefit analysis	In preparation	In preparation

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<sup>1</sup> The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.