

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

SURINAME

SUPPORT TO SAFETY NETS FOR VULNERABLE POPULATIONS IN SURINAME
(SU-L1073)

LOAN PROPOSAL

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REQUIRED ELECTRONIC LINKS (REL)	
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REL#2	Monitoring and Evaluation Plan
REL#3	Environmental and Social Review Summary (ESRS)
REL#4	Procurement Plan (PP)

OPTIONAL ELECTRONIC LINKS (OEL)	
OEL#1	Analysis of Project Cost and Economic Viability / Cost Benefit Analysis Tables
OEL#2	Sustainability and Climate Change Annex
OEL#3	Operations Manual

ABBREVIATIONS	
AKB	Child Allowance
AOV	Elderly Allowance
BIS	Beneficiary Information System
CC	Climate Change
CLAD	Central Government Auditing Bureau
CTP	Cash transfer program
CCTP	Conditional cash transfer program
EA	Executing Agency
ECD	Early childhood development
EFF	Extended Fund Facility
FBMMEB	Support to Persons with Disabilities
FBZwHH	Support to Poor Households
FSP	Family support program
GDP	Gross Domestic Product
GoS	Government of Suriname
ICF	International Classification of Functioning, Disability and Health
IDB	Inter-American Development Bank
IMF	International Monetary Fund
IP	Indigenous people
LAC	Latin America and the Caribbean
MDB	Multilateral Development Banks
MICS	Multiple Indicator Cluster Survey
MOSAPH	Ministry of Social Affairs and Public Housing
PA	Paris Agreement
PIU	Program Implementation Unit
POD	Proposal for Operation Development
PP	Procurement Plan
PwD	Persons with disabilities
SFD	Sector Framework Document
SLC	Survey of Living Conditions
UNICEF	United Nations Children's Fund

PROJECT SUMMARY
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Financial Terms and Conditions				
Borrower			Flexible Financing Facility ^(a)	
Republic of Suriname			Amortization Period:	25 Years
Executing Agency			Disbursement Period:	5 Years
Ministry of Social Affairs and Public Housing			Grace Period:	5.5 Years ^(b)
Source	Amount (US\$)	%	Interest rate:	SOFR Based
IDB (Ordinary Capital):	40,000,000	100	Credit Fee:	^(c)
			Inspection and supervision fee:	^(c)
			Weighted Average Life (WAL):	15.25 Years
Total:	40,000,000	100	Currency of Approval:	Dollars of the United States of America
Project at a Glance				
Project Objective: The general objective is to contribute to poverty reduction in Suriname by expanding the social protection system's coverage, efficiency, and capacity to promote human capital among vulnerable households. The specific objectives are to: (i) enhance the social protection system to better protect vulnerable populations, specifically female-led poor households and persons with disabilities, and improve efficiency through improved targeting methods; and (ii) promote human capital development among poor households with children.				
Special Contractual Clause prior to the first disbursement: The Borrower, directly or through the Executing Agency, should submit evidence, to the satisfaction of the Bank, of: (i) the approval and entry into force of the Operations Manual of the Program, in the terms and conditions previously agreed upon with the Bank; and (ii) the establishment of a Program Implementation Unit (PIU) within the Ministry of Social Affairs and Public Housing (MOSAPH) and the hiring of the following technical personnel as part of the PIU: (a) the Project manager, (b) a procurement specialist, (c) a financial specialist, and (d) a monitoring and evaluation specialist, in accordance with the terms of reference previously agreed upon with the Bank (¶3.3).				
Exceptions to Bank Policies: None.				
Strategic Alignment				
Objectives^(d):	O1 <input checked="" type="checkbox"/>	O2 <input type="checkbox"/>	O3 <input type="checkbox"/>	
Operational Focus Areas^(e):	OF1 <input type="checkbox"/>	OF2-G <input checked="" type="checkbox"/> OF2-D <input checked="" type="checkbox"/>	OF3 <input checked="" type="checkbox"/>	OF4 <input checked="" type="checkbox"/> OF5 <input type="checkbox"/> OF6 <input type="checkbox"/> OF7 <input type="checkbox"/>

^(a) Under the Flexible Financing Facility (document FN-655-1), the borrower has the option to request modifications to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. In considering such requests, the Bank will take into account operational and risk management considerations.

^(b) Under the flexible repayment options of the Flexible Financing Facility (FFF), changes in the grace period are possible as long as the Original Weighted Average Life (WAL) and the last payment date, as documented in the loan agreement, are not exceeded.

^(c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors during its review of the Bank's lending charges, in accordance with the relevant policies.

^(d) O1 (Reduce poverty and inequality); O2 (Address climate change); and O3 (Bolster sustainable regional growth).

^(e) OF1 (Biodiversity, natural capital and climate action); OF2-G (Gender equality); OF2-D (Inclusion of diverse population groups); OF3 (Institutional capacity, rule of law, and citizen security); OF4 (Social protection and human capital development); OF5 (Productive development and innovation through the private sector); OF6 (Sustainable, resilient, and inclusive infrastructure); and OF7 (Regional integration).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and justification

- 1.1 **Suriname is emerging from an economic crisis that stemmed from 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 with financial and technical support from international organizations, including the Inter-American Development Bank (IDB) and the International Monetary Fund (IMF).¹ The implementation of a coordinated and well-calibrated fiscal and monetary policy has contributed to the exchange rate's stabilization and a decrease in the inflation rate² and in fiscal and central government deficits.³ After contractions in 2020 and 2021, the gross domestic product (GDP) expanded by 2.4% and 2.1% in 2022 and 2023, respectively.
- 1.2 **Suriname's poverty rate is commensurate with its GDP per capita.**⁴ The most recent data from the Suriname Survey of Living Conditions (SLC)⁵ conducted in 2022 shows that the poverty rate was 21.7% while the extreme poverty rate was 2.6%.⁶ Calculations using a national definition of multidimensional poverty⁷ reveal that 41.3% of the population is multidimensionally poor, meaning they face deprivations in at least three dimensions of well-being.⁸ Inequality in the distribution of per capita income is high, with a Gini coefficient of 0.41.⁹
- 1.3 **Poverty in rural areas and among Indigenous and Maroon populations is more prevalent.** According to the 2012 Census, the regions near Paramaribo, where the capital city is located, concentrate 66.3% of the population and have lower poverty levels than the interior of the country. Greater Paramaribo has a poverty rate of 19.5% and the coastal areas have poverty levels similar to the national average (22.8%). However, the poverty and extreme poverty rates in the

¹ 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. The IDB approved two policy based loans in 2022 and 2023.

² General Bureau of Statistics, 2024. Consumer Price Index and Inflation. The inflation rate decreased to 32.6% in 2023, after reaching 60.7% and 54.6% in 2021 and 2022, respectively.

³ IMF, 2024. Fifth Review Under the Extended Arrangement Under the Extended Fund Facility. The fiscal deficit has decreased from 20.2% of GDP in 2019 to 1.5% of GDP in 2023, while central government debt decreased from a peak of 146.4% in 2022 to 91.8% in 2023.

⁴ Suriname's Purchasing Power Parity (PPP) adjusted GDP per capita (constant 2021 US Dollars) is 18,741.74 according to the World Bank's WBI Databank.

⁵ IDB, 2023. 2022 Suriname SLC.

⁶ The poverty rate is estimated using data from the 2022 SLC. Poverty estimates are based on the IDB consumption aggregate and IDB basic needs poverty line. The overall poverty line is SRD2,490.34 per person per month and the extreme poverty line is SRD979.16. (Sobrado, 2023).

⁷ The National Multidimensional Poverty Index (NMPI) for Suriname measures the proportion of deprivation experienced by poor people relative to the total possible deprivation in Surinamese society. It is calculated by multiplying the incidence of poverty (H) by the average intensity of poverty among the poor (A), so NMPI = H x A. The index uses 4 dimensions (Health, Education, Living Standards, and Social Economic Security) encompassing 20 indicators, including chronic illness, education level, access to basic services, and employment status. The value ranges from 0 to 1, with higher values indicating greater poverty in Suriname.

⁸ Sobhie & Kisoensingh, 2023.

⁹ IDB, 2023. 2022 Suriname SLC.

interior are much higher at 36.9% and 6.3%, respectively. These regional disparities also suggest the existence of significant ethnic inequalities, given that the interior is predominantly inhabited by Indigenous people (IP) and Maroons. There are four Indigenous peoples, who are descendants of the original inhabitants of Suriname, and six Maroon tribes who have lived in Suriname since the 17th century.¹⁰ The poverty rate among Indigenous people and Maroon populations is 39.5% and 36.2%, respectively. Multidimensional poverty is also markedly higher in the interior of the country at 59%.¹¹

- 1.4 **The population living in rural areas is also highly vulnerable to climate-related events.** Climate change (CC) vulnerability is the propensity of a community to be negatively affected by the consequences of CC,¹² and there is evidence that poverty and social inequality are among the most important determinants of CC vulnerability.¹³ In the LAC region, an estimated 78 million poor people or more live in areas that are highly exposed to climate-related shocks. Suriname is susceptible to the effects of CC, particularly in the context of extreme weather events. Heavy rainfall is associated with the occurrence of periodic flooding. The 2022 SLC and national environmental data statistics indicate that the population living in the departments of Brokopondo, Commewijne, Marowijne, Nickerie, Paramaribo, Saramacca and Sipaliwini are the most vulnerable to CC.¹⁴ An estimated 89,000 people living in poverty (65% of the population in poverty) reside in these departments, which have experienced more than seven flooding episodes in the past three years and register the highest frequency of floods between 2000 and 2024.¹⁵ CC is also disproportionately affecting the incomes of people living in poverty, rural women, and older populations, as their capacity to react and adapt to extreme weather events is unequal (FAO, 2024). Extreme weather also compels impoverished rural households to adopt maladaptive coping strategies. These may include reducing income streams, selling productive assets, suspending medical controls, removing children from school, increasing child labor or exerting excessive pressure on natural resources to satisfy short-term needs.¹⁶
- 1.5 **Female-led households and households with children are more vulnerable than the general population.** Poverty in Suriname has an important gender dimension. The 2022 SLC shows that poverty is more prevalent among female-led households (19%) than male-headed households (14%). The vulnerability of female-led households is strongly linked to wage gaps and working conditions. Women's employment rate is significantly lower, at 48%, compared to 72.7% for men. Additionally, the unemployment rate for women is 10.6%, which is double the men's rate of 5.3%. Women who are formally and informally employed earn

¹⁰ Kambel, Eleen-Rose (2006). [Indigenous Peoples and Maroons in Suriname](#).

¹¹ [Sobhie & Kisoensingh, 2023](#).

¹² IPCC, 2022: Annex II: Glossary [Möller, V. et al.]. In: Climate Change 2022.

¹³ Cardona, O. D., et al. (2012). Determinants of risk: exposure and vulnerability. In Managing the risks of extreme events and disasters to advance climate change adaptation: special report of the intergovernmental panel on climate change (pp. 65-108). Cambridge University Press.

¹⁴ IDB calculations based on EM-DAT, CRED / UCLouvain, 2024, Brussels, Belgium – www.emdat.be

¹⁵ Calculations based on 2022 Suriname SLC.

¹⁶ Social Protection and Climate Change: How can we protect the most vulnerable households against new climate threats? (IDB, 2023)

consistently less on average than men.¹⁷ Gender gaps in education also explain higher rates of poverty among female-led households: 8.5% of adult women have no education, compared to 3.4% of men. In the interior regions, the lack of education is even more pronounced, with 49.8% of women versus 21.1% of men lacking education.¹⁸ The poverty rate is higher among the population living in households with children under 18 years of age (22.4%) than among the population living in households without children (7.6%), and poverty increases with household size.¹⁹ Together with poor health and education outcomes, high dependency ratios are one of the main determinants of multidimensional poverty.²⁰ Children in Suriname, especially those living in rural areas, experience higher poverty rates than the rest of the population. The poverty rate for children under five is 32.9% compared to 17.2% for the population over 19 years of age.²¹ Furthermore, 58% of children under five in the interior live in poverty, compared to 29.5% in urban areas.²²

- 1.6 Children in Suriname face inequalities in access to health and education from an early age.** The early years are a sensitive period for brain development.²³ Early childhood development (ECD) is the foundation of future learning and overall wellbeing.²⁴ To achieve their potential, children need learning opportunities, interactions, and stimulating environments. However, children living in poor households in Suriname are at risk of development delays.²⁵ 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%).²⁶ Evidence shows that malnutrition during the early years of life has negative effects on physical and cognitive development, which affects capacity to learn and generate income in the future.²⁷ Children in poor households also face greater gaps in critical services that promote their cognitive, social, and emotional development. While 66.5% of children under five years of age in the highest income quintile are enrolled in early learning services, only half as many (32.3%) in the lowest income quintile are enrolled.²⁸ As a result, while 94% of children aged three to four in the highest income quintile are on track in the areas of literacy-numeracy, physical, socio-emotional, and learning, only 61.4% of children in the lowest income quintile are on track.²⁹ The disparities in access to education continue at the primary and secondary school levels. The proportion of children in the highest income quintile who complete primary education is 98%, compared to 62% of children in the lowest income quintile. At the lower secondary level, the difference is five times greater (77% vs. 23%), and at the upper

¹⁷ The average income for women in formal employment is \$5,220 versus \$6,530 for men. In the case of informal employment, the difference on the average salary is wider, near 38%: women average salary in this sector is \$2,672.15 versus \$4,352.47 for men.

¹⁸ IDB, 2023. [2022 Suriname SLC](#).

¹⁹ Ibid.

²⁰ [Sobhie & Kisoensingh, 2023](#).

²¹ Calculations based on 2022 Suriname SLC.

²² Ibid.

²³ [Shonkoff y Phillips 2000](#).

²⁴ [Heckman 2008](#).

²⁵ UNICEF, 2018. Multiple Indicator Cluster Survey ([MICS](#)).

²⁶ Ibid.

²⁷ Lake, et. al., Putting science into practice for early childhood development. The Lancet, 20 September 2014.

²⁸ MICS Education Analysis for Global Learning and Equity (EAGLE). 2019.

²⁹ UNICEF, 2018. [MICS](#).

secondary level it is eight times greater (52% vs. 6%).³⁰ There are also significant regional and ethnic disparities in access to education. The interior districts of Sipaliwini and Brokopondo, for example, have the lowest school completion rates,³¹ and Maroons are over-represented among those who did not complete each level of education.³² Access to early education in Suriname is limited by lack of supply of ECD programs for children 0 to 4 years old at the institutional and community level (¶1.10).

- 1.7 **PwD also experience greater vulnerability.** According to the 2012 Census, 12.5% of Suriname's population has at least one disability, 14.3% of women and 10.7% of men, and the highest number of PwD lives in the interior.³³ 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 person with disability (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, many of which are highly climate vulnerable, households with a PwD experience approximately 10–15% higher expenditures, which rise to 30-50% if the disability is severe.³⁴ PwD face heightened protection risks and barriers to inclusion and are likely to have specific, additional needs related to forced displacement in the context of disasters and CC.³⁵
- 1.8 **Safety net.** The social safety net consists of universal and targeted cash transfer programs (CTPs) that address economic vulnerability (see Table 1). The programs are implemented by the Ministry of Social Affairs and Public Housing (MOSAPH), which is responsible for coordinating the Government's social and human development objectives.³⁶ The universal programs are: (i) the **Elderly Allowance (AOV)**, a transfer benefiting 75,560 individuals of Surinamese nationality who are aged 60 or older; and (ii) the **Child Allowance (AKB)** aimed at all households with children under 18 years old (excluding only those that receive a AKB from their employer) which benefits 95,027 children. To support minimum income levels among households in poverty conditions, the MOSAPH implements the **Financial Support to Poor Households (FBZwHH)** program which provides a monthly benefit of SRD1,750 (US\$54.24). This program targets heads of household over 21 years of age or underage women with children with a monthly household income below SRD4,000 (US\$123.98). The monthly value of the FBZwHH was increased from an amount ranging between SRD33 (US\$1.55) to SRD40.5 (US\$1.91) in 2020 to SRD1,750 (US\$54.24) in 2023.³⁷ The number of beneficiary households of the FBZwHH also increased from 5,364 in 2020 to

³⁰ UNICEF, MICS-EAGLE. 2019.

³¹ Only 57% and 65% of the population, respectively, have completed primary education level in these 2 districts in comparison to over 80% of the population in the coastal districts.

³² UNICEF, MICS-EAGLE. 2019.

³³ ILO. Employability of people with disabilities in Suriname. 2020.

³⁴ Mitra, S, et.al. (2017). Extra Costs of living with a disability. Disability and Health Journal.

³⁵ <https://www.unhcr.org/media/disability-displacement-and-climate-change>.

³⁶ MOSAPH was established by State Decree on 10-October-1991 (S.B. No.58) and is tasked with supporting the general welfare of the population, particularly the social care for vulnerable populations.

³⁷ Through a Missive issued by the President of the Republic of Suriname, dated 13 July 2023, an increase in all non-contributory CTP was approved.

11,577 households in 2024. The majority of beneficiary households are female-led (80.7%). To support the quality of life of PwD, the MOSAPH implements the **Financial Support to Persons with Disabilities (FBMMEB)** which provides a monthly transfer of SRD2,500 (US\$77.49). This program targets persons living with a permanent disability. PwD need to provide a medical certificate (certified by a professional in a specific medical field) that documents the disability, and their benefit is not means tested. The means-testing requirement was removed in 2023³⁸ as part of the GoS's commitment to increasing support to PwD, in response to the high vulnerability of this population group. The monthly value of the FBMMEB was also increased from SRD325 (US\$10.08) in 2020 to SRD2,500 (US\$77.49) in 2024. The change in eligibility rules has brought about an increase in the number of beneficiaries from 10,832 in 2020 to 17,637 in 2024, of whom 50.1% are women.

Table 1. Cash transfer programs in Suriname

Program	Population	Beneficiaries (2024)³⁹	Amount (SRD) Monthly
AKB: Child Allowance	Children under 18 years of age	95,027	200
AOV: Elderly Allowance	Population over 60 years of age	75,560	1,750
FBMMEB: Financial Support to Persons with Disabilities	Persons with a permanent disability	17,637	2,500
FBZwHH: Financial Support to Poor Households	Households with children earning less than SRD4,000	11,577	1,750

- 1.9 The IDB has provided support to the GoS in its efforts to maintain living standards for vulnerable populations and improve the efficient management of the CTPs. Through the Support to Safety Nets for Vulnerable Populations Affected by Coronavirus in Suriname ([4112/OC-SU](#) – reformulated loan), the IDB financed the increase in the value of all the non-contributory cash transfers amidst the COVID-19 pandemic. The Support to Safety Nets for Vulnerable Populations in Suriname ([5447/OC-SU](#)), currently in execution, provides income support to populations at greater risk of deteriorating living conditions in the context of the country's socioeconomic crisis, including households with children, people with disabilities, and elderly persons.⁴⁰ The Program also contributes to strengthening MOSAPH's capacity to manage the social safety net. Specifically, the Program supports the development of a Beneficiary Information System (BIS).⁴¹ 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

³⁸ Through a Missive issued by the President of the Republic Suriname, dated 13 July 2023, any person with a permanent disability is eligible for the FBMMEB regardless of household income.

³⁹ MOSAPH administrative data as of April 2024. This beneficiary data, which is presented throughout the entire document, excludes information from the interior regions, specifically Brokopondo and Sipaliwini. Registration in these areas is incomplete as of this date, as the government is still processing the information

⁴⁰ Financing of the social protection system comes from the national budget and is complemented by external financing from the IDB, specifically [5447/OC-SU](#).

⁴¹ The development of the BIS, in coordination with the E-Gov department, is supported by [5447/OC-SU](#).

increasing traceability and reducing the potential duplication of benefits. The loan program is also enhancing MOSAPH's capacity to monitor social programs by providing financial and technical assistance to develop and implement a plan to strengthen the Ministry's Monitoring and Evaluation department. In this regard, MOSAPH has recently made progress in producing and disseminating, through a dynamic dashboard, indicators that disaggregate data on the beneficiary population of all its CTPs by district and gender. The dashboard also includes information on the monthly expenditures of each CTP, contributing to transparency and accountability in the management of social programs.⁴²

- 1.10 **Early childhood development and parenting services.** The Ministry of Education, Science and Culture oversees the administration of pre-primary programs, which are designed to serve children between the ages of four and five. The total enrollment for grades 1 and 2 (ages 4-5) in Suriname for 2023 was estimated at 16,530 students. Administrative data from 2021 shows that enrollment rates in early education services are higher in urban areas than in rural districts. The Paramaribo and Wanica districts have the highest enrollment rates, with 41.3% and 26.1%, respectively. The remaining districts exhibit significantly lower enrollment rates, with values ranging from 6% in Sipaliwini to 0.5% in Coronie.⁴³ Although early childhood education for children under four is not formalized within the national education system, children in this age group can attend public or private day care centers supervised by MOSAPH. As of March 2024, MOSAPH supervises over 200 private childcare centers with an average enrollment of 20 children and operates 12 public childcare centers (crèches) located in the capital city with an estimated enrollment of 400 children under four years old. With the support of the United Nations Children's Fund (UNICEF), MOSAPH is implementing "Play, Discover, Learn" in 20 crèches, a program aimed at improving the quality of services through staff training.
- 1.11 **Problems addressed.** Despite GoS's efforts, Suriname faces challenges related to poverty reduction and human capital accumulation. Specifically, the social protection system: (i) has limited financial capacity to provide social protection to the most vulnerable populations; (ii) has gaps in coverage among poor households with children and PwD as well as populations exposed to CC related shocks; (iii) employs inefficient targeting mechanisms that hamper its ability to identify beneficiary populations, including vulnerable groups such as IP and Maroons, who are exposed to climate related risks; and (iv) provides limited access among CTP beneficiaries to services that promote human capital accumulation, including ECD services.
- 1.12 **Fiscal constraints limit the government's ability to sustain and expand the safety net.** Suriname's fiscal framework is set in an extended arrangement with the IMF under the Extended Funding Facility (EFF). The goal is to reduce public debt to 60% of GDP and financing needs to an upper limit of 12% of GDP by 2035. This overarching objective is set in conjunction with a plan for fiscal consolidation which targets primary balances of 2.7% in 2024 and of 3.5% over 2025-2035.⁴⁴ To achieve these targets, the GoS has consistently reduced the annual budget of all

⁴² See: <https://gov.sr/zwhh/>

⁴³ Ministry of Education, Science and Culture, Planning Department. 2021.

⁴⁴ IMF. IMF Country Report no. 24/97. April 2024. Fuel subsidies were completed phased out in early 2023. Average electricity tariffs were increased in 2023, and gas subsidies will be phased out by 2025.

ministries and reduced general subsidies, including the progressive phase out of fuel, gas, and electricity subsidies⁴⁵. At the same time, one of Suriname's priorities is to sustain and strengthen the social safety net by increasing annual social spending to 3% of GDP, up from 2.2% in 2023 and 1.9% in 2022⁴⁶. Maintaining the social safety net is critical to poverty reduction efforts while reducing general subsidies. The CTPs contribute to poverty reduction by an estimated 2 percentage points (p.p.) and the recent increases in amounts prevent an increase in poverty, reducing it by an additional 0.2 p.p.⁴⁷ Amid fiscal constraints, external financing will contribute to sustain expenditure in the country's social safety net, in line with the recovery program and EFF targets. Therefore, maintaining the social safety net is critical to poverty reduction efforts towards a fair decarbonization of the economy.⁴⁸

- 1.13 **The safety net has significant coverage gaps among the most vulnerable population groups, including households with children and persons with disabilities.** The CTPs have limited coverage among Suriname's vulnerable population, benefiting only 56.7% of the population in the lowest income quintile. Coverage gaps are more prevalent among poor households with children and PwD. Despite the recent expansion of the FBZwHH, the program reached only 33.3% of the eligible population.⁴⁹ In the case of the FBMMEB, coverage is estimated at approximately 17.5% of the eligible population.⁵⁰ As a result, the impact of these programs on poverty reduction is modest in comparison to other programs. The FBZwHH and FBMMEB contribute 0.09 and 0.28 p.p., respectively, to poverty reduction while the universal programs like the Elderly Allowance geared towards the elderly population contributes 2.72 p.p. The coverage gaps are larger in departments with high exposure to climate-related risks compared to the rest of the country, making it difficult to use social protection programs to support the resilience of households exposed to shocks. For example, 74.8% of eligible households from the departments of Brokopondo, Marowijne, Nickerie and Sipaliwini do not receive the FBZwHH compared to 45.3% in the rest of the country.⁵¹
- 1.14 **The social protection system employs weak targeting mechanisms.** MOSAPH employs inefficient targeting mechanisms that lead to inclusion and exclusion errors. First, MOSAPH lacks a transparent method for determining the socioeconomic eligibility criteria for enrollment in the FBZwHH. Once a beneficiary applies for the program, case workers in MOSAPH's 66 Field Offices conduct a social assessment that includes a home visit, interviews with household members using an application questionnaire, and the verification of household income through documentation such as employment contracts, pay slips, or utility bills. The completed application is then reviewed by the head of the Field Office who recommends approval or rejection to the corresponding District Office which makes the final enrollment decision. However, there is no clear method for

⁴⁵ As part of the [economic reform program](#), the GoS has phased out fuel and electricity subsidies.

⁴⁶ Calculations based on data published by the Ministry of Finance and Planning.

⁴⁷ Calculations based on the [2022 Suriname SLC](#). The calculations are based on the four main CTPs: AOV, AKB, FBMMEB and FBZwHH.

⁴⁸ Bagolle, Costella and Goneche (2023): "Social Protection and Climate Change: How can we protect the most vulnerable households against new climate threats?".

⁴⁹ Calculations based on the [2022 Suriname SLC](#).

⁵⁰ According to the 2012 Census, 12.5% of the population has at least one disability.

⁵¹ Calculations based on the 2022 Suriname SLC.

determining if applicants meet the socioeconomic eligibility criteria. Second, the FBZWHH does 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 social assistance.⁵² Third, Suriname does not have a disability certification system nor a unified classification instrument for determining a person's disability or functioning. Therefore, MOSAPH depends only on a medical certification to determine the eligibility of potential FBMMEB beneficiaries which can lead to discrepancies in determining an applicant's eligibility. Despite recent progress in the disaggregation of beneficiary data by geographic location and gender, MOSAPH lacks the tools and methodology for further disaggregation of its beneficiary population by ethnicity, which would enhance the equity and effectiveness of interventions. Lastly, social assessments involved in targeting mechanisms in Suriname do not currently capture data associated with the rate or scale of impacts in poor households associated with CC. This represents a missed opportunity in addressing vulnerabilities and ensuring coverage supports disaster management and resilience. Furthermore, addressing the specific needs of Maroons and IP can make public policies more inclusive and sensitive to their unique realities as these communities often face significant socioeconomic and cultural barriers that general programs may not address. Disaggregating data and tailoring interventions to their contexts promotes a fairer distribution of resources, preserve cultural identities, and foster economic development and social well-being.

- 1.15 **Finally, the social protection system is limited in its capacity to promote human capital from an early age.** Several Latin American and Caribbean countries (LAC) that implement cash transfers have complemented these programs with services designed to provide social and family support for beneficiaries. These services consist of close, personalized monitoring of the family by a social worker.⁵³ However, as they are designed, the CTPs managed by MOSAPH do not include conditionalities or co-responsibilities related to school attendance or the use of health services that can promote human capital among beneficiaries. Conditional cash transfer programs (CCTPs) have been shown to increase demand for services that help increase human capital. For example, CCTPs have increased the use of health services and increased school enrollment and attendance (Fiszbein & Schady, 2009).⁵⁴ Although MOSAPH oversees 66 field offices staffed by field workers who assist in identifying and enrolling potential CTP beneficiaries, these regional offices do not provide family support or case management services to link families with programs and education and health services that can address the multidimensional nature of poverty and vulnerability.
- 1.16 Also, the provision of early childhood education services for children under the age of five is limited, particularly among children from rural areas and low-income households. Data shows that children in more vulnerable households (i.e., those in the poorest income quintile) have less access to stimulating experiences and other determinants of ECD like health and nutrition which can generate cumulative delays in language development, putting them at disadvantage before they start

⁵² Ibid.

⁵³ Ibarrarán et al., 2017. [How Conditional Cash Transfers Work](#). IDB.

⁵⁴ Social Protection and Poverty Sector Framework Document (GN-2784-12).

school.⁵⁵ In Suriname, only 45.7% of children aged three to five years old are attending early learning programs. This proportion is lower among three-year-olds (23.7 vs 68.6% of four-year-olds) and children from rural areas (40% from rural coastal areas and 33% from rural interior areas vs. 51% from urban areas). Furthermore, the CTPs are not linked to ECD services despite evidence that CTPs are effective in providing short-run child development benefits, especially among poor households (Little et al., 2021; Molina Millán et al. 2019). In LAC, exposure to a CTPs has led to better cognitive development in Honduras (Lopez Boo and Creamer 2019), Ecuador (Araujo, Bosch, and Schady 2017), Nicaragua (Barham, Macours, and Maluccio 2013), and Colombia (*Unión Temporal Econométrica* and SEI 2012).⁵⁶

- 1.17 Evidence indicates that parental involvement has a positive effect on children's learning, which in turn predicts later educational attainment.⁵⁷ However, programs promoting parental involvement in child development are not offered, while over 40% of children under the age of four (43%) are not engaged in early stimulation activities with household members. The disparity is evident between children in different income brackets, with 80.5% of children under 4 in the highest income quintile engaged in stimulation activities compared to 46% among children in the poorest income quintile.⁵⁸ Furthermore, children in Suriname are exposed to violent discipline practices, with 88% of children aged 2-14 years subjected to at least one form of violent psychological or physical punishment by household members. With UNICEF support, MOSAPH has piloted the implementation of the Triple P - Positive Parenting Program, an evidence-based family support program (FSP) aimed at reducing child maltreatment, such as physical abuse and neglect, and improving family environments. So far, approximately 20 para social workers and social workers have been trained and are applying the Triple P methodology, which combines individual consultations and group seminars providing strategies for positive parenting, among beneficiary households of the FBZWHH. However, the program is still in a pilot phase and lacks resources for scale-up. Faced with these challenges, the creation and implementation, among poor households with children, of home visiting programs that provide early stimulation and support the development of parental abilities are key to supporting children and their families.
- 1.18 **Programmatic approach.** Since 2020, the Bank has supported the GoS's efforts to support vulnerable population groups by guaranteeing minimum income levels for poor households, PwD, and the elderly population through CTPs. This operation will scale up this approach by expanding coverage (beneficiaries) among the targeted programs, specifically the FBZWHH and FBMMEB, and will further the impact of cash transfers with services to improve human capital, such as early childhood development. The IDB operations have also contributed to the efficiency and transparency of the social protection system through the expansion of CTPs digital payments and the design of technical specifications for the BIS's development as well as the strengthening of the MOSAPH's digital infrastructure,

⁵⁵ ECD Sector Framework Document (GN-2966-7).

⁵⁶ Ibid.

⁵⁷ MICS, 2018.

⁵⁸ Ibid.

areas that this operation will continue to strengthen⁵⁹. The approach has consisted of the approval of operations [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. The proposed program is part of this programmatic approach and contributes to the implementation of Suriname's Social Protection Strategy and Action Plan 2023-2030. Developed by MOSAPH with support from IDB and the International Labor Organization (ILO) in 2023, the strategy and action plan establish a time bound strategic plan for strengthening Suriname's social safety net, including addressing the gaps in coverage of non-contributory programs, improving efficiency in the management of the social protection system, and improving the provision of services to vulnerable households along the life cycle, goals to which this program contributes directly. The operation is complementary to the Bio-Economy Empowerment in Suriname Indigenous Communities through Access to Water, Energy and Telecommunications (Bio-SWEET) Program, currently in its design phase. Bio-SWEET's support to the provision of basic services in rural Amazon will facilitate the CTP's beneficiary population access to improved social services. It will also strengthen MOSAPH's capacity, in the rural interior, to manage and monitor the CTPs as well as the family support and ECD programs financed by the present loan. The operation is also complementary to the Fiscal Sustainability Program for Economic Development II (5911/OC-SU) aimed at restoring fiscal sustainability and promoting higher economic growth, as it contributes to efforts to improving the control and efficiency of government spending.

- 1.19 **Program strategy.** The program strategy is to contribute to poverty reduction in Suriname through three priority areas: income support to vulnerable population groups, expansion in the coverage and efficiency of the safety net, and family support and ECD services that improve human capital among poor households as a means of addressing the intergenerational transmission of poverty, and tackling new compounded vulnerabilities because of climate change.
- 1.20 The Program is structured along three components. Component 1 continues the support to the safety net that began under operation [4112/OC-SU](#) and was strengthened through operation [5447/OC-SU](#). More specifically, it will finance cash transfers to 17,637 beneficiaries of the FBMMEB and 11,577 beneficiary households of the FBZwHH. These CTPs were selected because they are the only two targeted CTPs managed by MOSAPH and benefit population groups that are more likely to be poor, specifically PwD and female-led households. The operation bases its strategy to protect vulnerable populations on several evaluations that demonstrate that cash transfers are effective at increasing the consumption of beneficiary households and reducing the incidence and intensity of poverty.⁶⁰ A systemic review of 201 studies for 56 CTPs, with over half the studies focused on LAC, showed CTPs to reduce monetary poverty.⁶¹ Financing the existing targeted cash transfers is also a strategy to improve the sustainability of income support programs as part of Suriname's recovery plan which involved the elimination of

⁵⁹ The BIS is being 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 by both institutions.

⁶⁰ Ibarrarán et al., 2017. [How Conditional Cash Transfers Work](#). IDB.

⁶¹ Bastagli et al., 2016.

generalized electricity and gas subsidies while simultaneously increasing the budget for CTPs. This capacity expansion can also compensate for the negative impacts of CC in poor households, and actively facilitate adaptation and mitigation responses, linked to the essential function of social protection in maintaining household's incomes during hardship and post-disaster recovery.

- 1.21 Component 2 will contribute to increasing the coverage and efficiency of social investment through improved targeting mechanisms and enhanced monitoring and evaluation capacity.⁶² This will be achieved through the expansion in the coverage of the FBMMEB and the FBZwHH for up to 5,000 new beneficiaries, contributing to the EFF's objective of increasing social investment to protect vulnerable populations from the socioeconomic crisis and to the Social Protection Strategy and Action Plan's goal to expand the safety net. To ensure adequate targeting and contribute to the safety net's efficiency, the new beneficiaries enrolled for the FBZwHH will be selected using the new targeting mechanism that will be based on a proxy means test. The social evaluation form used by MOSAPH to capture the variables required for the socioeconomic assessment will include variables to assess beneficiaries' vulnerability to different climate change risks. The program will also support the design and institutionalization within the FBZwHH's operational manual of a recertification protocol for progressive implementation among beneficiaries. The enrollment process for the new beneficiaries of the FBZwHH will also prioritize poor households in the rural coastal and interior departments identified as most vulnerable to CC shocks, and that are mostly female led. In the case of enrollment in the interior districts, the process will prioritize IP and Maroon populations. This strategy is based on evidence that shows that CTPs have been effective in increasing resilience against widespread shocks, and that these transfers constitute one of the most effective response mechanisms to protect the income of affected households, as well as to mitigate negative adaptation strategies (Bagolle et al., 2023; Beazley et al., 2019; Mansur et al., 2018). To ensure adequate targeting among new beneficiaries enrolled in the FBMMEB, these will be selected using a checklist based on the International Classification of Functioning, Disability and Health (ICF), which records information on the functioning and disability of an individual, to complement the medical diagnosis.⁶³ Incorporating the ICF checklist will help Suriname complement the current medical approach of certifying disability with a social one that includes environmental factors in the assessment of disability, in line with international best practices.⁶⁴ As a result of this strategy, the expected change in poverty headcount is 8,399 among PwD and 2,166 among poor households with children. In a scenario of constrained fiscal space, improving MOSAPH's ability to identify these vulnerable population groups through improved targeting mechanisms is essential for enhancing the efficiency of the social protection system.
- 1.22 Finally, Component 3 will fund the design and implementation of a family support program (FSP) to promote school and health attendance among children in FBZwHH beneficiary households. The program would provide a comprehensive

⁶² 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.

⁶³ The ICF checklist included the major categories of the International Classification of Functioning, Disability and Health (ICF) of the World Health Organization.

⁶⁴ Social Protection and Poverty Sector Framework Document (SFD) (GN-2784-12).

assessment of family needs, and data collection on school and work absenteeism due to extreme weather events and other climate related risks, followed by the development and implementation supervision of a support plan based on the availability of programs and services. The FSP would employ field officers supervised by social workers to provide individualized social assistance to the FBZwHH households. The strategy is based on evidence showing that family support programs aimed at the most excluded and vulnerable families, can improve the demand for social programs,⁶⁵ thereby promoting social inclusion and human capital accumulation. It is also based on evidence showing that FSP with the best results are provided by qualified human resources with appropriate supervision, such as that of social workers.⁶⁶ The FSP would also incorporate the Triple P methodology, already in the process of implementation with UNICEF support, to improve parenting knowledge, skills, and practices. The strategy to incorporate a Triple P module is based on evidence suggesting that the program can effectively improve parenting skills and practices. For example, a randomized control trial conducted in urban low-income communities in Panama found that parents who participated in Triple P discussion groups experienced less stress and employed less dysfunctional parenting practices.⁶⁷ Similar positive outcomes have been observed in LAC countries with similar parenting interventions such as Chile (Día a Día), Jamaica (the Iries Home Toolbox), and Colombia (International Child Development program).

- 1.23 To build human capital among poor households with children and close gaps in ECD, the Program will design and implement an ECD program to promote early stimulation and interaction as well as to improve childrearing and caregiving practices via home visits to parents and children 6 to 48 months old. The program will target ECD services toward FBZwHH beneficiary households as a path toward scalability. FBZwHH will be used as a platform to facilitate access to ECD services based on evidence that delivering ECD programs using the existing infrastructure of a CTP has shown to improve child development in the short run, but not in the medium run (Andrew et al. 2018; Attanasio et al. 2014). Yet, CTPs are an important tool for combating child and household poverty and can offer incentives to increase the use of health and early education services.⁶⁸ The expansion of ECD services targeted at poor households is supported by evidence that improving the quality of care environments for the poorest and most vulnerable populations can mitigate the effects of poverty on child development and improve children's long-term educational outcomes, productivity and income (Black et al. 2017).⁶⁹ It is estimated that high-quality birth-to-five programs for disadvantaged children can deliver a 13.7% per year return on investment (García et al. 2020), due to increases in income in adulthood. The cost of not investing in ECD is, on average, 1.6% of gross domestic product (GDP).⁷⁰ The Program's strategy is to design a home visiting ECD program that promotes child development while emphasizing parent-child interactions through periodic home visits conducted by trained community health workers or community facilitators. The strategy is based on

⁶⁵ Ibid.

⁶⁶ Ibarrarán, et al., 2017. How Conditional Cash Transfers Work. IDB.

⁶⁷ Mejia, Anilena et. al, [A pilot randomized controlled trial of a brief parenting intervention in low-resource settings in Panama](#). Pre Sci. 2015 Jul; 16(5): 707-17.

⁶⁸ ECD SFD (GN-2966-7) and Social Protection and Poverty SFD (GN-2784-12).

⁶⁹ Ibid.

⁷⁰ Ibid.

evidence from LAC that shows ECD home visiting programs to have positive results on cognitive development and language, with sustained long-term effects which have resulted in higher income in adulthood.⁷¹ The ECD program is also expected to improve interactions with children and foster positive child development. The strategy is based on evidence that home visiting programs can also help families be resilient in poverty and cushion the effects of poverty (Duffee et al., 2018).

- 1.24 **Bank experience and lessons learned.** The Bank has accumulated extensive experience in the design, implementation, and evaluation of CTPs including the design of targeting mechanisms which can increase efficiency in social expenditure.⁷² For example, the design of an updated proxy means test financed with technical cooperation resources Support for Innovation in the Management of Social Programs Administered by MIDES ([ATN/OC-18631-PN](#)) and implemented through the Social Inclusion and Development Program ([3512/OC-PN](#)) for the identification of CCTP beneficiaries reduced inclusion and exclusion errors by 26.2%.⁷³ This has informed Component 2 with the design of a means-tested targeting mechanism for FBZWHH. However, sector and operational knowledge accumulated by the Bank, specifically through the Social Inclusion and Development Program Phase II ([5734/OC-PN](#)), shows that statistical targeting methods can have limitations, and that their design should consider the specific vulnerabilities related to household size, disability, and other factors. This lesson is incorporated into Component 2 with the development of a targeting mechanism for the FBZWHH that is complemented with a social worker's verification. Lessons from the Social Inclusion Program for Persons with Disabilities in Panama ([5127/OC-PN](#)) demonstrate that the development of a disability certification system and its implementation as a tool for accessing social protection for services for PwD is a complex process. In alignment with the stipulations of the United Nations Convention on the Rights of Persons with Disabilities (CRPD), the process requires the development of a legal, institutional, and operational framework, coordination mechanisms across sector ministries, and the training of a multidisciplinary network of professionals certified in the application of classification instruments such as the ICF.⁷⁴ These lessons informed the design of Component 2 through the adaptation and implementation of the ICF Checklist as an intermediary mechanism to complement the current medical certification of disability used to determine eligibility for the FBMMEB.⁷⁵ Considering that Suriname has adopted the CRPD, the IDB will support Suriname through technical

⁷¹ In Colombia, an ECD home visiting program based on the Reach Up and Learn curriculum, was piloted with 1,440 children across 96 municipalities. It was integrated into the infrastructure of the existing national CCTP as a path toward scalability. The initial impacts on cognition (0.26 SD) and receptive language (0.22 SD) after 24 months of home visits, were calculated to fill a third of the gap in cognition between children living in an extremely disadvantaged environment and children living in middle class families in Bogota (Attanasio et al. 2014). Yet, they faded away after two years (Andrew et al. 2018). In Mexico, an evaluation of the *Programa de Educación Inicial* showed weekly group sessions to have had positive effects on cognition, language, and memory in children under age four who also benefitted from the CCTP (Fernald et al. 2017).

⁷² Social Protection and Poverty SFD (GN-2784-12).

⁷³ Garcimartin et. al., [Impacto social de la pandemia del COVID-19 en Panamá y análisis de eficiencia de los programas de transferencias monetarias](#). BID. 2021.

⁷⁴ The ICF is a framework for describing and organizing information on functioning and disability. It provides a standard language and a conceptual basis for the definition and measurement of health and disability.

⁷⁵ The [ICF Checklist](#) is a practical tool to elicit and record information on the functioning and disability of an individual. This information can be summarized for case records (for example, in clinical practice or social work).

cooperation resources, to develop a strategy and action plan for the development of a national disability certification system that can eventually be incorporated as the official mechanism for determining FBMMEB eligibility. 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 2 which supports MOSAPH's capacity for managing CTPs with efficiency and transparency by introducing targeting mechanisms.

- 1.25 Finally, lessons from the implementation of the technical cooperations Improving the learning of mathematics through intercultural teaching ([ATN/OC-15991-PN](#)) and Intercultural Bilingual Mathematics JADENKÄ ([ATN/JO-17283-PN](#); [ATN-JO-17644-PN](#)) demonstrate that ECD services that recognize diversity have the potential for improving skills and cultural identity as well as contributing to closing the gaps in access that persist for ethnic groups. This lesson is incorporated into Component 3 with the design of a culturally appropriate ECD curriculum and learning materials adapted to the Surinamese context, including for IP and Maroons. Operational experiences in Jamaica show that ECD home visiting programs can be implemented through health workers. Operational lessons from Panama [3512/OC-PN](#) and [5734/OC-PN](#) show that closing existing gaps in ECD service provision creates opportunities for collaboration with private sector or civil society partners for service provision. This lesson is incorporated in Component 3 with the design of an implementation mechanism for deploying ECD home visiting programs in collaboration with local non-profit organizations.
- 1.26 **Coordination with other Bank projects.** The IDB is preparing another program in Suriname for the bio-economy empowerment in Indigenous communities through access to water, energy and telecommunications. This program will support GoS in providing renewable energy-based electricity, potable water, and telecommunication systems to villages in the rural Amazon region. Both project teams will collaborate during project implementation to ensure that interventions in rural Suriname are complementary, as access to electricity, water, and telecommunication services, will facilitate beneficiaries' access to improved social services and improve MOSAPH's capacity, at the local level, to manage and monitor the CTPs.
- 1.27 **Strategic alignment.** The Program is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and is aligned with the objectives of: (i) reduce poverty and inequality; and (ii) address climate change by: financing and expanding the coverage of CTPs that provide income support to vulnerable populations, among which are groups who are vulnerable to climate related shocks. The Program is also aligned 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.
- 1.28 It aligns with the IDB Group Country Strategy with Suriname 2021-2025 (GN-3065) strategic objective "strengthening social protection and equality" as it provides income support to vulnerable populations and contributes to the efficiency of the social protection system through targeting mechanisms. It is consistent 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; with the Amazonia Forever initiative's People Pillar since it contributes to improving the access of poor households to social services including health and education services through the family support and ECD programs and the transversal area of action in support of women, youth, Indigenous peoples, afro-descendants and local communities as the program prioritizes income support through the payment of cash transfers to female-led poor households and people with disabilities, as well as increased enrollment among Indigenous and Maroon populations; and with the Social Protection and Poverty SFD (GN-2784-12) Line of Action 1 which recommends expanding the coverage and efficiency of targeted cash transfers, with a focus on human capital accumulation and Line of Action 3 through the implementation of an assessment tool as a first step toward developing a disability certification system that ensures access of PwD to social protection programs. It also responds to the SFD's recommendation that the IDB support clients through operations focusing on implementation of cash transfers that alleviate poverty associated with having a disability. The program is also consistent with the Early Childhood Development SFD (GN-2966-7) in its Line of action 1 which proposes the expansion of ECD services with adequate quality assurance mechanisms; with the Gender and Diversity SFD (GN-2800-13) and the IDB Group Gender and Diversity Action Plan 2022-2025 (GN-3116-1) by focusing the expansion of the social safety net on the increased coverage of the FBZWHH, a program whose beneficiaries are overwhelmingly female (¶1.7), of the FBMMEB directed specifically toward PwD and given the relevance of culturally appropriate ECD services. The expansion in coverage is intended to enhance the consumption of poor households, with an emphasis on those that are female-led and have at least one member with disability. Finally, it is consistent with the Skills Development SFD (GN-3012-3), given the importance of ECD for school readiness and performance.

- 1.29 **Gender Equality and Inclusion of Diverse Population Groups.** The Program contributes to gender equality and the inclusion of diverse population groups by improving the access of female-led poor households with children, and PwD to CTPs that protect minimum income levels and connect them to social services. The program prioritizes income support for these groups contributing to closing gender and diversity gaps. Furthermore, the program's actions will be focused on rural areas and the interior, so IP and Maroon peoples will become beneficiaries, specifically through activities that begin to measure ethnicity within the programs, creating a methodology to support the disaggregation of beneficiary indicators by ethnicity, which will be implemented in the Ministry's monitoring dashboard.
- 1.30 **Paris Agreement (PA).** This operation has been analyzed using the [Joint Multilateral Development Banks \(MDB\) Framework for the Assessment of Alignment with the PA](#) and the IDB Group Paris Alignment Implementation Approach ([GN-3142-1](#)) and determined to be: (i) aligned with the adaptation goal of the PA; and (ii) universally aligned with the mitigation goal of the PA.
- 1.31 **Climate Change Financing.** According to the MDB Joint Methodological Approach to climate financing, 8.99% of the total IDB funding for this operation is invested in CC adaptation activities, by increasing resilience through financing and expanding the coverage of cash transfers that provide income support to vulnerable populations, including those most vulnerable to climate related shocks,

and technical assistance to improve these mechanisms to enroll new beneficiaries in climate vulnerable communities.

B. Objective, components, and cost

- 1.32 **Objective.** The general objective is to contribute to poverty reduction in Suriname by expanding the social protection system's coverage, efficiency, and capacity to promote human capital among vulnerable households. The specific objectives are to: (i) enhance the social protection system to better protect vulnerable populations, specifically female-led poor households and persons with disabilities, and improve efficiency through improved targeting methods; and (ii) promote human capital development among poor households with children.
- 1.33 **Component I. Protection of female-led poor households and persons with disabilities (US\$20,000,000.00).** This component will finance up to 6 months of existing targeted cash transfers over the five-year program implementation period, namely: (i) Financial Support to Poor Households (FBZwHH); and (ii) Financial Support to Persons with Disabilities (FBMMEB). The existing cash transfers will benefit all enrolled beneficiaries as of April 2024⁷⁶ and will be paid through the existing payment mechanisms. The IDB's financial support will be phased out progressively throughout the duration of the loan program to ensure sustainability in the context of increased social spending targets.⁷⁷ The CTPs were selected because they are the only two targeted CTPs managed by MOSAPH and benefit population groups that are more likely to be poor, specifically PwD and female-led households (either female heads of household over 21 years of age or underage women with children)(¶1.8).
- 1.34 **Component II. Expansion and efficiency of the social protection system (US\$13,000,000.00).** This component will contribute to the expansion of Suriname's safety net by: (i) financing cash transfers for up to 2,500 new beneficiaries of the Financial Support to Poor Households (FBZwHH); (ii) financing cash transfers for up to 2,500 new beneficiaries of the Financial Support to Persons with Disabilities (FBMMEB); (iii) technical assistance for the design and implementation within the BIS of a targeting mechanism for classifying poverty and determining eligibility to the FBZwHH, the only means-tested program, which captures variables related to climate vulnerability and will collect data on households impacted by extreme weather events; (iv) technical assistance for the design of a recertification protocol including indicators for data collection to understand the intersectional effects of CC in PwD in order to inform the individual's vulnerability to food and water insecurity, displacement and migration, access to essential services and overall resilience capacity to associated impacts; (v) technical assistance for the design, implementation, and supervision of ICF certification checklist for enrollment of new beneficiaries to the FBMMEB considering environmental factors, including climate vulnerability; (vi) services for the implementation in the field of the enrollment process for new beneficiaries of the FBMMEB and FBZwHH using the new targeting mechanisms adopted with Program support. Enrollment for the FBZwHH will prioritize female-led households

⁷⁶ According to MOSAPH administrative data, the beneficiary count of the FBZwHH and FBMMEB is 11,577 and 17,637, respectively.

⁷⁷ The progressive phase out has the following disbursement schedule: Year 1: \$US5,612,386.56; Year 2: US\$5,612,386.56; Year 3: US\$4,388,664.56; Year 4: US\$3,741,591.04; Year 5: US\$644,971.28.

with children who live in areas with high poverty rates and vulnerability to climate-related events; and (vii) technical assistance for the design of a methodology to support the disaggregation of beneficiary indicators by ethnicity and its implementation in the Ministry's monitoring dashboard.

- 1.35 **Component III. Human capital development (US\$6,000,000.00).** This component will contribute to human capital development especially among poor households with children, specifically beneficiaries of the FBZwHH. It will finance: (i) technical assistance for the design of a family support program to facilitate access to education, health, and other social services, which will also serve as a tool to track absenteeism due to climate related shocks and inform decision-making; (ii) training and supervision of field workers and social workers to deliver the family support program; (iii) technical assistance for the design and adaptation of an ECD home visiting program including learning materials, community facilitators, and supervisor training for Indigenous and Maroon populations; (iv) implementation of a home visiting ECD program among children 6 to 48 months old who are enrolled in the FBZwHH, the services will be provided for a minimum of 24 months; and (v) the development of an information system to monitor attendance and quality of service delivery for the family support and ECD program.
- 1.36 **Program administration and evaluation (US\$1,000,000.00).** These activities will finance the costs associated with planning, implementing, and supervising the Program, including: (i) human resources required to staff the Program Implementation Unit (PIU); (ii) annual financial audits; and (iii) program evaluation.
- 1.37 **Beneficiaries.** The direct beneficiaries are: (i) 20,137 PwD who receive the FBMMEB and their families; (ii) 14,077 households who receive the FBZwHH, 80% of which are female-led, and whose selection in the interior region will prioritize IP and Maroon populations; (iii) 2,000 poor households enrolled in FBZwHH who receive family support; and (iv) 2,000 children aged 6 to 48 months and their families enrolled in FBZwHH who receive the family based ECD program for at least 24 months.

C. Key results indicators

- 1.38 **Expected results.** The project will contribute to supporting the social protection system's capacity to protect vulnerable populations, specifically female-led poor households with children and persons with disabilities. The expected impacts are a reduction in the poverty rate and the poverty gap, an increase in the rate of school attendance among children 3 to 17 years old who live in poor households, and an increase in the proportion of total financing for the FBMMEB and the FBZwHH provided by the GoS. The program will finance a portion of the existing cash transfers and will contribute to expand the coverage and efficiency of the social protection system. This will be achieved through the enrollment of up to 5,000 new beneficiaries in the FBMMEB and the FBZwHH, who will be identified using improved targeting mechanisms. As a result, the expected outcomes are an increase in the percentage of the eligible PwD that are enrolled in the FBMMEB using the disability certification system, and an increase in the percentage of eligible households, including female-led households, that are enrolled in the FBZwHH using the new means testing mechanism. The project contributes to the

accumulation of human capital among poor households with children. This is achieved through the implementation of a family support and ECD program aimed at poor households with children under four years of age. The expected results are an increase in the proportion of FBZwHH beneficiaries with an individualized family support plan, and an increase in the proportion of FBZwHH beneficiary children under four years of age enrolled in the ECD family-based program.

- 1.39 **Economic viability.** The economic rationale for the proposed actions is based on increased medium- and long-term human capital accumulation and improved labor market outcomes due to support for low-income households with children, persons with disabilities (PwD), and early childhood development (ECD). A cost-benefit analysis was carried out to capture the highlighted benefits. In the baseline scenario (5% discount rate), the Net Present Value (NPV) of all interventions considered together is US\$8.18 million, the Benefit-Cost Ratio equals 1.22, and the Internal Rate of Return (IRR) is 9.5%, suggesting that the proposed actions are economically beneficial. Furthermore, a sensitivity analysis was conducted by varying the discount rate and the effectiveness of the interventions. The project is sensitive to the chosen discount rate and, under the adverse scenario analyzed, breaks even at a 5% discount rate (Economic Analysis - [OEL#1](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instrument

- 2.1 The Program is structured as a specific investment loan. This instrument is considered appropriate due to its fixed scope, logical interdependence of the components, and its physical and technical individuality. The total of US\$40 million (Table 2) will be financed with the Bank's Ordinary Capital (OC) and disbursed in a 5-year period in accordance with the Pluriannual Execution Plan (PEP) ([REL#1](#)).

Table 2. Summary of Program costs (in US\$)⁷⁸

Components	IDB	Total	%
Component I. Protection of female-led poor households and PwD	20,000,000.00	20,000,000.00	50
Cash transfer payments to beneficiaries of the Financial Support to Persons with Disabilities (FBMMEB)	12,237,219.99	12,237,219.99	
Cash transfer payments to the beneficiaries of the Financial Support to Poor Households (FBZwHH)	7,404,882.25	7,404,882.25	
Operational costs ⁷⁹	357,897.76	357,897.76	

⁷⁸ Costs by activity are indicative.

⁷⁹ Expenditures in transportation, security, personnel and information materials required for the payment of the CTP in the interior, where CTP are paid in cash. For further information, see Procurement Plan ([REL#4](#)).

Components	IDB	Total	%
Component II. Expansion and efficiency of the social protection system	13,000,000.00	13,000,000.00	32.5
Cash transfer payments to the new beneficiaries of the Support to Persons with Disabilities (FBMMEB)	6,102,814.47	6,102,814.47	
Cash transfer payments to the new beneficiaries of the Support to Poor Households (FBZWHH)	4,146,323.95	4,146,323.95	
Operational costs ⁸⁰ associated with the enrollment of new beneficiaries	2,370,861.57	2,370,861.57	
Technical assistance for the design and implementation within the BIS of a targeting mechanism and recertification protocol	80,000.00	80,000.00	
Technical assistance for the design and implementation of the ICF Certification checklist	300,000.00	300,000.00	
Component III. Human capital development	6,000,000.00	6,000,000.00	15
Technical assistance for the design and implementation of a family support program for FBZWHH beneficiaries	3,520,000.00	3,520,000.00	
Technical assistance for the design and adaptation of an ECD home visiting program	360,000.00	360,000.00	
Implementation of ECD home visiting program	2,120,000.00	2,120,000.00	
Program administration and evaluation	1,000,000.00	1,000,000.00	2.5
Total	40,000,000.00	40,000,000.00	100

Table 3. Disbursement Schedule (US\$)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	7,697,951.18	9,848,844.34	9,993,422.17	8,597,204.48	3,862,577.83	40,000,000.00
%	19.24	24.62	24.98	21.49	9.66	100

⁸⁰ Expenditures in transportation, personnel and information materials needed in the field for the enrollment of new CTP beneficiaries. For further information, see Procurement Plan ([REL#4](#)).

B. Environmental and social safeguard risks

- 2.2 In attention to the Environmental and Social Policy Framework (ESPF), the operation was classified as Category “C” since only minimum or no negative environmental or social effects are to be expected. Environmental and Social Performance Standards (ESPS) 1, 2 and 10 were triggered and actions will be considered during project design.

C. Fiduciary risk

- 2.3 The update to the Institutional Capacity Assessment and risk management exercise identified the following fiduciary risk as medium-high, related to the EA's human resource capacity. Due to the limits in pay set forth by the government salaries, there can be high turnover rates and understaffing in the PIU which can affect the timing, efficiency, and effectiveness of the project. The mitigation measures for this risk include annual training of PIU members and MOSAPH technical staff involved in the project in IDB financial and procurement policies and procedures.

D. Other risks and key issues

- 2.4 **Integrity.** The Program presents a medium-high integrity risk due to: (i) limitations in the definition of target mechanisms for determining the eligibility of beneficiaries; (ii) a portion of payments will be made to beneficiaries in remote geographical areas where monitoring and supervision activities are difficult to implement; (iii) a portion of the beneficiaries (8.3% of total FBMMEB and FBZwHH beneficiaries supported by the project) will be paid in cash which may present challenges to traceability (¶2.7). These cash payments represent 9.6% of the total amount of transfers paid throughout the project; (iv) the participation of intermediate financial institutions that have not been assessed in terms of AML risks and internal controls; and (v) weaknesses detected by the Institutional Capacity Assessment regarding the improvement in the fiduciary controls of the Executing Agency (EA). In order to mitigate the risk, the Program will: (i) design the appropriate disbursement controls (see ¶3.6 and ¶3.7); (ii) implement actions in Component 2 to improve targeting mechanisms for determining eligibility of the CTP beneficiaries; (iii) in addition to the annual audit by the Central Government Auditing Bureau (CLAD) and the assurance report presented with each justification of expenses that includes a sample verification that enrolled beneficiaries are the ones who receive the transfers, a mid-term social audit will be conducted in a sample of villages in the Brokopondo and Sipaliwini districts (contracted under the program administration and evaluation component) to ensure community oversight of the cash transfer payments; (iv) a mechanism for reports and incidents by beneficiaries in the interior will be developed by the PIU for its implementation; (v) a culturally appropriate communications campaign will be developed and deployed with the first round of cash payments to ensure beneficiaries understand their rights and responsibilities; and (vi) intermediate financial institutions will be notified of the IDB audit and inspection as well as the IDB's jurisdiction to investigate allegations of prohibited practices.
- 2.5 **Execution environment.** Two medium-high risks were identified: (i) if macroeconomic conditions are unstable, it can result in budget constraints on the

part of the government that could lead to underfunding of social programs. As a mitigation measure, the program will facilitate coordination between the MOSAPH and the Ministry of Finance and Planning to ensure an adequate allocation of funds every year; and (ii) a change in government administration may lead to changes in the prioritization of social protection policies and project implementation. To mitigate this risk, a communications and engagement strategy will be developed by MOSAPH in coordination with the IDB to inform new authorities and stakeholders on the program's objectives, components, activities, and intended results.

- 2.6 **Executing Agency.** A medium-high risk was identified related to the lack of a robust methodology and resources for project monitoring and evaluation, such as specialized software, sufficient vehicles, and human resources, specifically the lack of a Monitoring and Evaluation specialist in the PIU. As a result, the project's progress and effectiveness may not be properly tracked and assessed, leading to difficulties in identifying issues, making informed decisions, and achieving the expected objectives and results of the project. As a mitigation measure, the PIU will be strengthened by hiring a Monitoring Specialist, and periodic training will be provided to the PIU and MOSAPH Planning areas on supervision systems.
- 2.7 **Social Environment.** A medium-high risk is related to cash payments in the interior. Due to opposition from traditional and local authorities from departments in the interior regarding the use of digital payment mechanisms for the cash transfers⁸¹, cash is likely to be used as means to pay beneficiaries in the interior departments. If cash is used, higher logistical costs for the MOSAPH and beneficiaries are likely to occur, leading to potential delays in payment dates. As a mitigation measure for this risk, a communications strategy is being developed under [5447/OC-SU](#) to support dialogue with traditional authorities as well as coordination with the Energy Sector on the expansion of basic services in the interior through a program, in preparation, aimed at providing access to water, energy and telecommunications.
- 2.8 **Sustainability.** The Program partially contributes to the GoS's investment in the social safety net by funding two of the four CTPs in a declining manner over the five-year program implementation period. In the first year of the program, the MOSAPH finances 75% and 58% of the FBMMEB and FBZwHH, respectively. By the end of the program, MOSAPH finances 96% and 81%, respectively. At the same time, the GoS will gradually increase its annual financial contribution to the expansion in coverage of the FBMMEB and the FBZwHH as part of the country's commitment to increasing investment in the social safety net established in the economic recovery plan. The improvements to the targeting mechanisms of the CTPs will further support current efforts to improve the efficiency of social investments in the medium and long term.
- 2.9 **Scalability.** With program support, the coverage of the FBMMEB among PwD in poverty will increase from 55% to 74% which represents an increase in coverage of 34.5%. The coverage of the FBZwHH among households with children earning

⁸¹ According to Missive No. 1279/RvM issued on 11 October 2023, the Government of Suriname, the department of Sipaliwini will receive only cash payments, and Brokopondo will receive payments in cash and through moni karta.

less than SRD4,000 will increase from 19% to 47% which represents an increase in coverage of 147.3%. The increase in coverage will contribute to a reduction of 10.75% in the poverty gap within the target populations and a decrease in the percentage of households in poverty of 9.05%. With the introduction of new targeting mechanisms for both CTPs, the program will contribute to expanding this coverage efficiently. The program supports GoS's efforts toward scaling up the coverage of the targeted CTPs among the population in poverty. Since 2020, the GoS has increased the coverage of the FBMMEB and FBZWHH, on average each year, by approximately 12% and 15%, respectively. The current program sustains this progressive expansion and guarantees scalability over the next five years.

- 2.10 **Coordination with other multilateral agencies.** The IDB developed a Poverty and Equity Assessment together with the World Bank Group which has informed the design of the current operation.⁸² The joint assessment, which is based on the 2022 SLC, documents poverty and inequality in Suriname, identifies public priorities, and provides policy recommendations to address poverty. Furthermore, the Bank will collaborate with UNICEF in the design of the family support program aimed at FBZWHH beneficiaries, integrating the Tripe P program currently being implemented by UNICEF among FBZWHH beneficiaries into the new family support program, supporting its scale up. The program's proposed ECD home visiting program also complements UNICEF's support to MOSAPH's efforts toward expanding coverage and quality of ECD services (§1.10).

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and Executing Agency.** The Borrower is the Republic of Suriname, and the Executing Agency (EA) is the MOSAPH. The Ministry's existing Program Implementation Unit (PIU) will be responsible for (i) preparation of the implementation plan; (ii) financial administration, accounting, and preparation of budgets and disbursement requests; (iii) preparation of Procurement Plan (PP) and procurement of consultancy services, including the selection and hiring of the external audit firm; (iv) preparation of biannual monitoring reports for which the structure will be agreed with the Bank and financial statements; and (v) monitoring of project activity progress. An experienced PIU is currently responsible for one IDB-financed social protection loan. The PIU will remain under the responsibility of the Department of Social Affairs (DSA) which acts as the technical body overseeing the PIU's operations. Simultaneously, the Permanent Secretary's Office, attached to the Minister's Office, functions as the strategic and decision-making body for the PIU. The PIU will continue to be staffed by a full time: program coordinator who will manage and oversee project activities, a procurement specialist who will oversee procurement activities under the loan, a financial specialist who will keep track of all financial transactions in accordance with the Operations Manual, and a monitoring and evaluation specialist. Personnel for the PIU will be hired through resources from the loan.

⁸² Beuermann, Diether, et.al. [Suriname Poverty and Equity Assessment](#). IDB, 2024.

- 3.2 **Operations Manual.** An Operations Manual will establish the general and specific procedures to be followed in the execution of the project. Specifically, it will provide the operational guidelines, fiduciary arrangements, procurement procedures, auditing mechanisms, monitoring and evaluation arrangements, climate change operational design considerations and the institutional and technical framework involved in its implementation.
- 3.3 **Special Contractual Clause prior to the first disbursement.** The Borrower, directly or through the Executing Agency, should submit evidence, to the satisfaction of the Bank, of: (i) the approval and entry into force of the Operations Manual of the Program, in the terms and conditions previously agreed upon with the Bank. Such condition is necessary to address the institutional support required by the EA to effectively implement the Program, as well as the provision of the guidelines, norms and procedures for execution of the Project; and (ii) the establishment of a PIU within the MOSAPH and the hiring of the following technical personnel as part of the PIU: (a) the Project manager, (b) a procurement specialist, (c) a financial specialist, and (d) a monitoring and evaluation specialist, in accordance with the terms of reference previously agreed upon with the Bank. This condition is necessary because the Bank should ensure that the current PIU continues to operate within the MOSAPH and hire all the required positions for its adequate functioning.
- 3.4 **Procurement.** Procurement of goods, works, and consulting services to be financed with resources of the program are included in the PP covering five years of program execution starting on the date of effectiveness of the program. 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). The PP includes details of the planned procurement processes. The plan may be updated during the execution period as required.
- 3.5 **Disbursements.** The preferential disbursement method will be advance of funds. Other modalities may be considered, as appropriate, in keeping with the provisions of the Financial Management Guidelines (OP-273-12) or the guidelines in effect at the time of program execution, and the Fiduciary Agreements and Requirements (Annex III).
- 3.6 **Audit.** Several auditing mechanisms have been established to ensure transparency in the management of loan resources during execution. The EA will submit to the Bank the project's annual audited financial statements within 120 days after the close of the fiscal year. The audit will be conducted by a Bank eligible independent audit firm. The scope and related considerations will be governed by the Financial Management Guidelines (OP-273-12) and the Guide for Financial Reports and Management of External Audits. Annual financial audit costs will be financed with project resources. A final financial audit report of the program should be submitted within 120 days after the date of the last disbursement. In addition, the following auditing arrangements have been agreed with the GoS to oversee the implementation of Component 1: (i) annual audit of cash transfer payments by the Central Government Auditing Bureau (CLAD) made available to

the selected audit firm upon request;⁸³ and (ii) an assurance report will be presented with each justification of expenses by a Bank eligible independent audit firm. This report will include a sample verification that enrolled beneficiaries are the ones who received the transfer.

B. Summary of arrangements for monitoring results

- 3.7 **Monitoring.** The MOSAPH, as the EA, will be responsible for implementing the Monitoring and Evaluation Plan. The mechanism to report progress of project implementation and execution for this operation will be the Progress Monitoring Report (PMR). In addition to the Pluriannual Execution Plan (PEP), Annual Operational Plan (AOP), and PP, the EA must present semi-annual progress reports, within 60 days after the end of each semester.
- 3.8 **Evaluation.** A midterm evaluation of the program will be conducted to assess its execution progress once 50% of program resources are committed, and a final evaluation upon disbursement of ninety percent (90%) of program resources to assess achievement of the agreed outcomes and outputs and lessons learned regarding program performance. The midterm evaluation will include a validation of the availability of the means of verification of all outcome indicators. Reporting on the outcomes' progress will depend on the availability of data from the Census 2024 and future SLC. To assess the program's contribution to the specific objective to support the reduction in the percentage of households under the poverty line, a "before and after" analysis will be conducted. The Program will be evaluated following: (i) an evidence-based strategy using a before and after evaluation for the outcome indicators; (ii) a critical review of the vertical logic or theory of change of the program during preparation, implementation and completion; and (iii) an analysis of project results in the context of existing evidence of the effectiveness of similar interventions. The impact evaluation of outcomes related to interventions included in Component 3 are critical for human capital development, however, such an evaluation will require differential interventions between intervention and non-intervention groups. The EA currently has limited technical capacity to conduct an experimental evaluation, reason for which this type of evaluation will not be conducted within the scope of the current loan program. Given the novelty of the ECD interventions in the context of Suriname, the project will conduct an evaluation of the implementation of the ECD and family support activities that will allow the MOSAPH to: (i) improve programs design and implementation; (ii) implement a learning strategy for program improvement and scale up within the Ministry; and (iii) build capacity for monitoring and evaluation of social protection programs. This evaluation will also contribute to systematizing lessons about the adequacy of the Bank's response and instruments to protect vulnerable populations, particularly in countries with limited monitoring and evaluation capacity. The IDB is contributing to the development of a Monitoring and Evaluation Unit within MOSAPH to enhance the ministry's capacity through [5447/OC-SU](#).

⁸³ Established in 1992, the CLAD is an agency of the GoS tasked with the responsibility of providing audit services to the institutions of the central government and state-owned companies. CLAD is part of the structure of the Ministry of Finance and Planning.

Development Effectiveness Matrix		
Summary		SU-L1073
I. Corporate and Country Priorities		
Section 1. IDB Group Institutional Strategy Alignment		
Operational Focus Areas	-Gender equality and inclusion of diverse population groups -Institutional capacity, rule of law, citizen security -Social protection and human capital development	
[Space-Holder: Impact framework indicators]		
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3065	Strengthening social protection and equality
Country Program Results Matrix	GN-3207	The intervention is included in the 2024 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.5
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		3.5
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium High
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Evaluability Assessment Note: The document presents an investment project of USD40 million of IDB ordinary capital. The general objective of this operation is to contribute to poverty reduction in Suriname by expanding the social protection system's coverage, efficiency, and capacity to promote human capital among vulnerable households. The operation will finance up to six months, over a period of five years of cash transfers received by an already existing group of vulnerable beneficiaries (in poverty or living in households with persons with disabilities), as well as the expansion of the number of vulnerable beneficiaries along with improvements in the targeting mechanisms for these transfers. Additionally, it will fund the development and implementation of a family support program and early childhood development (ECD) program for children in poor households in Suriname.

The diagnosis is adequate and supported by international evidence, highlighting the challenges in improving social protection systems that in turn support human capital formation for young children in vulnerable households in a country like Suriname, which faces a challenging fiscal situation. The main problem identified is the high vulnerability affecting a large part of the country's population, especially those in female-headed households and living with persons with disabilities, compounded by the state's limited capacity to provide social protection and services for adequate child development.

The results matrix is consistent with the vertical logic of the operation. It presents reasonable impact, result and output indicators that are well-specified and appropriate for measuring the achievement of the general and specific objectives. The measurement of several outcome indicators depends on collecting a future Living Conditions Survey, to be financed through IDB technical cooperations. The evaluation of the results will be carried out through a "before-after" analysis complemented with qualitative analysis. The cost-benefit analysis shows that the investment is socially profitable at a 5% discount rate, which is appropriate for this type of investment.

The project received an Environmental and Social classification of Category C, as it is estimated that the funded interventions will only cause minimal or no negative environmental and social impacts. The project has an overall risk rating of medium-high. A total of six risks have been identified, which were evaluated with levels ranging from medium-low to medium-high. The risks evaluated as medium-high are associated with the country's fiscal and macroeconomic situation and organizational and integrity problems that may hinder the implementation of the proposed reforms for the targeting and payment of income transfers to vulnerable households. Adequate mitigation measures have been proposed for all identified risks, which are subject to monitoring throughout the project.

Results Matrix

Project Objective:	The general objective is to contribute to poverty reduction in Suriname by expanding the social protection system's coverage, efficiency, and capacity to promote human capital among vulnerable households. The specific objectives are to: (i) enhance the social protection system to better protect vulnerable populations, specifically female-led poor households and persons with disabilities, and improve efficiency through improved targeting methods; and (ii) promote human capital development among poor households with children.
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General Development Objective

Indicators	Unit of measurement	Baseline value	Baseline year	Expected year for achievement	Target	Means of verification	Comments
General development objective: Contribute to poverty reduction in Suriname by expanding the social protection system's coverage, efficiency and capacity to promote human capital among vulnerable households.							
Poverty gap among target population (PwD) and households with children and income less than SRD 4,000)	%	10.3	2022	2029	9,3	Survey of Living Conditions (SLC) ¹ .	The poverty gap is the ratio by which the mean income of the poor falls below the poverty line.
Population with per capita consumption below the poverty line ²	%	21.7	2022	2029	19.9	Survey of Living Conditions (SLC)	Difference between the poverty headcount at the end of the program minus the baseline value of the poverty headcount. Poverty headcount: Percentage of the population living below the poverty line, according to IDB Moderate Poverty Line
School attendance rate for the population aged 3 to 17 years old living in a household with children with income below SRD 4000 and who are below the poverty line		94.97	2022	2029	95.9	Survey of Living Conditions (SLC)	School attendance refers to attendance to a formal education institution as reported in the SLC

¹ Diether Beuermann. Suriname Survey of Living Conditions. IDB, 2022. https://mydata.iadb.org/Social-Protection/2022-Suriname-Survey-of-Living-Conditions/prbn-x74x/about_data.

² The Poverty Line is the IDB Moderate Poverty Line.

Proportion of FBMMEB's annual budget financed by the MOSAPH	%	75	2024	2029	96.16	MOSAPH budgetary records	<p><u>Numerator:</u> MOSAPH's annual funding to FBMMEB³ – Year 1=\$11,013,497.99; Year 2=12,237,219.99; Year 3=12,776,013.09; Year 4=14,538,528.19; Year 5=16,193,284.68</p> <p><u>Denominator:</u> FBMMEB's annual budget⁴ – Year 1=\$14,684,663.99; Years 2, 3, 4, & 5 =\$16,839,836.40</p> <p>Pro Diversity. FBMMEB is targeted toward persons with disabilities.</p>
Proportion of FBZWHH's annual budget financed by the MOSAPH	%	58.3	2024	2029	81.08	MOSAPH budgetary records	<p><u>Numerator:</u> MOSAPH's annual funding to FBZWHH² – Year 1=\$4,319,514.65; Year 2=\$4,936,588.17 ; Year 3=\$5,930,816.86 ; Year 4=\$6,307,972.03 ; Year 5=\$7,226,769.69</p> <p><u>Denominator:</u> FBZWHH's annual budget³ – Year 1=\$7,404,882.25; Years 2, 3, 4, & 5=\$8,913,502.94</p>
Proportion of FBZWHH's annual budget financed by the MOSAPH directed toward female lead households	%	47	2024	2029	65.5	MOSAPH budgetary records	<p><u>Numerator:</u> MOSAPH's annual funding directed to female lead households within FBZWHH program² – Year 1=\$3,489,670.95; Year 2=\$3,985,179.21; Year 3=\$4,786,445.78; Year 4=\$5,091,377.37; Year 5=\$5,837,754.48</p> <p><u>Denominator:</u> FBZWHH's annual budget³ – Year 1=\$7,404,882.25; Years 2, 3, 4, & 5=\$8,913,502.94</p> <p>Pro Diversity</p>

³ Accounts for IDB's funding to support coverage expansion in Component 2.

⁴ Accounts for budget increase due to coverage expansion funded in Component 2.

Specific Development Objectives

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Means of verification	Comments
Specific development objective 1: Enhance the social protection system to better protect vulnerable populations, specifically female-led poor households and persons with disabilities, and improve efficiency through improved targeting methods.											
1.1. Coverage of the FBMMEB among PwD living in poverty ⁵	Percentage	55	2024	-	74	74	74	74	74	FBMMEB's administrative records & SLC	<u>Numerator:</u> Number of PwD enrolled in FBMMEB according to the SLC 7,337 (PwD: Speech, Sight, Hearing, Physical). <u>Denominator:</u> Number of PwD =Number of PwD. living in poverty per the IDB's moderate poverty line according to the survey 13,305 Pro Diversity. FBMMEB is targeted towards persons with disabilities.
1.2. Coverage of the FBZwHH among households with children living in poverty ⁶	Percentage	19	2024	-	47	47	47	47	47	FBZwHH's administrative records & SLC	<u>Numerator:</u> Number of eligible households enrolled in FBwHH according to the SLC [Baseline =1,682]. <u>Denominator:</u> Number of households with children with income below SRD 4,000 and living in poverty according to the IDB's moderate poverty line [Baseline = 8,806].
1.3. Coverage of the FBZwHH beneficiary households that are female-led households	Percentage	80.7	2024	-	80.7	80.7	80.7	80.7	80.7	FBZwHH's administrative records	<u>Numerator:</u> Number of female-led households with children living in poverty enrolled in FBZwHH [Baseline=6,803].

⁵ This population consists of all persons with disabilities classified as poor per the IDB's moderate poverty line.

⁶ This population consists of households with children with income below SRD 4,000 classified as poor per de IDB's moderate poverty line.

											Number of households with children with income below SRD 4,000 and living in poverty according to the IDB's moderate poverty line [Baseline = 8,806].
1.4 FBZwHH's beneficiary households that meet the criteria to receive the program's benefits.	Percentage	26.9	2022	-	-	60%	60%	72%	72%	SLC	<u>Numerator:</u> Number of households with children with income below SRD 4,000 and living in poverty according to the IDB's moderate poverty line enrolled in FBZwHH [Baseline= 452]. <u>Denominator:</u> Number of households enrolled in FBwHH according to the SLC [Baseline= 1,682].
Specific development objective 2: Promote human capital development among poor households with children.											
2.1. FBZwHH's beneficiary households with children enrolled in ECD community-based program	Percentage	0	2024	0	8.08	8.08	16.17	16.17	16.17	FBZwHH's administrative records	<u>Numerator:</u> Number of FBZwHH's beneficiary children 6 to 48 months enrolled in ECD community-based program [Baseline = 0] [Target: 2,000] <u>Denominator:</u> Total number of beneficiaries with children [Baseline = 11,577]. The ECD community based- program duration is 2 years; thus, Years 2 and 3 are for cohort 1 and Years 4 and 5 are for cohort 2.
2.2. FBZwHH's beneficiaries with a family support plan	Percentage	0	2024	0	8.08	8.08	16.17	16.17	16.17	FBZwHH's administrative records	<u>Numerator:</u> Number of FBZwHH's beneficiaries with a family support plan [Baseline = 0] [Target: 2,000]. <u>Denominator:</u> Number of FBZwHH's beneficiaries [Baseline = 11,577].

Outputs

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of Project	Means of verification	Comments
Component 1. Protection of female-led poor households and PwD.											
1.1. FBMMEB's beneficiaries who received cash transfers funded by Component 1	Number	17,637	2024	17,637	17,637	17,637	17,637	17,637	17,637	Bi-annual program report to the Bank, based on administrative system to track beneficiaries and payments	Number of FBMMEB's beneficiaries who received the cash transfer funded by Component 1 over a year Pro Diversity. FBMMEB is targeted towards persons with disabilities.
1.2. FBZwHH's beneficiaries who received cash transfers funded by Component 1	Number	11,577	2024	11,577	11,577	11,577	11,577	11,577	11,577	Bi-annual program report to the Bank	Number of FBZwHH's beneficiaries who received the cash transfer funded by Component 1 over a year
Component 2. Expansion and efficiency of the social protection system.											
2.1. FBMMEB's additional beneficiaries who received cash transfers funded by Component 2	Number	0	2024	0	2500	1859	1250	750	2500	Bi-annual program report to the Bank	Number of FBMMEB's additional beneficiaries who received the cash transfer funded by Component 2 over a year Pro Diversity. FBMMEB is targeted towards persons with disabilities.
2.2. FBZwHH's additional beneficiary households who received cash transfers funded by Component 2	Number	0	2024	0	2500	1859	1250	750	2500	Bi-annual program report to the Bank	Number of FBZwHH's additional beneficiaries who received the cash transfer funded by Component 2 over a year.

2.3. Beneficiary Information System (BIS) of a targeting mechanism for classifying poverty and determining eligibility to means-tested CTP designed and implemented in the BIS	System	0	2024	0	1	0	0	0	1	Bi-annual program report to the Bank	
2.4. Recertification protocol designed	Protocol	0	2024	0	1	0	0	0	1	Bi-annual program report to the Bank	
2.5. ICF certification checklist for enrollment of new beneficiaries to the FBMMEB designed and implemented	Checklist	0	2024	0	0	0	1	0	1	Bi-annual program report to the Bank	Pro Diversity. ICF is applied to applications of the FBMMEB, targeted towards persons with disabilities.
2.6 Digital Module with disaggregated ethnic data on CTP beneficiaries implemented ⁷	Module	0	2024	0	0	1	0	0	1	Disaggregated ethnic data of CTP beneficiaries reflected in MOSAPH's dashboard tracking CTP benefits	Pro Diversity

⁷ Focusing on Indigenous people and Maroons.

Component 3. Human capital development.											
3.1 Family Visit ECD community-based model for children 6 to 48 months designed and adapted to Indigenous people and Maroons	Curriculum	0	2024	0	1	0	0	0	1	Bi-annual program report to the Bank	The model includes the curriculum, learning materials, and operations manual. Pro Diversity
3.2. Children 6 to 48 months old who are enrolled in the FBZWHH enrolled in ECD program	Children	0	2024	0	0	1000	2000	1000	2000	Bi-annual program report to the Bank	
3.3. Information system for monitoring and evaluation implemented	System	0	2024	0	0	0	1	0	1	Bi-annual program report to the Bank	
3.4. Field workers and social workers to deliver the family support program trained and certified	Number	0	2024	0	0	0	60	0	60	Bi-annual program report to the Bank	

Fiduciary Agreements and Requirements

Country: Suriname

Division: SPH

Operation No.: SU-L1073

Year: 2024

Executing Agency (EA): Ministry of Social Affairs and Public Housing

Operation Name: Support to Safety Nets for Vulnerable Populations in Suriname

I. Fiduciary Context of Executing Agency

1. Use of country system in the operation (Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of the Bank's validation).

<input type="checkbox"/> Budget	<input type="checkbox"/> Reports	<input type="checkbox"/> Information System	<input type="checkbox"/> National Competitive Bidding (NCB)
<input type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input type="checkbox"/> Shopping	<input type="checkbox"/> Others
<input type="checkbox"/> Accounting	<input type="checkbox"/> External Control	<input type="checkbox"/> Individual Consultants	<input type="checkbox"/> Others

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Particularities of the fiduciary execution	This loan will be executed by the Ministry of Social Affairs and Public Housing.
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3. Fiduciary Capacity

Fiduciary Capacity of the EA	In accordance with the Proposal for Operation Development (POD) and taking into consideration the results of the ICAP analysis, the assessment made of the EA risk situation for the execution of the operation SU-L1073, in general terms, does not raise significant concerns, and the findings are not expected to negatively affect the efficient, effective, and responsible execution of the operation. Although MOSAPH has gained some technical, administrative and fiduciary capacities to execute the SU-L1073 program, some concerns remain and additional technical support is recommended, such as: strengthening the monitoring of operations; risk management; maintenance of property, among others; and training in Bank policies, including: fiduciary; internal controls; procurement; code of conduct, ethics and integrity, for individuals in and out of the PIU directly involved in the execution of the loan.
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4. Fiduciary risks and risk response

Risk Taxonomy	Risk	Risk level	Risk response
Human Resources	High staff turnover rates and understaffing in the PIU. MOSAPH has challenges in attracting human resources to fill the PIU positions. The limits in pay, set forth by the government low salaries, do not attract good candidates to the jobs offered. <u>The difficulty in finding the necessary personnel, can affect the timing, efficiency and effectiveness of the project.</u> Additional hiring and technical assistance to support the execution of the loan may be needed, more specifically to undertake the tasks related program planning, procurement, and financial management, monitoring and evaluation, and support to MOSAPH	Medium-High	The Country Office of the IDB will train, at least once a year, the PIU members and other MOSAPH personnel in IDB financial and procurement policies and procedures.

	technical units in charge of execution, where needed. Periodical training in these areas will be required to increase their capabilities to administer the execution of the project.		
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5. Policies and Guides applicable to operation: Procurement and contracting will follow the policies for the procurement of goods and works financed by the Bank (GN-2349-15), and the policies for the selection and contracting of consultants financed by the Bank (GN-2350-15), as well as the fiduciary arrangements included in this document, effective January 2020.

6. Exceptions to Policies and Rules: Not applicable.

II. Aspects to be considered in the Special Conditions of the Loan Agreement

Exchange Rate: For purposes of Article 4.10 of the General Conditions, the Parties agree that the applicable exchange rate shall be that indicated in paragraph (b)(i) of said Article. For purposes of determining the equivalency of expenditures incurred in Local Currency chargeable to the Additional Resources or of the reimbursement of expenditures chargeable to the Loan, the agreed exchange rate shall be the exchange rate on the effective date on/in which the Borrower, the Executing Agency, or any other person or legal entity in whom the power to incur expenditures has been vested makes the related payments to the contractor, supplier, or beneficiary.
Type of Audit: Throughout the loan disbursement period, the EA will submit to the Bank annual audited financial statements within 120 days after the close of the fiscal year. The audit will be conducted by a Bank-eligible independent audit firm. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP-27312) and the Guide for Financial Reports and Management of External Audit. Audit costs will be financed with project resources. The Executing Agency has to provide an assurance report with each justification of expenses from Component 1 by a Bank eligible independent audit firm.

III. Agreements and Requirements for Procurement Execution

<input checked="" type="checkbox"/>	Bidding Documents	For procurement of Works, Goods and Services Different of Consulting executed in accordance with the Procurement Policies (document GN-2349-15), subject to ICB, the Bank's Standard Bidding Documents (SBDs) or those agreed between EA and the Bank will be used for the particular procurement. Likewise, the selection and contracting of Consulting Services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants (document GN-2350-15) and the Standard Request for Proposals (SRP) issued by the Bank or agreed between the EA and the Bank will be used for the particular selection. The revision of the technical specifications, as well as the terms of reference of the procurements during the preparation of selection processes, is the responsibility of the sectorial specialist of the project. This technical review can be ex-ante and is independent of the procurement review method.
<input checked="" type="checkbox"/>	Procurement supervision	The method of supervision shall be ex ante.
<input checked="" type="checkbox"/>	Records and Archives	The PIU will have the responsibility for maintaining the files and records of the project. All records and files will be maintained according to standards acceptable to the Bank (best practices) and kept for a minimum of seven (7) years after the end of the project's execution period.

Main Acquisitions

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount 000'US\$
Consulting Firms				
Technical assistance for the design and implementation of CIF certification checklist	Quality- and Cost-Based Selection (QCBS)		01/01/2025	300
Learning materials, community facilitators, and supervisor training for the implementation	(QCBS)		01/01/2025	300
Implementation of the new model (NGO)	(QCBS)		06/01/2025	2,120
Family support program created and implemented, training and certification of field workers	(QCBS)		01/01/2025	3,520
Individuals				
Technical assistance for the design and implementation within the BIS of a targeting mechanism	Selection of individual consultant (3 CV)		01/01/2025	50
Adaptation of the ECD community based program	(3 CV)		01/01/2025	60

To access, [Procurement Plan](#).

IV. Agreements and Requirements for Financial Management

<input checked="" type="checkbox"/>	Programming and Budget	The EA will prepare and implement an operational plan, which will include the budget plan, procurement plan and financial plan, consistent with a 12month financial plan that will be required. The Borrower has committed to allocate, for each fiscal year of program execution, adequate fiscal space to guarantee the unrestricted execution of the program.
<input checked="" type="checkbox"/>	Treasury and Disbursement Management	The disbursement mechanism shall be Manual and will follow the methods stated in the OP-273-12 and the Disbursement Handbook. The currency to manage the operation is the USD. The operation will generally work with a financial period of 6 months due to the planning cycle for the project. The Preferential Disbursement Method will be advance of funds, but other types of disbursements will be available. The operation is expected to justify 80% of accumulated balances pending of justification before requesting another advance of funds.
<input checked="" type="checkbox"/>	Accounting, information systems and reporting	Specific accounting norms: IFRS (International Financing Reporting Standards). Accounting reports: The Executing Agency will utilize the off the shelf accounting and financial management software QuickBooks currently used for the accounting and financial reporting of many programs in the country.

		Financial Statements of the program will be prepared based on IDB rules given that the PFM reform is still in process. The financial specialist should maintain under his/her responsibility auxiliary records and systems (e.g. QuickBooks or similar).
<input checked="" type="checkbox"/>	External control: external financial audit and project reports	The Borrower and the Executing Agency, as agreed with the Bank, will hire the services of an audit firm through a bidding process. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP273-12) and the Guide for Financial Reports and Management of External Audit. The annual financial audits/ assurance reports should be submitted within 120 days of the end of a fiscal year and within 120 days after the date of last disbursement. The Executing Agency has to provide an assurance report with each justification of expenses from Component 1 by a Bank eligible independent audit firm.
<input checked="" type="checkbox"/>	Project Financial Supervision	Financial, Accounting and Institutional Inspection visits or meetings will be performed to: (i) Review of the Reconciliation and supporting documentation for disbursements; (ii) Compliance with financial and procurement procedures; (iii) Review of compliance with the lending criteria; and (iv) Follow up on audit findings and recommendations. The Review of Disbursements will be ex post.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/24

Suriname. Loan ____/OC-SU to the Republic of Suriname
Support to Safety Nets for Vulnerable Populations in Suriname

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Suriname, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the program "Support to Safety Nets for Vulnerable Populations in Suriname". Such financing will be for the amount of up to US\$40,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2024)

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