

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**REPUBLIC OF SURINAME**

**JUST, CLEAN AND SUSTAINABLE ENERGY TRANSITION FOR SURINAME  
(SU-O0012)**

**BIO-ECONOMY EMPOWERMENT IN SURINAME'S INDIGENOUS COMMUNITIES  
THROUGH ACCESS TO WATER, ENERGY, AND TELECOMMUNICATIONS  
(BIO-SWEET)  
(SU-L1076)**

**PROJECT PROFILE**

This document was prepared by the project team consisting of: Sergio Ballon (ENE/CSU), Team Leader; Javier Cuervo (INE/ENE), Alternate Team Leader; Laura Hinstroza, Luz Caballero, Juan Tulande (INE/ENE); Anaitee Mills (CCS/CSU), Carlos Rodrigues, (WSA/CSU), Cleide Da Silva (VPC/FMP), Raijant Gangadin (CCB/CSU); Pau Puig (IFD/CMF); Javier Jimenez (LEG/SGO); Robert Langstroth and Juan Martinez (VPS/ESG)

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

## PROJECT PROFILE

### SURINAME

#### I. BASIC DATA

<b>CCLIP name:</b>	Just, Clean and Sustainable Energy Transition for Suriname		
<b>CCLIP number:</b>	SU-O0012		
<b>First Project Name:</b>	Bio-economy Empowerment in Suriname's Indigenous Communities through access to Water, Energy, and Telecommunications (Bio-SWEET)		
<b>First Project Number:</b>	SU-L1076		
<b>Project Team:</b>	Sergio Ballon (ENE/CSU), Team Leader; Javier Cuervo (INE/ENE), Alternate Team Leader; Laura Hinestroza, Luz Caballero, Juan Tulande (INE/ENE); Anaitee Mills (CCS/CSU), Carlos Rodrigues, (WSA/CSU), Cleide Da Silva (VPC/FMP), Rajiant Gangadin (CCB/CSU); Pau Puig (IFD/CMF); Javier Jimenez (LEG/SGO); Robert Langstroth and Juan Martinez (VPS/ESG)		
<b>Borrower:</b>	Republic of Suriname		
<b>Executing Agency</b>	N.V. <i>Energie Bedrijven</i> Suriname (EBS)		
<b>CCLIP and First Operation:</b>			
<b>Financial Plan:</b>	Source	CCLIP	First Operation
	IDB (Ordinary Capital):	US\$135,000,000	US\$45,000,000
	LCE-GEAPP: <sup>1</sup>	-	US\$ 1,500,000
	EU: <sup>2</sup>	-	US\$ 2,400,000
	Total:	US\$135,000,000	US\$48,900,000
<b>Environmental &amp; Social Performance Standards:</b>	Applicable standards:	ESPS 1, ESPS 2, ESPS 3, ESPS 4, ESPS 6, ESPS 7, ESPS 8, ESPS 9, ESPS 10,	
	Classification:	B	

#### II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 Suriname has a population of approximately 618,040<sup>3</sup> (of which 34% reside in rural areas) and is a commodity-driven economy with a concentration of exports within the extractive sector (namely gold and oil). This sector accounts for 86% of its foreign exchange earnings and 25% of government revenues.<sup>4</sup> Despite the

<sup>1</sup> SU-G1010 funded by the Low Energy Carbon Fund for People and Planet (LCE) with resources provided by the Global Energy Alliance for People and Planet ([GEAPP](#)).

<sup>2</sup> SU-G1009 co-financed by European Union – Delegation in Suriname ([EU](#)), aligned to the Financial Framework Agreement Partnership Agreement between the European Commission and the Inter-American Development Bank (September 29th, 2020).

<sup>3</sup> [World Bank, 2022](#).

<sup>4</sup> IDB, 2021. IDB Group Country Strategy with Suriname 2021-2025.

country's high Human Development Index,<sup>5</sup> nearly 26% of the population lives in poverty,<sup>6</sup> and urban-rural disparities persist. While in the urban area, the non-extreme and extreme poverty rates are 26.5% and 1.8%, respectively; in rural areas, they are 32.2% and 15.7%.<sup>7</sup>

2.2 **Access to electricity, water, and telecommunications<sup>8</sup> services in rural areas of Suriname is limited.** While the national electricity access rate is reported as 98.2%<sup>9</sup>, it is less than 90% in rural areas. Nearly 20,000 households lack or have limited (four hours) access to electricity<sup>10</sup>, due to financial and logistical constraints. Water supply in the country reaches 80% and less than 60% in rural areas.<sup>11</sup> On the other hand, the telecom sector also faces challenges, as 4G population coverage (87%) leaves remote areas disconnected, and rural internet access is limited (25%<sup>12</sup>), while the fiber optic network is restricted to the northern regions. Energy supply for mobile towers in Paramaribo depends on the local state-owned company, while the interior relies on solar panels or diesel generators. Providing these types of services in rural areas is challenging, given the high dispersity and distance to rural villages, the lack of roads, and the limited technical capacity. This lack of infrastructure coupled with high transport costs<sup>13</sup>, and limited income opportunities, hinders rural villages' development. It particularly affects the remote Amazon rainforest areas, which cover nearly 94% of Suriname's land<sup>14</sup> and it is predominately inhabited by isolated maroons and indigenous communities (Figure 1).

Figure 1. Suriname's Maroons and Indigenous communities



Source: Team's own compilation

5 Suriname was ranked 99<sup>th</sup> out of 191 countries on the [United Nations Human Development Index \(HDI\) in 2021](#), with an HDI value of 0.730.

6 [World Bank, 2020](#).

7 IDB, 2018. [Suriname Survey of Living Conditions: 2016-2017](#).

8 Internet, voice, and broadcasting.

9 OLADE, 2022. [Electricity access indicators](#).

10 This represents 13% of the population or over 40% of people in rural areas when considering users with limited access. [Formulation of the Rural Electrification Plan for Suriname \(Report\), 2023](#).

11 [World Health Organization](#).

12 According to a 2023 report from the International Telecommunication Union (ITU).

13 Villages are practically only reachable by air. Fuel transport to remote villages is mainly done by boat or airplane because only villages near Paramaribo can be reached by road.

14 FAO, 2015. [Global Forest Resources Assessment 2015](#).

- 2.3 **Bioeconomy<sup>15</sup> in rural areas is limited.** The lack of investment in infrastructure (such as transportation, energy, water, telecom, processing facilities, access to markets and storage capabilities) in the Amazon rural areas of Suriname, hampers the development of a sustainable bioeconomy. This limitation affects various sectors such as traditional medicine (e.g., propolis, honey, cat's claw, etc.), artisanal harvested foods (e.g., acai, Brazil nut, etc.), and ecotourism in pristine forests.<sup>16</sup> Furthermore, the average monthly salary in the Amazon rural areas of Suriname is approximately US\$40, significantly lower than the national minimum wage of US\$160/month, exacerbating the need for consistent income-generating opportunities in the region.
- 2.4 The lack of socio-economic opportunities in the Amazon rural areas of Suriname constitutes the development problem that this program will contribute to solving. This problem is primarily attributed to the following key factors: (i) the lack of reliable and sustainable basic services<sup>17</sup>; (ii) the high dependency on costly fossil fuel that needs 100% subsidy for electricity generation, (iii) the inadequacy of action plans that promote income-generating activities in rural areas; and the limited institutional capacity to plan and manage electrification and water projects, incorporating principles of sustainability and resilience.
- 2.5 **Sectorial institutional framework.** The *Ministerie Van Natuurlijke Hulpbronnen* (MNH) or Ministry of Natural Resources, is responsible for policy and supervision of the energy and water supply sectors. *N.V. Energie Bedrijven Suriname* (EBS) is the state-owned utility company supervised by the MNH and in charge of the operation of the power system in urban and some rural areas. EBS shares its responsibility for rural electrification with the *Dienst Electrificatie Voorziening* (DEV), the MNH's Department of Rural Energy, which supplies energy in rural areas not serviced by EBS. MNH also oversees the water supply in Suriname through the government-owned utility *N.V. Surinaamsche Waterleiding Maatschappij* (SWM). MNH through the Water Supply Division (NH/DWV) fills the gap in rural areas not attended by SWM. Lastly, Telesur, a state-owned company under the *Ministerie van Transport, Communicatie en Toerisme* (Ministry of Transport, Communications and Tourism, MTT), manages the public telecommunications network, with Digicel (a private company) being the other licensed operator. Given the geographic and socioeconomic conditions in rural areas of Suriname, the provision of the electricity and water services have depended on public companies. The private sector has a presence in the telecommunications sector through Digicel which competes for market expansion with Telesur.
- 2.6 **Climate change is a priority in Suriname.** The [2022-2026 Multi-Annual Development Plan](#) emphasizes environmental sustainability as a long-term goal. It underscores the Government of Suriname (GoS)'s commitment to providing

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<sup>15</sup> Under the Green Climate Fund and compatible with the IDB Group's PAIA sector guidance, the standard Bioeconomy definition refers to: "Any economic activity based on using natural renewable biological resources, from both land and water, to obtain food, materials, and energy sustainably without compromising their availability for future generations."

<sup>16</sup> There are teams like [The Amazon Conservation Team \(ACT\)](#), that knows, cares and partners locally with indigenous and other local communities to protect Amazon rural areas and strengthen traditional culture and bioeconomy.

<sup>17</sup> In this program, "basic services" include water supply, sanitation, electricity, and telecommunication.

affordable, reliable, and sustainable energy, water and telecommunication services. Similarly, Suriname's 2020 Nationally Determined Contribution (NDC) commits the country to reduce carbon emissions with RE above 35% by 2030, furthering the expansion of grid-connected and off-grid capacity.<sup>18</sup> Suriname's NDC presents a package of policies and measures with sectoral -sub targets, including enhanced contributions from four out of the six emitting sectors of the country: forests, energy, agriculture, and transport, which together cover an estimated 70% of total emissions. This program will support Suriname in reducing its Greenhouse Gas (GHG) emissions in the electricity sector consistent with a decarbonization pathway, by reducing the use of diesel in the rural areas . The operation aligns with the 2019--2029 National Adaptation Plan (NAP), which outlines strategies to manage and mitigate long -term climate risks. Key sectors prioritized in the NAP include water resources, sustainable forestry, energy, agriculture, livestock, fisheries, energy, infrastructure and housing.

- 2.7 **Gender and Diversity.** Scarce disaggregated data draws a picture of gender inequality, as men's labor force participation is higher (65.7% vs 46%). Females' unemployment rate is double in urban areas (11.45% vs 4.3)<sup>19</sup>. Furthermore, only a 2.1% share of total employment is in agriculture, and 62.1% of employed women are laboring in agricultural activities<sup>20</sup> commercializing peanuts, walnut oil, and honey. The lack of access to telecommunication, water and energy sources for electricity has a negative impact on women's use of time, especially for indigenous women that also prevent them to undertake economic activities. Data about productive uses of women in the rural areas will be collected during project preparation to maximize the benefit to women. Also, the project will benefit from the EBS's 2023-2030 Gender and Diversity Policy and Action Plan.<sup>21</sup>
- 2.8 **Innovation and digitalization.** The program will promote: (i) the use of state-of-the-art isolated renewable energy, water, and telecommunication systems; (ii) innovative remote monitoring, telemetry, and operation of those systems; (iii) targeted training on operation and maintenance of the energy, water, and telecommunication systems; and (iv) the application of Suriname's cybersecurity framework<sup>22</sup> to all program stakeholders.
- 2.9 **Strategic Alignment.** The operation is aligned with the IDB Group Country Strategy with Suriname 2021-2025 (GN-3065) in the strategic objective to reduce inequalities in access to utilities, by addressing inequality in basic services such as electricity and water. The program is consistent with the Update to the Institutional Strategy (AB-3190-2) with the cross-cutting issues of: (i) Climate Change and Environmental Sustainability by promoting the deployment of solar energy in Suriname, which will diversify and clean its energy matrix; (ii) Gender Equality and Diversity by designing strategies for productive uses with electricity, water, telecommunication systems combined with gender diversity and equality activities and (iii) institutional capacity and rule of law, by providing training to strengthen the technical capacity of the executing agency. The operation also aligns with the development challenges of: (i) Social Inclusion and Equality by supporting actions to bring electricity, water, and communication to the Indigenous

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<sup>18</sup> UNFCCC, 2020. [Suriname's Nationally Determined Contribution](#).

<sup>19</sup> [ILOSTATS, 2022](#).

<sup>20</sup> [UNDP, 2018](#).

<sup>21</sup> Validated and adjusted on September, 2023.

<sup>22</sup> National Assembly. 2017. [Electronic Justice Act](#). 2004. [Penal Code](#).

population and afro descendants in rural areas that currently lack these services; and (ii) Productivity and Innovation, as energy, water and telecommunications projects implemented with the latest technologies will provide good quality services and promote the creation of new jobs oriented on innovative local activities. The operation is aligned with the Employment Action Framework with a Gender Perspective (GN-3057), by fostering women's labor participation in the energy sector and with the thematic areas of the Energy Sector Framework Document (GN-2830-8) and the Climate Change Sector Framework Document (GN-2835-13). Lastly, the program is aligned with the first specific objective of the Proposal for the Establishment of the Low Carbon Energy Fund for People and Planet (LCE) (GN-3073-1). Moreover, this operation is aligned with IDB's '[Amazon Forever](#)', an umbrella program to boost coordination for Amazon Region towards the sustainable development of the region, by improving local people's quality of lives. It relates to the Pillar of Sustainable Infrastructure and Connectivity by promoting access to electricity, water, and telecommunications in rural areas, thus contributing to a clean and sustainable energy transition. It also relates to the Bioeconomy Pillar by contributing to enabling conditions of beneficiaries and promoting inclusion by focusing on women, indigenous peoples and Afro descendants' communities.

- 2.10 **Objective of the Conditional Credit Line for Investment Programs (CCLIP).** The objective of this CCLIP is to support the Government of Suriname in its efforts to promote a just, clean and sustainable energy transition by increasing access to electricity, water, telecommunications services in rural areas and by promoting the decarbonization of the electricity sector.
- 2.11 **General objective of the First Individual Investment Operation.** The general objective of the first operation is to promote the socio-economic development of villages in the Amazon rural areas of Suriname. The specific objectives are to: (i) provide villages in the Amazon rural areas of Suriname with reliable access to renewable energy-based electricity, potable water supply, and telecommunication systems and (ii) foster the development of a bioeconomy in the Amazon rural areas of Suriname with a gender and diversity perspective.
- 2.12 **Component I. Infrastructure investments (IDB OC: US\$37.25 million; Cofinancing: US\$3.9 million<sup>23</sup>).** This component will finance the provision of electricity, water and telecommunications services and their productive use in the Amazon rural areas of Suriname with four subcomponents. Given that the operation is structured as a multiple works investment loan, which entails the financing of several independent, but technically similar subprojects towards achieving project objectives, a representative sample for Component I of around 50% of the total investment will be defined in order to process and approve the operation.
- 2.13 **Subcomponent I.1. Energy systems (US\$20 million).** Finances the supply, installation, and commissioning of solar mini-grids, resilient to natural phenomena and including the upgrade of the existing distribution network to provide

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<sup>23</sup> Including resources from GEAPP (for Sucomponent I.1) and EU.

- 24/7 electricity supply in the Amazon rural areas. This subcomponent will also promote the efficient use of electricity in these villages.
- 2.14 **Subcomponent I.2. Water systems (US\$10.15 million).** Finances the upgrade of the existing water intake, treatment and distribution to provide clean and reliable water supply to the villages in the Amazon rural areas. This component will also promote the efficient use of water in these villages.
- 2.15 **Subcomponent I.3. Telecommunications systems (US\$1 million).** Finances the upgrade of existing and deployment of new distribution and access telecommunications infrastructure<sup>24</sup> to provide reliable telecommunications services in the Amazon rural areas.
- 2.16 **Subcomponent I.4. Bioeconomy development and community awareness (US\$10 million).** Finances the implementation of productive and sustainable uses of electricity, water, and telecommunications, focused on bioeconomy, within the Amazon rural areas. Also, it finances activities to strengthening the beneficiaries' commitment and ownership of the projects and technical training for women and indigenous women and support their participation in the installation and maintenance of the energy systems. The bioeconomic activities will be designed to maximize the benefits to women, indigenous population and afro descendants.
- 2.17 **Component II. Institutional Capacity (US\$2.75 million).** Strengthens the institutional capacity of MNH and EBS to plan, design and supervise rural electrification and water projects. It will finance the following activities: (i) training of personnel in project management, rural electrification, water systems, digital technologies; and implementing the gender and diversity action plan of EBS (ii) specialized technical support for the design, coordination, and supervision of the works and (iii) managing environmental and social considerations of projects.
- 2.18 **Project management, evaluation and auditing (US\$5 million).** Finances the operation's administration cost, monitoring, verification, and evaluation of program outcomes, and the financial audit.
- 2.19 **Justification for the CCLIP.** A just, clean, and sustainable energy transition in Suriname requires short and medium-term financial resources. The CCLIP offers timely funding, ensuring the proposed interventions to meet the program objectives. In this sense, the CCLIP serves as an appropriate instrument for the Bank to offer effective medium-term support and maintain a focused presence in the energy sector.
- 2.20 **Expected results.** The first operation is expected to: (i) increase the number of households with sustainable access to basic services (electricity, water, and telecommunications) in the Amazon rural areas; (ii) promote greater bioeconomy activities focused on income-generating opportunities, gender and diversity inclusion and (iii) strengthening the technical capacities of MNH and EBS.

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24 E.g., antennas, towers, cables, routers.

- 2.21 **Beneficiaries.** The operation benefits the rural population in the Amazon region, with a special focus on local farmers, owners of small businesses, women, indigenous population and afro descendants. The project will benefit directly about 2000 households, 25 health clinics, 30 schools and 50 business activities. The program will ensure that beneficiaries of bioeconomy include women. Additionally, MNH and EBS will also benefit from institutional strengthening.

### III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 **IDB experience in Suriname's energy sector.** The Bank has actively supported the GoS efforts to transform the energy sector. The proposed project builds on and incorporates lessons learned from the following operations: (i) [3059/OC-SU](#), executed by EBS, which financed a 500kW solar minigrid- for energy access purposes; (ii) [GRT/FM-13774-SU](#), executed by the MNH with the technical support of EBS, which financed the installation of a 250kW off-grid solar mini-grid; and (iii) [4931/OC-SU](#), executed by EBS, which is financing ten solar mini-grids in the Upper Suriname region.
- 3.2 **IDB experience in Suriname's water and telecommunications sector.** The Bank has also supported the water and telecommunications sector of Suriname. This project builds on and incorporates lessons learned from operations in both sectors. In the water sector: (i) [2451/OC-SU](#) focused on addressing the most pressing issues regarding water supply in priority districts of the coastal area and to strengthen the growing institutional and executing capacity of the SWM; and (ii) [4986/OC-SU](#) focused on capacity building for improved operational and management efficiency, increased water production capacity, and a study for water supply services in the Interior Region considering climate change aspects. In the telecommunications sector: (i) [ATN/LE-19677-SU](#), [ATN/OC-19678-SU](#) focused on promoting the social and economic development of the rural villages in the Amazon rural areas by increasing access to affordable, reliable, clean and sustainable electricity, potable water, and communication services, and (ii) [ATN/OC-20233-SU](#) which explores connectivity options for schools and it is financing preparation studies to provide the GoS with the necessary resources to bring reliable internet services to unconnected and underserved schools.
- 3.3 **Lessons learned.** Lessons learned from operations [4931/OC-SU](#) and [3059/OC-SU](#) were considered in the design of this program, including the following: (i) communities require access to basic services, not only electricity, but also water and telecommunications, to drive the bioeconomy among the program beneficiaries, (ii) community engagement promotion to ensure the program sustainability and (iii) promotion of productive uses with a gender perspective.
- 3.4 **Instrument and Modality.** The CCLIP is a Multisector Modality I with one executing agency with the capacity to work in multiple sectors. The first individual operation is proposed as an Investment Loan under the global multiple-works modality because it will finance projects of similar characteristics but mutually independent, located in different villages, and of sizes that do not warrant individual operations, meeting the requirements of the Operations Processing Regulations for Multiple Works Programs (PR-202). All projects will meet the eligibility criteria to be defined during the formulation stage of the Proposal for Operations



Development (POD). As main criteria, each project will have: (i) the minimum technical content defined by MNH and EBS; (ii) economic evaluation, since each project will be economically profitable based on a cost-benefit analysis; (iii) a cost per beneficiary in accordance to MHN and EBS; among others aspects.

- 3.5 The estimated investment cost of the sample is US\$24.2 million, representing more than 50% of the total amount of the first individual operation. The selected projects of the sample are representative in terms of the socio-environmental risk, type of project, and geographical location, including projects in indigenous and afro-descendants territories. The definition of the remaining projects will depend on the prioritization by the MNH and EBS, following the integrated planning of all its interventions in this and other programs.
- 3.6 **Eligibility Criteria for the CCLIP.** The CCLIP complies with the provisions of ¶3.2 of Annex III of Document GN-2246-13 and ¶3.6 of the CCLIP Operational Guidelines (GN-2246-15) since the objectives of the CCLIP align with the priorities defined in the IDB Group's Strategy with Suriname 2021-2025 (GN-3065). Specifically, it falls within the prioritized area of economic reactivation and productive transformation, with a cross-cutting focus on climate change, environmental sustainability, and institutional capacity.
- 3.7 **Eligibility Criterion for the First Individual Operation.** The first individual operation under the CCLIP meets all the criteria established in Annex III of Document GN-2246-13 and the CCLIP Operational Guidelines (GN-2246-15). In this regard, an Institutional Capacity Assessment (PACI) of the executing agency (EA) will be conducted using the simple evaluation mechanism, and specific actions to enhance the capabilities of the EA will be included in line with PACI recommendations. Furthermore, this first operation, belonging to the same sector as the CCLIP, will contribute to the sectoral objective of the CCLIP (¶2.10) by supporting the efforts of the Government of Suriname to promote a Just Energy Transition in the country (¶2.11).
- 3.8 **Execution scheme.** The Republic of Suriname will be the borrower of the program and EBS will be the executing agency (EA). EBS will be responsible for administrative, budgetary, financial-accounting management, supervision of environmental and social aspects, program planning, monitoring, and auditing. EBS has a robust corporate organization for this purpose and has extensive experience, having successfully played this role in similar programs with the Bank ([3403/OC-SU](#)). EBS will coordinate with all institutions involved in the process, such as SWM who will provide technical support regarding water provision and Telesur for the execution of the subcomponent associated with Telecommunications infrastructure. The Amazon Conservation Team will have a cooperation agreement with EBS for the support of the bioeconomy activities.
- 3.9 **Cost and financing.** A sector CCLIP is proposed for investment operations in the energy, water and telecommunication sectors with an estimated duration of eight years, for a total of US\$135 million. The first operation will have an execution and disbursement period of six years for an amount of US\$48.9 million, consisting of US\$45 million financed by the IDB from Ordinary Capital and two investment

grants for US\$3.9 million (US\$2.4 million financed by EU and US\$1.5 million financed with resources from the LCE)<sup>25</sup>, administered by the Bank.

#### IV. ENVIRONMENTAL AND SOCIAL RISKS AND FIDUCIARY SCREENING

- 4.1 The Environmental and Social (E&S) Impact Category is B in accordance with the E&S Framework Policy and will be validated during due diligence. The direct negative E&S potential impacts are moderate and related to the construction and operation of small-scale energy, water, and telecommunication works. These potential impacts include workplace accidents, exposure to electrical systems and hazardous materials, and negative interactions between workers and local communities. While the bioeconomy investments will not lead to expansion of the agriculture frontier, a Biodiversity Action Plan will be prepared to achieve net gains for critical habitat values. Given that the project beneficiaries are indigenous communities, the Borrower will demonstrate Free, Prior, and Informed Consent of the participating communities and prepare an Indigenous Peoples Plan. The E&S Risk Rating is High due to the contextual risks of interventions in remote indigenous communities. The Disaster and Climate Change Risk is Moderate due to riverine flood risk and the low levels of criticality of the small-scale infrastructure investments. The Borrower will prepare an E&S Management System for the project, including an E&S Assessment and Management Plan and Sociocultural Analysis for the subprojects of the representative sample, and an E&S Management Framework for future subprojects. The results of the E&S due diligence will be summarized in the E&S Review Summary and published with the Loan Proposal package. During preparation, the Borrower will carry out a culturally appropriate consultation process.
- 4.2 **Fiduciary aspects.** An institutional capacity analysis for the project will be carried out using the Bank's methodology. This analysis will consider the results of a similar analysis performed for EBS during the preparation of [3403/OC-SU](#) and [4931/OC-SU](#) and adapt them considering the characteristics of the present operation.

#### V. OTHER ISSUES

- 5.1. The following medium-high risk has been identified: If there are logistics difficulties to access the project locations, related to an increase in transportation costs or weather conditions, the operational personnel will not be able to carry out the works, causing delays in the execution of the program and impacting the budgeted costs. Detailed classification of risks will be included in the Risks Matrix at the Proposal for Operation Development (POD) stage.

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<sup>25</sup> SU-G1010 financed by the LCE with resources from the GEAPP.

## **VI. RESOURCES AND TIMETABLE**

- 6.1 The project is expected to be considered for approval by the IDB Board of Executive Directors by September 25<sup>th</sup>, 2024, with POD Due Date on July 15<sup>th</sup>, 2024 to have the Quality Risk Review (QRR) meeting on July 24<sup>th</sup>, 2024, and an Operations Policy Committee (OPC) on the 23<sup>rd</sup> of August. The preparation of this program will require administrative resources of US\$148,900 and US\$300,000 financed from the TC SU-T1182, currently under preparation and will finance the technical, economic and environmental studies associated to the loan operation, support the first stage of execution to the technical and procurement EBS team, among others.

CONFIDENTIAL

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



# ESRR Report

## Operation Information

Operation		
SU-L1076 Bio-economy Empowerment in Suriname Indigenous Communities through Access to Water, Energy and Telecommunications (Bio-SWEET)		
Environmental and Social Impact Category	ESRR	
B	High	
Country	Executing Agency	
Suriname	SU-EBS	
Organizational Unit	IDB Sector/Subsector	
INE/ENE	RURAL ELECTRIFICATION	
Team Leader	ESG Primary Team Member	
SERGIO ENRIQUE BALLON LOPEZ	ROBERT PETER LANGSTROTH	
Type of Operation	Original IDB Amount	% Disbursed
LON	\$45,000,000.00	
Assessment Date	Author	
2024-03-08	Langstroth, Robert Peter	
Operation Cycle Stage	Completion Date	
ERM	2024-02-27	
QRR	2024-07-09	
Board Approval	2024-09-25	
Current Last Disbursement Expiration	No Date	
Safeguard Performance Rating		
Rationale		



## ESRR Report

### Risk Assessment

Cause	Value
Largely related to direct impacts of project footprint, and inherent sector risk including contribution to cumulative risks	Substantial
Comments: The operation has the potential to cause minor direct impacts associated with accident and injury arising from, associated with, or occurring in the course of work. The operation will generate minor direct impacts generated by solid waste (hazardous and/or non-hazardous). There are substantial risks of increased conflict among vulnerable group resulting from the execution of the project.	
Contribution	Value
Largely related to indirect and induced impacts, third party actions, associated facilities, supply chain aspects, and indirect contribution to cumulative impacts	Moderate
Comments: The operation will have low to moderate indirect and cumulative environmental and social impacts.	
Context	Value
Largely related to influence and impacts from external operating environment on project setting, including legal framework and practice, vulnerability risk, political and social conflict, cultural context, legacy issues, etc	High
Comments: There are substantial levels of contextual risks associated with the project (e.g. political instability, oppression of communities, armed groups in the project area), particularly due to the presence of three indigenous groups within a single territory which has suffered incursions by groups from other regions that engage in illicit activities involving deforestation and land degradation.	
Performance	Value
Directly related to borrower capacity and organizations, commitments, resources and overall performance during project	Moderate
Comments: The Borrower/Executing Agency's has moderate organizational capacity and competency for managing environmental and social issues.	
Overall Environmental and Social Risk Rating	Value
Please indicate the overall ESRR of the project according to your professional judgement at this point in time	High
Comments: Due to risk factor context, the overall rating is high.	



## E&amp;S Screening Filter

## Operation Information

Operation Name	
Bio-economy Empowerment in Suriname Indigenous Communities through Access to Water, Energy and Telecommunications (Bio-SWEET)	
Operation Number	SU-L1076

## Operation Details

Organizational Unit	IDB Sector/Subsector
INE/ENE	RURAL ELECTRIFICATION
Type of Operation & Modality	Original IDB Amount
LON / GOM	\$45,000,000.00
Executing Agency	Borrower
SU-EBS	REPUBLIC OF SURINAME
ESG Primary Team Member	Team Leader
Robert Peter Langstroth	Sergio Enrique Ballon Lopez
Toolkit Completion Date	Author
24/01/2024	Langstroth, Robert Peter
Applicable ESPs with requirements	
ESPS 1; ESPS 2; ESPS 3; ESPS 4; ESPS 5; ESPS 6; ESPS 7; ESPS 8; ESPS 9; ESPS 10	

## Operation E&amp;S Classification Summary

Environmental and Social Impact Categorization (ESIC)	B
Disaster and Climate Change Risk Classification (DCCRC)	Moderate
Environmental and Social Risk Rating (ESRR)	Substantial

## Summary of Impacts / Risks and Potential Solutions

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

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



## E&amp;S Screening Filter

association) and compliance with national employment and labor laws.

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

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

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

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

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

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

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

The operation is considering alternatives to implement technically and financially feasible and cost-effective options to avoid or minimize project-related GHG emissions during the design and operation of the project.

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

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

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

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

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

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

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

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

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





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areas where they are not normally found.

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

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

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

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

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

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

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

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

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

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

The Executing Agency will conduct an Environmental and Social Assessment (ESA) or Environmental and Social Impact Assessment (ESIA) process for the project during preparation.

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

The Borrower/Executing Agency's has limited organizational capacity and competency for managing environmental and social issues.

The project will involve Associated Facilities and/or cumulative impacts that will lead to moderate risks or impacts.

There are substantial levels of contextual risks associated with the project (e.g. political instability, oppression of communities, armed forces in the project area).

### ESPS 2 - Labor and Working Conditions

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

The operation has the potential to have minor direct impacts associated with child labor or forced labor in the workforce.

The operation has the potential to cause moderate direct impacts associated with accidents, injury, and disease arising from, associated with, or occurring in the course of work.



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The operation has the potential to cause moderate indirect and/or cumulative impacts associated with accidents, injury, and disease arising from, associated with, or occurring in the course of work.

### ESPS 3 - Resource Efficiency and Pollution Prevention

The operation will have moderate direct adverse impacts on human health and the environment due to pollution from project activities.

The operation will have moderate indirect and/or cumulative adverse impacts on human health and the environment due to pollution from project activities.

The operation will generate moderate direct impacts generated by solid waste (hazardous and/or non-hazardous).

The operation will generate moderate indirect and/or cumulative impacts generated by solid waste (hazardous and/or non-hazardous).

The operation will have minor direct negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of pesticides.

The operation is expected to or currently produce directly GHG emissions (less than 25,000 tons of CO<sub>2</sub> equivalent per year).

The operation is expected to or currently produce indirectly-cumulatively GHG emissions (less than 25,000 tons of CO<sub>2</sub> equivalent per year).

### ESPS 4 - Community Health, Safety, and Security

There are moderate direct health and safety risks associated with the design of structural elements or components of the operation (e.g. existing or new buildings, earthworks, bridges, drainage, roadways, power stations, transmission and distribution poles, underground utilities, and dams), and/or road transport activities (e.g. transport of heavy or over-sized equipment) which could result in health and safety impacts to third parties and project-affected people.

There are moderate indirect and/or cumulative health and safety risks associated with the design of structural elements or components of the operation (e.g. existing or new buildings, earthworks, bridges, drainage, roadways, power stations, transmission and distribution poles, underground utilities, and dams), and/or road transport activities (e.g. transport of heavy or over-sized equipment) which could result in health and safety impacts to third parties and project-affected people.

The project will potentially minorly directly affect the public (including workers and their families) by exposing them to hazardous materials released by the project, particularly those that may be life threatening.

The project will minorly indirectly-cumulatively affect the public (including workers and their families) by exposing them to hazardous materials released by the project, particularly those that may be life threatening.

There is minor potential for the project or project-related activities (e.g. the influx of temporary or permanent project labor, among others) to directly result in or exacerbate community exposure to water-related (i.e., waterborne, water-based, and vector-borne diseases) and/or communicable diseases (e.g. COVID).



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There is minor potential for the project or project-related activities (e.g. the influx of temporary or permanent project labor, among others) to indirectly-cumulatively result in or exacerbate community exposure to water-related (i.e., waterborne, water-based, and vector-borne diseases) and/or communicable diseases (e.g. COVID).

There is moderate potential for an emergency or unanticipated event to occur in the project area of influence that demands immediate action to prevent or reduce harm to people, property, and/or the environment.

Natural hazards, such as earthquakes, droughts, landslides, floods, wildfires, or others, including those caused or exacerbated by climate change, are likely to occur in the project area, and these may moderately impact the project, and/or the project may moderately exacerbate the risk from natural hazards to human life, property, and/or the environment.

### ESPS 5 - Land Acquisition and Involuntary Resettlement

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

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

Vulnerable people may be disproportionately affected by minor direct impacts related to land acquisition - people may be considered vulnerable by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, color, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable people include the elderly, children, single-headed households, refugees, internally displaced persons, natural resource dependent communities.

Vulnerable people may be disproportionately affected by minor indirect and/or cumulative impacts related to land acquisition - people may be considered vulnerable by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, color, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable people include the elderly, children, single-headed households, refugees, internally displaced persons, natural resource dependent communities.

### ESPS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

The operation has the potential to minorly directly convert or degrade natural habitat.

The operation has the potential, including through the supply chain, to minorly indirectly-cumulatively convert or degrade natural habitat.

The operation has the minor direct potential to implement project activities in critical natural habitat.

The operation has the minor indirect and/or cumulative potential, including through the supply chain, to implement project activities in critical natural habitat.

The operation has the potential to minorly directly impact a legally protected area or an internationally



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recognized area.

The operation has the potential, including through the supply chain, to minorly indirectly-cumulatively impact a legally protected area or an internationally recognized area.

### ESPS 7 - Indigenous Peoples

The project has the potential to cause minor adverse direct impact on Indigenous Peoples. FPIC is required when there will be (i) impacts on lands and natural resources subject to traditional ownership or under customary use; (ii) Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use; or (iii) significant impact on Cultural Heritage.

The project has the potential to cause minor adverse indirect/cumulative impact on Indigenous Peoples.

Indigenous Peoples will be adversely minorly impacted by direct project related land-acquisition or access restrictions. Note that all impacts on lands and natural resources subject to traditional ownership or under customary law requires FPIC.

Indigenous Peoples will be adversely minorly impacted by indirect/cumulative project related land-acquisition or access restrictions. Note that all impacts on lands and natural resources subject to traditional ownership or under customary law requires FPIC.

### ESPS 8 - Cultural Heritage

The project has the potential to minorly directly damage or negatively impact cultural heritage.

The project has the potential to minorly indirectly-cumulatively damage or negatively impact cultural heritage.

### ESPS 9 - Gender Equality

The project will negatively minorly directly affect people due to their gender, sexual orientation or gender identity.

The project will negatively minorly indirectly-cumulatively affect people due to their gender, sexual orientation or gender identity.

The project will potentially lead to minor direct risks and impacts associated with Sexual and Gender-based Violence.

The project will potentially lead to minor indirect and/or cumulative risks and impacts associated with Sexual and Gender-based Violence.

### ESPS 10 - Stakeholder Engagement and Information Disclosure

The Borrower will prepare a stakeholder engagement framework/plan for the lifetime of the program (including the equal participation of women and men and also take into account Indigenous Peoples, vulnerable groups when relevant).

The Borrower will engage in meaningful consultations and engagement with stakeholders which is free of manipulation, interference, coercion, discrimination, and intimidation.



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

### ANNEX IV – INDEX OF SECTOR OF PROPOSED SECTOR WORK

Area	Description	Estimated Dates	References and electronic links
Project planning	Result Matrix, detailed Budget, disbursement plan, Risk Management (GRP), Program Operations Manual (POM), Annual Operational Plan (AOP), Procurement Plan (PP), initial PMR.	April 2024	
Technical cooperation	Technical cooperation to support loan preparation and implementation	February 2024	<a href="#">Link</a>
Technical and economic studies	Electricity Act for Suriname	March 2016	<a href="#">Link</a>
	Suriname Energy Authority Act	March 2016	<a href="#">Link</a>
	Impact Evaluation for Rural Electrification Projects in Suriname (SU-L1009: Support to Improve the Sustainability of Electricity Services)	November 2020	<a href="#">Link</a>
	Multi-Annual Development Plan 2022-2026 of the Republic Suriname	December 2021	<a href="#">Link</a>
	Rural Electrification Plan for Suriname (draft)	February 2024	<a href="#">Link</a>
	Investment and financial strategy for rural electrification sector in Suriname	March 2024	
	Energy access tracking tool and methodology for Suriname	March 2024	
	Strategic Environmental Social Impact Assessment (SESIA) for energy projects in the Hinterland	March 2024	
	Regulatory framework for rural electrification sector in Suriname	March 2024	
	Basic concept design for energy systems in the South Suriname region	April 2024	
	Basic concept design for water systems in the South Suriname region	April 2024	
	Basic concept design for telecommunication systems in the South Suriname region	April 2024	
	Budgets and actions for bioeconomy in the South Suriname region	April 2024	
Institutional Analysis	PACI report for executing agency <sup>1</sup>	April 2024	
Environmental and Social Safeguards	Environmental and Social Impact Analysis	April 2024	

<sup>1</sup> SECI analysis already done as executing agency implemented SU-L1009 and SU-L1039 operations and is implementing SU-L1055.

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