

Technical Cooperation Annex

I. BASIC PROJECT DATA

Country/Region:	Suriname
TC Name:	Institutional Strengthening for the Implementation of Business Climate Reforms
TC Number:	SU-T1076
Associated Loan/Guarantee Name:	Business Climate and Innovation
Associated Loan/Guarantee Number:	SU-L1043
Team Leader/Members:	Claudia Stevenson (IFD/CTI); Team Leader; Ignacio de Leon (IFD/CTI); Alternate Team Leader; Carlo Pietrobelli (IFD/CTI); Leslie Cassar (CCB/CSU); Nicola Karcher (CCB/CSU); Betina Hennig (LEG/SGO) and Blanca Torrico (IFD/CTI).
Taxonomy	Operational Support
Date of TC Abstract authorization:	May 15th, 2014
Beneficiary:	Republic of Suriname
Executing Agency and contact name:	Office of the Vice-President
Donors providing funding:	TBD
IDB Funding Requested:	US\$280,000
Local counterpart funding, if any:	N/A
Disbursement period (which includes Execution period):	18 months
Required start date:	May 2015
Types of consultants (firm or individual consultants):	Individual
Prepared by Unit:	CTI
Unit of Disbursement Responsibility:	CSU
TC Included in Country Strategy (y/n):	Yes ¹
TC included in CPD (y/n):	Yes
GCI-9 Sector Priority:	Yes

II. OBJECTIVE AND JUSTIFICATION

- 2.1 Although Suriname has experienced recent sustained economic growth over the last 10 years, its economy depends mainly upon gold, oil and bauxite, showing vulnerability to unpredictable swings in international prices of these main exports.² Generally high revenues from commodity prices and large historical bilateral grant flows did not promote a legal and institutional framework that favors private sector investment. Thus, the authorities are carrying out structural reforms to transition to a new economic model—one with the private sector playing a leading role in a more diversified economy, and a less vulnerable economic base that fosters greater participation of the private sector in economic activity. The Government of Suriname's (GoS) Development Plan (2012–2016) gives special consideration to good governance, social development, economic diversification, competitiveness and innovation, education for competitive skills

¹ The topic is aligned with a dialogue area of the Country Strategy

² Fritz Krokow, et al. Suriname toward Stability and Growth. International Monetary Fund. 2009.

- and building a knowledge society, protection of natural resources, and management of the impact of climate change. Concerning the business climate, the Development Plan concentrates on enhancing governance and competitiveness. However, a clear and concise strategy to achieve these specific goals, in the context of a modern industrial policy making structure, is needed to guide public and private actors
- 2.2 In this respect the GoS has requested the Bank the IDB to prepare two operations to foster business climate improvements, higher private sector productivity, and innovation under programmatic policy-based modality (PBP): consisting of two individual loan operations, the first of which will consist of two interrelated components: (i) a policy-based (PB) component for US\$10 million; and (ii) a US\$5 million reimbursable technical assistance component. .
- 2.3 In order to support these operations, this Technical Cooperation (TC) aims at strengthening the institutional capacities of the Vice-Presidency and the Competitiveness Unit of Suriname (CUS) in their new role of leadership and coordination of structural reforms, requiring intense coordination of different actors involved (Ministry of Finance, Ministry of Trade and Industry, Ministry of Justice, Ministry of Agriculture, among others) that have no tradition or established practice of interaction and coordination. The communication and diffusion of the expected results will require special efforts to foster consensus reaching.
- 2.4 This program is aligned with the 2011-2015 Country Strategy for Suriname (GN-2459), as private sector development is an area of dialogue, and includes the objectives to streamline regulations, reduce red tape, and the cost of doing business. In addition, the program is consistent with the “lending to small and vulnerable countries” target of the GCI-9.

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

- 3.1 **Component 1: Institutional strengthening of the Vice-Presidency and CUS in their role of leadership and coordination of structural reforms. (US\$75.000).** This component will provide technical assistance to support role that the Vice-Presidency is playing in leading the proposed legislative reforms to be presented to the State Council and then approved by Parliament, in the areas of promotion of innovation through the reform of the current intellectual property framework. In this area, the specific focus will be the drafting and revising of legislation regarding industrial property, copyrights, geographical indications and traditional knowledge.
- 3.2 The activities under this component will contribute to review the legislation based on international best practices, and evaluate the economic consequences of these reforms. Additionally, this component will support the Vice-Presidency, the CUS and the Office of Intellectual Property housed in the Ministry of Justice in their role of leading and implementing the institutional. In order to achieve this objective, key stakeholders (including the indigenous communities that house the traditional knowledge), will be consulted and engaged in discussions with relevant Ministries and the private sector. This component will also provide

technical assistance to ensure that the proposals are congruent with the Surinamese legal system and with the particular reality of the Surinamese, in particular the indigenous communities. Expected results are a renewed role for the Vice-Presidency and the CUS to lead the process of reform and coordinate efforts of various actors and stakeholders, before, during and after the approval of reforms related to intellectual property and consensus reached with the stakeholders involved (Ministries, public agencies, private sector). It needs to be stressed that the Ministries involved do not have an established practice and track record of interaction and coordination.

3.3 Component 2: Economic and technical support for implementation (US\$100,000). This component will support the CUS in setting up the methods and the procedures to monitor follow up and promote the initial implementation of the reforms on intellectual property. This component will finance the collection of information regarding geographical indications, traditional knowledge, the establishment of a database and procedures to patent traditional knowledge and monitoring and evaluation procedures. Expected results from this component are the establishment of a monitoring and evaluation system and a registry and collection procedures for traditional knowledge; and the improvement of the protection of property rights and the registry services provide by the Office of Intellectual Property.

3.4 Component 3: Dissemination, Awareness and Consensus reaching activities (US\$75,000). This component will support the carrying out of workshops and seminars for diffusion, awareness and discussion of the institutional and legal reforms and their implications and repercussions for the Surinamese economy and society. This will include activities aimed at training the private sector on how to use and effectively commercialize the intellectual property methods and procedures set in place by the CUS and the Office of Intellectual Property. It will also sustain the required educational and promotion material to prepare and then follow up the reforms and their implementation.

Table 1: Indicative Results Matrix

Indicator	Unit of Measure	Baseline	Target	Source/means of Verification
Project Outcomes				
Renewed role for the Vice-Presidency and the CUS to lead the process of reform and coordinate actions of various actors and stakeholders	Legislation regarding intellectual property involving different Ministries discussed, approved and implemented	0	1	Consultant report
Project Outputs				
Meetings and a practice of consultations established and implemented:	Document	0	1	Consultant report
Best practices and technical analysis of Legislation and evaluation of economic impact	Document	0	2	Consultant report
Registry for traditional knowledge implemented	Document	0	1	Consultant report
Diffusion workshop organized	Workshop held	0	1	Consultant report

IV. BUDGET

4.1 Table 2 shows the indicative Budget, estimated in US\$280,000.

Table 2: Indicative Budget

Activity/Component	Description	IDB/Fund Funding US\$	Total Funding US\$
Component 1:	Institutional strengthening of the Vice-Presidency and CUS in their leadership and coordination	75,000	100,000
Component 2:	Economic and Technical support for implementation: data collection, registry system and procedure manuals, monitoring and evaluation system.	100,000	100,000
Component 3:	Diffusion and Awareness: 5 workshops (surveys to participants), communication material (booklets, reports, media products)	75,000	50,000
Monitoring and Evaluation	2 progress reports and a final evaluation report	35,000	35,000
Contingencies		5,000	5,000
TOTAL		280,000	280,000

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The designated focal point for monitoring the execution in the Country Office in Suriname will be Musheer Kamau, Chief of Operations and the focal point for monitoring execution in CTI will be Claudia Stevenson, Team leader. The TC includes resources for evaluation and monitoring arrangements.
- 5.2 The execution will be carried out by the Office of the Vice-presidency, through the Competitiveness Unit (CUS). The CUS will be the executing agency of SU-L1043 and they already have had experience with the Bank with the execution of a Compete Caribbean TC (SU-CC2020), Framework for Private Sector Development, although the Bank is the direct executor for Compete Caribbean TC. SU-CC2020 financed the establishment of the CUS, the National Competitiveness Forum, and inputs to National Competitiveness Strategy, which form the basis of the current operations.
- 5.3 The administration of the program will be carried out by CUS, and their role include the management and facilitation of the consultancies of the current TC and reporting outcomes from such tasks, including issues that arise from the analysis and consultation process of the legislation.
- 5.4 The contracting of project consultants will be carried out by the Executing Agency in accordance with document GN-2350-9 (Policies for the Selection and Procurement of Consulting Services Financed by the IDB) of March 2011.
- 5.5 The execution of the program will be delivered in 18 months, with a disbursement period of 24 months, from the date of approval of this TC. All procurement of

consulting services will be included in the procurement plan approved by the executing agency, with the non-objection of the IDB.

VI. PROJECT RISKS AND ISSUES

- 6.1 The main risk for this Technical Cooperation is that the proposed reforms may be delayed due to the lack of consistency in political will to carry them out and the difficulties that may arise in reaching consensus with multiple stakeholders and engaging into new modalities of collaboration. This risk will be mitigated by providing technical expertise to support the CUS in its new role of coordination and promotion of the necessary dialogue with stakeholders and the carrying out of diffusion and awareness activities. In addition, the technical support from best practices and economic impact will facilitate and strengthen this process of dialogue and coordination.

VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 7.1 Given the nature of the program, there are no associated environmental or social risks. Based on the Environment and Safeguards Compliance Policy (OP-703) this operation is classified as “C.” (See [Safeguards Policy Filter Report and the Screening Form](#))

VIII. REQUIRED ELECTRONIC LINKS

- Letter of Request ([Mission Aide Memoire](#))
- [Terms of Reference](#)
- [Procurement Plan](#)