

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	SURINAME / CCB - Caribbean Group
▪ TC Name:	Fiscal Strengthening Support for Suriname
▪ TC Number:	SU-T1089
▪ Team Leader/Members:	REYES-TAGLE, GERARDO (IFD/FMM) Team Leader; ASTUDILLO, KAREN (IFD/FMM) Alternate Team Leader; ROMAN SANCHEZ, SUSANA (IFD/FMM); and HENNIG, BETINA TIRELLI (LEG/LEG)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Fiscal Strengthening for Economic Growth Program SU-L1050 - Execution
▪ Date of TC Abstract:	July 17, 2017
▪ Beneficiary:	Ministry of Finance of Suriname
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 200,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	48 months
▪ Types of consultants:	Individual consultants
▪ Prepared by Unit:	Fiscal Management
▪ Unit of Disbursement Responsibility:	INSTITUTIONS FOR DEVELOPMENT
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional for growth and social welfare

II. Objective and Justification

- 2.1 The overall objective of this Technical Cooperation (TC) is to support Suriname's efforts to achieve sustainable improvements in their fiscal management systems specifically related to tax administration and policy, budget policy, public procurement, financial management, and public investment. For this purpose, the operation will focus on creating a comprehensive program for expanding institutional capacity and implementing policy reform to ensure fiscal sustainability in the country.
- 2.2 To support and complement the activities related to the investment operation: Fiscal Economic Growth program (SU-L1050), whose objective is to support Suriname's efforts to return to a sustainable fiscal path in the medium term through an ongoing reduction of its fiscal deficit. The specific objectives of the TC is to complement and support key activities that will guarantee the efficient implementation of the SU-L1050 program. The activities of the TC will support the strengthening and expansion of the institutional capacity of the Ministry of Finance and the implementation of the political reforms (implementation of the Semi-Autonomous Revenue Agency, VAT, procurement and PFM laws).

III. Description of Activities and Outputs

- 3.1 Component 1. Strengthen the revenue administration. The objective of this component is to (i) support activities conducing to the establishment of a Semi-Autonomous Revenue Agency and (ii) strengthening taxpayer services functions providing training programs.

- 3.2 Component 2. The objective of this component is to support activities to improve the budget cycle. This TC will finance training specifically targeted to strengthen the internal audit function.
- 3.3 Component 3. Public and PPPs investment. The objective of this component is to provide new Public Investment and PPPs Units with techniques that will build up their capacities to enter into PPP arrangements.
- 3.4 **Component I: Component 1. Strengthen the revenue administration.** Support the project execution related to the establishment of the Semi-Autonomous Revenue Agency and the implementation of the VAT.
- 3.5 **Component II: Component 2. Improving the budget preparation and execution process.** Assist the authorities in strengthening the budget planning and execution of the annual budget.
- 3.6 **Component III: Component 3. Public investment and PPPs.** Support the strengthening of the mechanisms to boost public and private investment

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Strengthen the revenue administration	\$ 80,000.00	\$ 0.00	\$ 80,000.00
Component 2. Improving the budget preparation and execution process	\$ 70,000.00	\$ 0.00	\$ 70,000.00
Component 3. Public investment and PPPs	\$ 50,000.00	\$ 0.00	\$ 50,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank will be executing this TC on behalf of the Government of Suriname.
- 5.2 The Bank will be executing this TC on behalf of the government of Suriname. There are two reasons for this arrangement: (i) the government is carrying out many structural reforms at the moment and there are not enough personnel assigned to dedicate to this TC on a full time basis; and (ii) this TC is central in the Bank's efforts to ensure the successful implementation of the investment program. Key studies under the TC will be carried out that will support the implementation of the investment loan.

VI. Project Risks and Issues

- 6.1 Risks for this project are low due to the direct request by the Government of Suriname for this technical cooperation. Yet, some risks to take into consideration are: (i) the busy agenda that Suriname has with respect to structural reforms and the short list of qualified staff to work on these reforms and the TC at the same time; and (ii) resist to management change. Suriname government staff resist change in many aspects and feel threaten by new processes and procedures. The TC will emphasis through seminars and workshops of the benefits of management change and how to deal with it.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".