

## MEMORANDUM

**To:** Adriana La Valley  
Country Representative in Suriname, CCB/CSU

**From:** Jason Wilks  
Senior Sector Specialist, Public Management, IFD/ICS

**Subject:** SURINAME. Knowledge Exchange on Improving Transparency for Extractive Industries in the Caribbean. (SU-T1197)

**Date:** October 29, 2024

### I. Background

Suriname's extractive sector plays a pivotal role in its economy, accounting for approximately 25% of the government's total revenues and contributing 5.6% of the GDP in 2020. Notably, the sector also represented nearly 14% of the nation's exports, with mining activities in bauxite and gold being a significant driver. The economic influence of this sector underscores a critical need for enhanced transparency and accountability, particularly as it remains sensitive to fluctuations in global commodity prices. Amidst evolving global trends, including the shift towards green energy and advancements in digital resource management, Suriname faces the challenge of maintaining economic stability while ensuring responsible sector governance. These challenges are compounded by local dynamics such as efforts to augment oil and gas production against the backdrop of aging fields and the strategic implications of regional energy initiatives influenced by external policy dynamics, particularly those involving the U.S. and Venezuela. Environmental concerns related to extractive activities further emphasize the complexity of the sector, necessitating robust governance frameworks and active stakeholder engagement to address these multifaceted issues effectively.

Suriname became an Extractive Industries Transparency Initiative (EITI) implementing country in May 2017, marking a significant milestone in the government's pursuit of transparency and accountability in the extractive sector. Through this comprehensive multi-stakeholder framework, which includes government, companies, and civil society, Suriname has made meaningful progress in improving governance and reporting within the extractive industries. Despite challenges, including impacts from the COVID-19 pandemic, Suriname's EITI Multi-Stakeholder Group (MSG) has identified strategic intervention areas in their work plan, such as implementing the Beneficial Ownership Roadmap and expanding the scope of reporting to include construction materials. These efforts are aimed at enhancing transparency and ensuring the comprehensive disclosure of data. Key activities include: (i) utilizing flexible EITI reporting to adapt to local challenges while retaining momentum in transparency initiatives; (ii) mainstreaming EITI implementation within government systems; and (iii) improving data accessibility for public use. Since becoming an EITI implementing country, Suriname has conducted multiple capacity-building efforts, contributing to the institutional strengthening necessary for improved governance in the extractive sector.

## **II. Objective**

The objective of this CT/INTRA is to cultivate peer learning and collaboration among IDB's Caribbean region member states engaged in the extractive industries (Trinidad and Tobago, Suriname, Jamaica and the Dominican Republic), through a regional knowledge exchange event, that will be hosted by the Trinidad and Tobago chapter of the Extractive Industry Transparency Initiative (TTEITI).

The focus is to enhance the institutional responses of Caribbean extractive industry actors to achieve global standards in transparency by building a sub-regional community of practice among government officials and key stakeholders serving within the Extractive Industry Transparency Initiative (EITI) framework. Ultimately, the knowledge gained during the exchange will inform the design and implementation of similar initiatives across the participating countries, fostering a regional community dedicated to achieving global standards in transparency and accountability.

This objective is consistent with the objectives and standards of the Ordinary Capital Strategic Development Program for Countries (GN-2819-14) whose objectives include to "strengthen the technical and managerial capacity of national and/or subnational governments".

## **III. Concordance with the Country's Development Policies and Strategies**

This technical cooperation aligns with the 2021-2025 Country Strategy for Suriname (GN-3065), particularly by addressing the cross-cutting theme of enhancing climate change resilience, institutional capacity and the rule of law. This includes improving governance frameworks, increasing transparency and fostering greater use of data to support economic transformation and public sector performance. Moreover, the TC aligns with one of the objectives of the Ordinary Capital Strategic Development Program for Institutions (GN-2819-14). Specifically, the TC aligns to the fifth Core Commitment within Window 1 that seeks to expand access to intraregional experiences and advance the exchange of cooperative know-how among all borrowing member countries by supporting knowledge sharing.

This TC aligns with the strategic objectives of the IDB Group Institutional Strategy: Transformation for Scale and Impact (CA-631) and specifically aligned with the second Strategic Objective to Address Climate Change by improving the access to information to facilitate transparent and informed public discourse on government policies related to the extractive sector and energy transition. The TC also aligns with two operational focus areas, specifically: (i) Biodiversity, Natural Capital, and Climate Action, which focuses on investing in the sustainable management of ecosystems to address climate change, natural resource degradation, and biodiversity loss; as well as (ii) Institutional Capacity, Rule of Law, and Citizen Security aiming to improve governance frameworks by ensuring compliance with laws and enhancing transparency and accountability. This includes building public sector capacity to manage policies and promoting transparency through systematic data disclosure and enhancing public access to information.

## **IV. Conformity with the Bank's Norms and Conditions**

The Bank has received an official request for the Bank's support through a CT-INTRA from the Ministry of Finance and Planning. The financing request is consistent with the objectives and standards of the Ordinary Capital Strategic Development Program for Countries (GN-2819-14, section IV). The proposed activities are consistent with the eligible activities of the Program, which refer to the core commitment CT/INTRA through which the Bank will continue to "expand access to intraregional experiences and advance the exchange of cooperative know-how among all borrowing member countries by supporting knowledge

sharing exchanges between public and/or private sector representatives." (GN-2819-14, section IV, paragraph 4.18).

## V. Participants

A maximum of four (4) participants from the extractive industries in Suriname<sup>1</sup> will travel to Port-of-Spain, Trinidad and Tobago for four (4) days to take part in the activity program attached to the present memorandum. Flight scheduling will make allowance for two (2) additional days for travel.

List of Participants			
No.	Name	Title	Institution
1.	Daniela Herkul	Sr Legal Specialist	Corporate Legal Affairs Staatsolie
2.	René Artist	Lecturer	Anton de Kom University, VIDS
3.	Novella Alcantra - Majana	National Coordinator	National EITI Secretariat
4.	Varsha Nandita Jhagroe	Technical Officer	National EITI Secretariat

## VI. Budget

The Bank would contribute to the costs of the operation which will be financed by the OC Strategic Development Program Window 1 – Intraregional Technical Cooperation (W1E), pursuant to the following budget.

Budget in US\$					
Description	City/Country	Rate	Days	Quantity	Total
Travel Airfare in economy class	From Paramaribo, Suriname to Port-of-Spain, Trinidad and Tobago	450	1	4	1,800
Per Diem (Hotel, Meals & Incidentals)	Port-of-Spain, Trinidad and Tobago	429	6	4	10,296
Local Transport	Port-of-Spain, Trinidad and Tobago	3,904	-	1	3,904
<b>TOTAL</b>					<b>US\$ 16,000.00</b>

## VII. Disbursement and Execution

The total number of activities considered in this technical cooperation shall be carried out within a period of 6 months from the date of approval. This operation will be executed by the Bank.

## VIII. Reports

The achievements of the operation, focused on lessons learned and knowledge transfer to the Bank's operating program, must be reported in the Bank's system within 120 days from the financial closure of the operation.

## IX. Approval

Pursuant to Resolution DE-103/14 dated July 30, 2014 and Memorandum dated December 16, 2014, the President has delegated to the Country Representatives of the Bank, the

<sup>1</sup> The five participants are members of the Multi-Stakeholder Group for the local chapter of the EITI. The multi-stakeholder group comprises representatives from government, companies, and civil society, to oversee EITI implementation and serve as the main decision-making body.

authority to approve individual non-reimbursable technical cooperation operations financed with resources from the net income of the Ordinary Capital of the Bank up to the amount of US\$750,000; consequently, taking into consideration that the amount proposed for this operation does not exceed the amount of US\$750,000, the Country Representative in Suriname approves this technical cooperation operation up to the amount of US\$16,000.00.