



Republic of Suriname - European Community

**Country Strategy Paper
and
National Indicative Programme**

for the period 2008 - 2013

The Government of the Republic of Suriname and the European Commission hereby agree as follows:

- (1) The Government of the Republic of Suriname represented by Mr Ricardo van Ravenswaay, Minister of Planning and Development Cooperation, and the European Commission, represented by Helena Laakso Acting HoD, hereinafter referred to as the Parties, held discussions in Paramaribo from January to September 2006 with a view to determining the general orientations for cooperation for the period 2008–2013. During these discussions, the Country Strategy Paper and an Indicative Programme of Community Aid in favour of the Republic of Suriname were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000 as revised in Luxemburg on 25 June 2005. These discussions complete the programming process in the Republic of Suriname. The Country Strategy Paper and the Indicative Programme are annexed to the present document.
- (2) As regards the indicative programmable financial resources which the Community envisages to make available to the Republic of Suriname for the period 2008-2013, an amount of € 19.8 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation) and of € 0.6 million for the allocation referred to in Article 3.2 (b) (B-allocation). These allocations are not entitlements and may be revised by the Community, following the completion of mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects in support of the focal or non-focal areas of Community Assistance. The Indicative Programme under Part 2 concerns the resources of the A-allocation. It also takes into consideration financing from which the Republic of Suriname benefits or could benefit under other Community resources. It does not preempt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings. The B-allocation shall be triggered according to specific mechanisms and procedures and does therefore not yet constitute a part of the Indicative Programme.
- (5) Resources can be committed within the framework of the present Country Strategy Paper and Indicative Programme upon the entry into force of the 10th EDF multi-annual financial framework for the period 2008-2013 of the revised ACP-EC Partnership but not before 1 January 2008. Financing decisions for projects and programmes can be taken by the Commission at the request of the Government of the Republic of Suriname within the limits of the A- and B-allocations referred to in this document. Financing decisions can also be taken on the basis of Article 15(4) in conjunction with Article 4(1)(d) of Annex IV to the APC-EC Partnership Agreement for support to non-State actors or¹ on the basis of Article 72(6) to the ACP-EC Partnership Agreement for humanitarian and

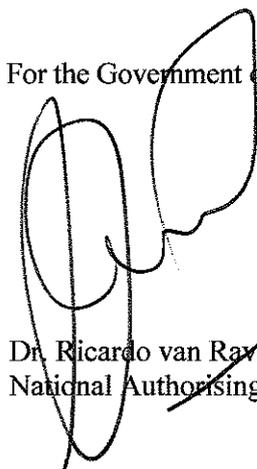
¹ In order to enable a direct support to the NSA, i.e. without prior NAO agreement (Article 15(4) of Annex IV), it is necessary to specify in more details in the NIP the types of NSA eligible for funding, the resources allocated and the type of activities to be supported (which must be not-for-profit) (Article 4(1)(d) of Annex IV).

emergency assistance funded from the B-allocations. Financing decisions shall be taken and implemented according to the rules and procedures laid down in the EC Council regulations on the implementation of the 10th EDF and on the financial regulation applicable to the 10th EDF and in Annex IV to the ACP-EC Partnership Agreement.

- (6) The European Investment Bank may contribute to the implementation of the present Country Strategy Paper by operations financed from the Investment Facility and/or from its own resources, in accordance with Paragraphs 2(c) and 3 of Annex Ib to the ACP-EC Partnership Agreement regarding the 10th EDF multi-annual financial framework for the period 2008-2013.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Authorising Officer and the Head of Delegation shall annually undertake an operational review of the Indicative Programme and undertake a mid-term review and an end-of-term review of the Country Strategy Paper and the Indicative Programme in the light of current needs and performance.
The mid-term review shall be undertaken in 2010 and the end-of-term review in 2012. Following the completion of the mid- and end-of-term reviews, the Community may revise the resource allocation in light of current needs and performance.
Without prejudice to Article 5.7 of Annex IV concerning reviews, the allocations may be increased according to Article 3(5) of Annex IV in order to take account of special needs or exceptional performance.
- (8) The agreement of the two parties on this Country Strategy Paper and the National Indicative Programme, subject to the ratification and entry into force of the revised ACP-EC Partnership Agreement and the 10th EDF multi-annual financial framework of for the period 2008-2013, will be regarded as definitive within eight weeks of the date of the signature, unless either party communicates the contrary before the end of this period.

Signatures in Paramaribo on December 5th, 2008

For the Government of Suriname



Dr. Ricardo van Ravenswaay,
National Authorising Officer

For the European Commission



Esmeralda Hernandez Aragonés,
Chargée d'Affaires a.i.

SUMMARY

The 2005 UNDP HD Report ranked Suriname as a Medium Human Development country at 86th place. The population (492 829 in 2004) is composed of eight ethnic groups living peacefully together. Suriname's social indicators are generally comparable with those of its Caribbean neighbours. Suriname has been a functioning democracy with a multi party system since independence in 1975, except for two periods of military rule 1980-87 and 1990-91. The latest elections were held in 2005. The Constitution lays down extensive freedoms and rights for Surinamese citizens, and the Government of Suriname generally respects these rights. The country can be considered a stable state, though drug trafficking and money laundering require continued attention.

Suriname's economy is small, worth roughly US\$1.3 billion in 2005, with public sector activities, mining and services being the major sectors. Government workers represent 60% of employment in the formal sector, and the public sector accounts for 40% of GDP. In the mining sector, alumina and gold account for more than 80% of total exports and 15% of GDP. Economic performance has improved significantly since 2001. In 2006, growth is expected to remain strong, at around 5 %.

The government's development strategy and policies are documented in the Multi-Annual Development Plan 2006-2011 (MOP), its central objectives being growth and poverty reduction. Reform processes to achieve these goals are in place for the public sector, health, education, transport, justice and police, environment and agriculture.

Transport has been the main sector of EC support under the 6th, 7th, 8th and 9th EDFs. Support for the non-focal sectors in the recent past has gone to private sector development and support to civil society. Under the Banana SFAs, support has been provided to restructure the banana sector with the aim of privatising the government-owned banana company SBBS.

Under the 10th EDF, the EC will help work towards the Government's development objectives, namely poverty reduction, a sustained income base and equitable access to services. Maintaining the transport sector as the focal sector builds on the past experiences of the EC in Suriname, and complements other donor programmes. 85% of the 10th EDF will be allocated to the transport sector, and 15% will be allocated for the TCF.

The **overall objective** of the 10th EDF would be to contribute to the Surinamese National Development Strategy in achieving poverty reduction, a sustained income base and equitable access to services; and the EU Consensus objective of regional integration. The **specific objective** is improved connectivity, flow of goods and persons within Suriname and between Suriname and its neighbours, and increased trade with neighbouring countries. The preferred activity under this sector would be to rehabilitate the road between Meerzorg and Albina (137 km). As the cost of this would exceed the EC's means, the rehabilitation would be carried out through co-funding from the Agence Française de Développement and IDB.

The Government of Suriname has not shown an interest in budget support as it does not have a programme with the IMF. Also, only one action is scheduled to be jointly funded from AFD and IDB. As a result, a project approach will be maintained.

PART 1: STRATEGY PAPER

CHAPTER I: THE FRAMEWORK OF RELATIONS BETWEEN THE DONOR AND THE PARTNER COUNTRY

1.1.1. General Objectives of the EC's external policy

In accordance with Article 177 of the Treaty Establishing the European Community, Community policy in the sphere of development co-operation shall foster:

- - the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
- - the smooth and gradual integration of the developing countries into the world economy;
- - the campaign against poverty in the developing countries.

Europe should project a coherent role **as a global partner**, inspired by its core values in assuming regional responsibilities, promoting sustainable development, and contributing to civilian and strategic security.

The Union has developed a broad spectrum of external relations tools in the shape of the common trade policy, cooperation under bilateral and multilateral agreements, development cooperation, humanitarian aid and financial assistance, and the external aspects of internal policies (energy, environment, transport, justice and home affairs, etc).

EU external action, including the Common Foreign and Security Policy, common trade policy and cooperation with third countries, provides a framework both for integrating all EU instruments and for developing gradually a set of common actions based on common positions in the broader sphere of political relations.

Enlargement has entrusted EU with even greater responsibilities, as regional leader and as global partner. It should therefore strengthen its capacity to promote human rights, democracy and the rule of law as well as its capacity to focus on the fight against poverty, both in its neighbourhood and through its multilateral and bilateral policies, which are mainly aimed at sustainable development and political stability. Thus, the EU will achieve genuine coherence between its domestic and its external agendas, contributing thereby to global security and prosperity.

1.1.2. Strategic objectives of cooperation with the partner country

The Treaty objectives are confirmed in Article 1 of the *ACP-EU Partnership Agreement*, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. The overarching objective of the *Cotonou Agreement* is to promote the development of a common strategic approach to poverty reduction, consistent with the objectives of sustainable development and the gradual integration of ACP countries into the world economy. Cooperation between the Community and Suriname will pursue these objectives, taking into account the fundamental principles set out in Article 2, in particular the encouragement of “ownership” of the strategy by the country and populations concerned, and the essential elements and fundamental element as defined in Articles 9 and 11b of the Agreement.

While the Treaty and the Cotonou Agreement provide the legal basis for EC cooperation with ACP countries, the recently adopted *European Consensus on Development* sets the general policy framework at EU level. The primary and overarching objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the international agenda, and with particular attention for the Millennium Development Goals (MDGs). Human rights and good governance are recognised as other important objectives.

Better aid effectiveness is essential to achieving poverty eradication. Therefore the EU will advance coordination, harmonisation and alignment. It will promote better donor

complementarity by working towards joint multi-annual programming based on partner countries' strategies and processes, common implementation mechanisms, joint donor-wide missions, and the use of co-financing arrangements. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and will capitalise on new Member States' experience to strengthen their role as donors.

Policy coherence for development will advance in a number of areas. The purpose is that all EU non-aid policies make a positive contribution to developing countries' efforts to attain the MDGs.

The principle of concentration will guide the Community country and regional programming. This means selecting a limited number of priority areas of action, through the dialogue with partner countries, rather than spreading efforts in too many sectors. In this context the Community will be primarily active in the following nine areas, taking into account its comparative advantages in a number of these: trade and regional integration; the environment and the sustainable management of natural resources; infrastructure, communications and transport; water and energy; rural development, territorial planning, agriculture and food security; governance, democracy, human rights and support for economic and institutional reforms; conflict prevention and fragile states; human development; social cohesion and employment.

The mainstreaming approach will be strengthened for four cross-cutting issues: democracy, good governance, human rights, the rights of children and indigenous peoples; gender equality; environmental sustainability; and the fight against HIV/AIDS.

1.1.3 Main bilateral agreements

The Republic of Suriname and the European Union are bound together by the Cotonou Agreement detailed above. An Economic Partnership Agreement is presently being negotiated between the EU and CARICOM, of which Suriname is a member.

CHAPTER II: COUNTRY DIAGNOSIS

II.1. Analysis of the political, economic, social and environmental situation in the recipient country

II.1.1 Political and institutional situation

Suriname has been a functioning **democracy** with a multi-party system since independence in 1975, except for two periods of military rule in 1980-87 and 1990-91. Elections since 1987 have been largely free of violence. There is **equal access to political activity**. Concerning the **electoral system**, the 51-member unicameral **National Assembly (NA)** is elected every 5 years in general, by secret elections. Simultaneously elections are held at the sub district level for Resort Councils, from which the District Councils are formed. The Parliament's performance as law maker and overseer has been weak, and it has not been able to hold the executive accountable. The latest elections were held in May 2005 and President Venetiaan, of the Nieuw Front Plus (NF Plus) coalition Government, with 9 parties, took office in September 2005. The coalition holds 29 seats out of 51 in the NA. The biggest opposition party is the Nationale Democratische Partij (NDP) led by Mr Bouterse, the former military ruler.

Suriname has a presidential **system of government**, defined by the 1987 constitution. The **president and vice-president** are elected by the Parliament, and the **government** is appointed by the President. However, on several issues, the Constitution is vague and/or contradictory. It is not clear to which extent the President must retain the confidence of the National Assembly. It lacks clear procedures for removing a President and/or Vice-President,

for calling new elections and for changing the duration of MPs' mandates. The **executive branch** of government consists of the central and local government, and over 120 parastatal agencies. The **central government** consists of the presidency, the vice-presidency, the Council of State, the Auditor's Office, the Council of Ministers and 17 ministries. The President is the head of government. The Vice-President acts as his/her deputy and chairs the Council of Ministers. The Council of State, with representatives from labour unions, employers' associations and political parties, advises the President on policy matters. It has the power to veto legislation but the final veto lies with the President.

Concerning **local government and decentralisation**, in 1989 the Government passed the Law of Regional Bodies, aiming to enable District governments (10) to manage their own revenues and budgets and to deliver simple public services. There are also 62 sub-district jurisdictions, *Resorts*, each with its own popularly elected Resort Council. However, the resort council system has not functioned effectively, and is currently under study for possible elimination. The "Decentralisation and local government strengthening programme" is supported by the IDB, aiming to implement the decentralisation strategy initiated 12 years ago. The over 120 **parastatals** are non-profit entities established for various public purposes or are state enterprises. State enterprises are controlled by sectoral ministries.

As for the main **constraints faced by "key institutions"**, a weak resource base has hampered government performance. Highly skilled civil servants and complementary inputs are scarce, while low-level civil service employment has expanded. This has led to the high cost of government and caused a collapse in civil service pay levels, thereby creating problems in retaining qualified staff and lowering motivation. Another cause of poor performance has been the over-ambitious role assigned to government.

As for **human rights**, the Constitution sets out extensive freedoms and rights for Surinamese citizens, including the right to life and liberty, freedom of opinion, expression, and religion, the right of peaceful association and demonstration, and legal rights. It sets out social, cultural and economic rights and obligations, covers the right to work, labour rights, property rights, rights to health, education and culture, family rights and special protection for young people. The human rights abuses during the military rule are presently being trialled¹. In its human rights report 2005, the US State Department said that while the government of Suriname generally respects the rights of citizens, there have been some problem areas, such as ill treatment of prisoners, a clogged legal system, long remands in custody and discrimination against women, minorities, indigenous peoples and HIV positive persons. As for the clogged legal system, 10 persons are presently in training to become judges. The country continues to retain the death penalty, but it has not been used since 1948.

The **media** in Suriname is free. There are numerous newspapers, TV and radio stations, most of which operate in Paramaribo and in the coastal area, but a number of local radio stations and a few TV stations have also been established in the interior. The media is active in highlighting issues, but the quality of reporting could be improved.

Suriname recognises two **indigenous groups**: Amerindians (3%) and Maroons (14.5%), both living mainly in the interior. Although improvements are possible and desirable, in general, the human rights of these groups are respected. Land rights remain an unresolved issue. Suriname has not ratified the ILO Convention No 169 regarding Indigenous and Tribal Peoples.

Concerning **social cohesion, ethnic tensions and social instability**, the population is composed of eight ethnic groups: 27% of the population are of Indian descent; 18% are Creole descendants of African slaves; and 15% are ethnically Javanese. The majority of the population in the interior are Maroons (14.5%). There are also communities of Amerindians

(3%), Chinese (2%), European (1%), Guyanese and Brazilian minoritiesⁱⁱ. About 41% are Christians, 20% Hindus and 13% Muslim. Although many political parties were founded along ethnic lines, both the government and the opposition include representatives of most ethnic groups. The ethnic fragmentation has not caused violent conflict (possibly because of consensus-orientated, multi-ethnic political coalitions), but it has added to the difficulty of achieving consensus and taking decisions. There is no up to date data on income distribution, but the gap between rich and poor seems to be widening.

As for **employment**, the labour force in Suriname has been increasing steadily over the past decade. This reflects a stronger economy, and somewhat higher female participation than before. The unemployment rate dropped from 14% to 7% between 2000 and 2003. In general, **data** on the Surinamese economy and labour market is difficult to obtain. As a result, different sources arrive at different informal estimates of the economy.

Concerning **gender equality**, Suriname is a signatory to the UN Convention for the Elimination of All Forms of Discrimination Against Women, and has ratified the Beijing Platform for Action, the Convention on the Rights of the Child, and the Convention of Belem do Para. The Government has established a National Gender Policy Bureau, formulated the National Gender Policy, the Integrated Gender Action Plan, and the 2002-2005 Gender Mainstreaming Plan for the Government. However, an evaluation in 2003 highlighted several problems at the institutional level. Concerning **gender representativeness**, 19.6% of parliamentarians are women; 28% of legislators, senior officials and managers; and 51% of professional and technical workers are women. In 2003, 37.6% of women aged 15 or over were engaged in economic activity. In the period 1995-2002, 97% of women were involved in the service industry as opposed to 64% of menⁱⁱⁱ. **Violence affecting women and children** are issues slowly gaining attention and there are several law proposals to combat domestic violence and increased activities by the NGOs that work on women's rights in Suriname.

As for **child labour**, a survey on working children by the Ministry of Labour (1998) found that 2% of children of 4-14 years were economically active. In 2002 the ILO Caribbean Office reported the following problems: 1) children working in the informal sector, 2) children engaged in the worst forms of child labour (specifically Maroon children with a bias against boys) and 3) the national age limit of 14 for child labour is not in line with the UN Children's Rights Convention. Suriname has not yet ratified ILO convention No 138 concerning minimum age. As for **children's rights**, the age of criminal responsibility is 10 years. There have been cases of ill-treatment of children in detention and long delays in pending trials. The Asian Marriage Act provides for "arranged marriages" and sets the minimum age at 13 years for female and 15 years for male citizens of Asian descent.^{iv}

Concerning **illegal migration**, in 2003 a US Departmental report^v noted that Suriname is used for the transshipment of Chinese smuggled to the USA. It is estimated that there are up to 40 000 Chinese in Suriname at any one time. Haitians, Dominicans and Chinese use Suriname as an entry to French Guyana. In 2003, more stringent visa controls were introduced. As for **Trafficking in Persons (TIP)**, Suriname has remained on the US State Department's TIP report Tier 2 Watch list for the last two years. According to the latest report, Suriname is a "transit and destination country for women and children trafficked for the purpose of sexual exploitation. Men, women, and children are also trafficked internally for forced domestic and commercial labour and sexual exploitation. Most women and girls trafficked for sexual exploitation come from Brazil, the Dominican Republic, Guyana, and Colombia; they either remain in Suriname or continue to Europe for further sexual exploitation. Chinese nationals transiting Suriname risk debt bondage to migrant smugglers who place them into forced labour". Amendments to the penal code that make human trafficking and smuggling punishable by law were recently debated in Parliament.^{vi}

Concerning the **degree of participation** in political and social debate, voter turnout in Suriname has averaged 73% over the last 5 elections. The late 1990s witnessed a growth of civil society organisations, including outside the capital. And the relationship between civil society and central government has gradually improved. The importance of the **role of the NSAs** in the development process has been recognised by the Government. In general, civil society organisations have little contact with the Parliament, though there is often cooperation between CBOs and Local Councils. In order to ensure formal **participation of the NSAs in the social and political debate** three institutions exist: 1. The State Council with two representatives from the Council of Labour Confederations, two from the private sector, and 11 nominated from political parties by the President. All legislation has to pass through the Council before submission to the Parliament. 2. In 2005, the Social-Economic Council (SER) was established, consisting of representatives from the Government (5), labour (4) and business (4) to advise the Government. 3. The Suriname Business Forum (SBF), grouping together private sector associations to serve as a platform for dialogue between the public and the private sectors, was established at the end of 2006.

Concerning **institutional transparency, accountability and budgetary management**, deficiencies in budget management have contributed to macroeconomic instability and to the inefficient use of resources. By contrast, the quality of revenue management has improved markedly since the late 1990s (see II.1.2.). The Central National Accountants Agency (CLAD) and the Auditor's Office (Rekenkamer) are responsible for **auditing and overseeing** the government's budgetary and financial management, including state-owned enterprises. CLAD is an autonomous parastatal under the permanent secretary of the MOF. The CLAD reports to the MOF and is an instrument of accountability within the executive. The latest national account audit is from 2003. The Auditor's Office is an independent body, responsible for assessing and advising on the control mechanisms, functions and performance of the entire executive branch of government. It reports to the Parliament, and hence is an instrument of external accountability. It must present an evaluation to Parliament every April. The President appoints the board and chairman of the Auditor's Office.

Suriname is vulnerable to **corruption** due to its present economic and institutional systems. The incomplete and obsolete regulations increase the discretion of the officials. Suriname does not have an anti-corruption act, although a draft was submitted to Parliament in 2003. Suriname signed the Inter-American Convention Against Corruption in 1996, but has not ratified it yet. In addition, natural resource rents, primarily from bauxite, are large relative to the economy and provide an incentive for rent-seeking, and patron-client networks are pervasive in Suriname. Last, civil servants' salaries are markedly inferior to those in the private sector.^{vii} In recent years the press has been active in exposing corruption. The 2004-2005 corruption index (October 2005), issued by Transparency International placed Suriname in 78th position out of 159 countries (2004-2005), down from 49th position in 2003-2004. As for **money laundering, fraud and tax evasion**, money laundering mainly takes place through the cambios, casinos, retail and construction businesses. In 2002 it was made punishable by law. In 2003 the Financial Intelligence Unit was established and some progress to deal with unusual transactions has been made since. The Caribbean Action Task Force is providing Suriname with technical assistance from the USA, Canada and the IMF.

Suriname's **judicial system** is a civil law system reflecting Dutch heritage. The Constitution contains a prohibition on interference in the investigation, prosecution or judicial consideration of cases, and provides that legal aid be provided for the financially weak, but it is vague as to the balance of power between the judicial, executive and legislative powers, and is imprecise as to the appointment procedure for judges. Budgets for the courts, prosecutors, police and prisons are administered by the Ministry of Justice and Police (MJ&P). The court

system is seen by citizens and business as being basically fair^{viii}. Apart for the dilapidated state of infrastructure, the judiciary suffers from a constant shortage of judges. However, 10 persons are in special training to ease the shortage. In 2005 MJ&P started to prepare in a participatory way a sector plan for legal protection and security, to be funded mainly from the Dutch treaty funds. The sector plan looks at security as a whole, encompassing everything from the fire department to judiciary, police and the prison system. Respect for and protection of human rights are at the centre of the plan. It aims to improve the functioning of the judiciary and of the police in combating corruption, national and international crime and when needed to cooperate with the army. Special attention will be given to the interior.

Security apparatus. The Surinamese police force has 1200 officers. Lack of equipment, poor training, low remuneration and lack of coordination with other law enforcement entities limit police effectiveness. Some joint police-military operations have been conducted in areas of the country with no police presence. The detention centres have a holding capacity (in 2002) of 748 men, 40 women and 50 youths. Occupancy levels for 2005 stood at 734, 39 and 47. Holding cells at police stations are used as regular prison cells and are highly overcrowded. The Police Commissioner reports to the MJ&P and to the Prosecutor General regarding investigation of criminal cases. The penitentiary system is overseen by the MJ&P^{ix}. Defence expenditure is about US\$15m per year. Military forces in 2004 (army, navy, air force) totalled 1840^x.

As for the **overall security situation**, the maritime boundaries of Suriname's exclusive economic zone have not been agreed with its neighbours. There is a long-running maritime border dispute with Guyana. The offshore dispute is under international arbitration at the International Court on Law of the Sea and is likely to be settled in 2007. The onshore dispute, affecting the Corantijne River and the southern boundary area, is likely to remain a source of friction. Suriname also has a territorial dispute with France (Guyane) covering an area in the south-east between the Litani and Marowijne rivers^{xi}. The **rule of law** is challenged in parts of the interior where unregulated gold mining is taking place, but the Army and Police are working jointly against the criminal gangs operating in the interior. Organised criminal groups maintain considerable economic, social and political leverage. However, violent crime is a much less pressing problem than in the English-speaking Caribbean.

Concerning the **fight against drug trafficking**, there is international concern that Suriname is being used as a transshipment route and a storage point for cocaine from South America. Legislation from 1997 brings national law into partial compliance with the UN 1988 Vienna Convention on crime prevention. A report for the UN Drug Control Programme from 2001 suggested that 22 tonnes of cocaine per year – equivalent to about 5% of South America's cocaine exports – passed through Suriname and Guyana, en route to Europe and the USA. The Nationaal Coördinatie Centrum, established in 2002, links the anti-drug activities of the police, military, coastguard and customs services^{xii}. A maritime co-operation agreement with the US came into effect in 1999, and the US opened a Drug Enforcement Agency in Paramaribo in 2006. Despite some successes in efforts to combat drug trafficking in Suriname, the Government is constrained by a lack of appropriate resources, outdated legislation and corruption. A National Drug Master Plan was drafted in 2005 dealing with both supply and demand issues.

In sum, regarding the security situation in Suriname, the country can be considered a relatively **stable state** and the government is able to provide the basic functions of a modern government. As in any country, there are problem areas, and in Suriname especially drug trafficking is an issue requiring enhanced and continued attention. As for potential for armed conflict with neighbours, the Government has manifested its willingness to find peaceful solutions to its border problems by submitting the border dispute with Guyana to international

arbitration. As a result, the **partnership** between EC/EU and Suriname can be characterised as **normal and efficient**.

II.1.2 Economic and commercial situation

Economic situation, structure and performance

Suriname's **economy** is small, worth roughly US\$1.3 billion in 2005, with public sector activities, mining and services being the major sectors. The role of the public sector in the economy is pervasive: government workers account for 60% of employment in the formal sector, the state controls some 120 public enterprises, and the public sector accounts for 40% of GDP. In the mining sector, alumina and gold represent more than 80% of total exports and 15% of GDP. Beyond the mining sector, a thin layer of manufacturers produce a small assortment of generally low quality products. As a consequence, Suriname imports mainly consumer goods and almost all intermediate and capital goods. The service sector, accounting for 45% of GDP, is dominated by trade and transport activities. The fastest growing services sectors since 1998 have been personal services and transport and communications. In 2001, financial services overtook trade, restaurants and hotels as the single most important service activity in the country. The share of agriculture in GDP increased slightly between 1998 and 2002, from 8.4% to 9.5%. In contrast, the share of manufacturing in GDP declined steadily over the same period, even though the sector grew in real terms. The informal sector is also significant and may increase current estimates of GDP by up to 16% according to the Bureau of Statistics.

Economic performance has improved significantly since 2001, as the Government has implemented more prudent fiscal and monetary policies. Macroeconomic management remains broadly appropriate. In 2006, growth is expected to remain strong, at around 5%, as Suriname continues to benefit from the boom in commodity prices. Revenues from oil exports reduced the fiscal deficit to around 1% of GDP in 2005, while the recent increase in domestic fuel taxation is expected to strengthen the fiscal position. The Central Bank has absorbed liquidity created by a reduction in reserve requirements in the last two years by placing Treasury bills on the market. As a result, reserve money growth has slowed and private sector credit growth is projected to decline to 18% in 2005. However, inflation has increased with the near-doubling of domestic fuel prices in September 2005, and is expected to reach around 8% in 2006. The "Index of Economic Freedom 2006" of the Washington-based "Heritage Foundation" ranked Suriname in the top ten countries making the most progress in 2005, most notable in the areas of budgetary and monetary policy. However, Suriname declined in the "Index of Economic Freedom" from 101st in 2005 to 129th position in 2006 out of 161 countries, which highlights the need to quicken economic reform.

Comparative data shows that the **public sector** in Suriname is oversized. The public sector employs around 25% of the total labour force, while the Latin American and Caribbean (LAC) average is 10%. The public sector's wage bill is about 41% of central government expenditure, crowding out investments in physical infrastructure and human capital. The public sector has fallen short as a social service provider. Incentives for public servants are poor and the personnel structure is bottom heavy. The private sector has come to rely on Government contracts. Other factors which negatively affect the functioning of the public sector are: (i) excessively centralised decision-making; (ii) weak accountability; (iii) weak public financial management and budgetary design; and (iv) lack of transparency^{xiii}.

The **private sector** is characterised by a large number of small firms producing non-tradable goods and services. There are roughly 15,000 active private firms with an average of three employees. The economy has a small basket of export goods (alumina, gold, crude oil, rice, shrimps, fish). Tourism has emerged as a potentially important export product. Considerable concern exists about the

capability of the local business community to compete in non-traditional sectors resulting from regional economic integration and trade liberalisation. In general, widespread public ownership of productive activities has crowded out private investors. While there is scope for new products, the narrow, import-dependent production structure poses a structural constraint on new economic activities. The cost of doing business in Suriname is high and there are many obstacles like: (i) obtaining an operating licence; (ii) adjusting the labour force given the labour dismissal decree law; (iii) purchasing and selling assets by foreign persons; and (iv) clearing customs; (v) the level, structure and administration of corporate taxation; and (vi) the tariff structure of electricity rates, the high cost and monopoly structure of telecommunication services, and the air and shipping rates.^{xiv} However, the Investment Law is being amended, but related legislation should also be changed, including commerce law, the industrial property rights act, and labour laws. **Modernising the legal framework** will help considerably in unshackling the private sector. Improving transparency, access and institutional capacity of the judiciary will be a necessary complement to the envisioned reform of the legal framework. There are also discussions to reform land ownership. IDB is assisting the Government in preparing a private sector development strategy.

As for the **structure of trade**, Suriname trades mostly goods, which account for 90% of the country's total exports and 70% of imports. From 1990-2004, Suriname's merchandise exports grew by an average of 4.4% a year in value terms. Suriname's largest **export** destination is the EU, with 27% of the country's total exports in 2000-2004, down from 35% in the early 1990s; followed by the US, at 23%, and Norway, 22%. Exports to the CARICOM account for 8%. Exports to Canada have grown fastest, from virtually zero to 7% (average for 2000-2004), but a drastic decline in exports to Brazil has reduced Latin America's share from 10% in the early 1990s to less than 1% today. Suriname's exports are dominated by a small number of natural resource products. In 1999-2003, seven products accounted for 90% of total merchandise exports. Three of these (alumina, crude oil and gold) account for three quarters, while four agricultural products (rice, fish, shrimps and bananas) account for another 15%. Ores and metals represent the majority of exports to the US and Europe, while fuels are the biggest category of exports to CARICOM countries. Frequent changes in international prices for these commodities largely explain the high degree of volatility in Suriname's export earnings. As for the **degree of diversification of export earnings**, in 2004, alumina accounted for 65% of total export earnings, gold for 23%, and crude oil for 8%.^{xv}

Suriname's merchandise **imports** have grown by an average 2.6% per year since 1990, compared to import growth of over 10% for the LAC region as a whole. The origin of imports is quite diversified: North America (mainly the US), Europe (mainly the Netherlands) and Asia (mainly China and Japan) each account for 25-30%, with the remaining imports coming from Latin America and the Caribbean (mainly Trinidad and Tobago). Most of Suriname's imports consist of manufactured goods. **Services** account for only a small share of Suriname's total trade, 10% of exports and one third of imports. In recent years, services exports have declined both in absolute terms and as a share of total exports. Transport services account for the largest share of services exports (40%). The tourism sector, at less than 15%, is small compared to other CARICOM countries. Suriname's large deficit in its services balance has widened further in recent years. As for **terms of trade**, Suriname's economy is heavily dependent on the world economy and is susceptible to fluctuations in world markets. *It is important to note that Suriname suffers serious deficiencies in the collection and dissemination of trade data.*

As for the **impact of the economic partnership agreements** (EPAs), the anticipated positive impacts are long-term, deriving from the benefits of free trade, and from greater regional cohesion. The expected negative impacts should be temporary, in other words, problems which can be overcome. Most obviously there is a fiscal impact. Most probably the

dismantling of tariffs will be undertaken as a common programme for all of CARICOM over a transition period of 2008-2020. Beyond the fiscal effects, other impacts are not quantifiable. These could include social and poverty impacts: an EPA will cause expansion of employment in some sectors and reductions in others. On the positive side, a reduction in tariffs will result in a fall in prices for a variety of consumer goods, which will increase the purchasing power of the poor. However, due to a reduction in tariff revenue, this could lead to less government expenditure on the social sectors^{xvi}. For **external debt**, see on page 10.

As for the **dependency on external public and private transfers, including remittances** from migrants, Suriname has a Diaspora of around 400,000 people based in the Netherlands. In 2005, the Dutch Consumers' Union estimated that annual transfers from the Netherlands to Surinamese family and friends are in excess of 115 million € per year. This is about 10% of GDP or around 230 € per capita.

Suriname cooperates with the Caribbean Anti-Money Laundering project, Caribbean Task Force, USA, Canada, IMF, the Netherlands, France and IDB in order **to prevent and counter financial and corporate malpractice**. (See under Assessment of Reform process).

As regards the **state of infrastructure**, the **road network** consists of 4,570 km of roads, of which 1,125 km are paved. Most roads are in poor condition and traffic volumes are generally low. The main **port** in Paramaribo is being rehabilitated with EDF funding. Private facilities for petroleum and alumina exist on the Suriname River. As for **air** transport, the main airport outside Paramaribo handles 1,700 international flights a year. It is in acceptable condition. There are 58 airfields in the interior, most in deplorable condition, with very low traffic levels. Concerning **water**, 70% of the population is adequately served through house connections. There is practically no public sewerage, instead septic tanks are used from which both the overflow and the seepage are disposed of in an unsanitary manner. Drinking water is not routinely chlorinated, therefore, its contamination constitutes a threat to public health.

Concerning **energy**, a Master Energy Plan was prepared in 2000. As for **electricity**, EBS (a state-owned company) covers transmission, distribution, and supply of electricity to third parties, but it supplies only the coastal area. 85% of the electricity is supplied from the Afobakka hydro site. As demand exceeds supply by 20-30MW, a serious bottleneck exists. Staatsolie (the state-owned oil company) is the sole **oil** producer. Reserves are estimated at 170m barrels. Of total production of 4.7m barrels (2001), 55% was refined locally, 30% was sold to Suralco, and the rest exported to CARICOM. Regarding **information and communications** technologies, telecommunications services are provided through a state-owned single supplier (Telesur). Efforts are on-going for the liberalisation of the sector.

Employment situation: In 2002 the number of formal sector workers was 84,172. The IMF estimates public sector employment at 60% of total formal employment. The shares of agriculture and manufacturing in total employment both fell between 1997 and 2002, from 14.4% to 11.2%, and from 10.8% to 8.9% respectively, the share of workers in service activities remained steady, with the exception of construction jumping from 4% in 1997 to almost 7% in 2002^{xvii}. The unemployment rate was 8% in 2005. Concerning **equal economic opportunities for men and women**, according to the US State Department's Country Report on Human Rights Practices (2002), Surinamese women experience discrimination in access to employment and in rates of pay. It notes that 89% of women hold entry-level jobs, 3% hold management positions and 60% of the working women are employed in administrative or secretarial jobs. 86% of employed women are in the service sector while only 56% of men are in the sector, 32% of men work in the industrial sector.

Sources of macro-economic instability: The key challenges for the Government are to maintain appropriate fiscal and monetary policies and reduce the country's vulnerability to

external shocks. In the short-run, it is important to resist second-round effects from the recent fuel price increases. The modification of the domestic fuel tax and pricing system has helped reduce the vulnerability of revenue to fluctuations in world oil prices, but the fiscal position is still highly dependent on the bauxite, gold, and oil export sectors. Over the medium term, the authorities should aim, according to the IMF, to reduce the vulnerability of the fiscal position to changes in global commodity prices, e.g. by establishing a stabilisation fund abroad with revenues from new extractive industries. Similarly, there is scope for establishing a firmer anchor for monetary policy, based on targets for monetary aggregate targets, while moving to a unified and more flexible exchange rate regime. In addition, it will be important to reform the civil service and to deal with the large number of public enterprises^{xviii}.

Structure and management of public finances

State of public finances. According to the IMF, the authorities have successfully maintained a welcome degree of macroeconomic stability over the past years. Expenditure moderation and higher tax revenue supported by buoyant export growth have resulted in a substantial improvement in public finances. Since 2001 Government's **fiscal policy** has improved markedly as reflected in a positive primary balance that averaged 0.8% of GDP, compared to 10% in 1998 and 2000. Nonetheless, there are several technical and institutional bottlenecks that inhibit Suriname from having an effective budget formulation and implementation process. The main constraints include: (i) basing budget allocation on semi-automatic adjustments to the previous year's allocation; (ii) inefficient spending in the absence of a results-oriented, reward-based budget; (iii) poor monitoring of spending and its results; (iv) an absence of a multi-year budgeting framework; and (v) external arrears amounting to US\$131 million. Finally, monetary policy has been ad-hoc, resulting in high volatility in the rate change of the monetary base. Since 1990, over 80% of total **public sector revenues** have come from three sources: international trade taxes (53%); grant funding, mostly from the Netherlands (21%); and mining sector taxes (9%). **Tax revenues** in Suriname have been about 21-27% of GDP in recent years; 90% of total tax revenue is raised by only four taxes: the wage tax, the corporate income tax, the general sales tax, and taxes on international trade^{xix}. As for actual **government expenditure**, according to the EIU (February 2006), public sector salaries were 44.6% of government current expenditure in 2005. There are no updated figures available by ministry at the time of drafting this paper. Despite the current account deficit amounting to 13% of GDP in 2004, the external balance of payments is stable. This large current account deficit reflects the openness of the economy—exports plus imports exceeded 150% of GDP in 2004—and the positive growth since 2001, with imports increasing 87% and exports 96% from 2001 to 2004^{xx}.

Suriname's total **external debt** of US\$380 million (31.8% of GDP by the end of 2005) is low by Latin American standards. External debt service is manageable under the current economic circumstances: in 2004 interest payments represented 0.8% of GDP, and total debt service, amortisation plus interest, 4.3% of total exports^{xxi}. And as a result of continued primary fiscal surpluses, public sector debt should fall from around 47% of GDP at end-2004 to around 27% at end-2010^{xxii}. S&P recognized Suriname's improved condition and has recently issued a "positive" outlook on external debt, which could trigger an upgrade from the current B-rating.

Assessment of the reform process

The reform programme was initiated in the mid-90s, and in 2000 when the Venetiaan/Ajodhia government took office, the government embarked on an ambitious programme to stabilise the economy. The overall objective is to eradicate poverty by guaranteeing the revenue base of all citizens. To do this, there needs to be macro economic stability, the public sector needs to be reformed so that it can efficiently provide for social services and create an enabling

environment for private sector development. At the same time the Government started the preparations for a public sector reform (PSR) encompassing the restructuring and downsizing of the administration, reviewing its tasks and remuneration systems and decentralisation. Preparatory studies for PSR have been completed and it is expected that a road map will be finalised before the end of 2006. The Government is supported in these efforts by IDB, NL, France and UNDP. Also work was begun to prepare modernisation plans for the main social and other sectors (health, education, legal protection and security, agriculture, environment, transport). At the same time the liberalisation of the trade regime started. Of note is that Suriname is not an HIPC country and as a result has not had the need to enter into reform programmes with IMF nor the WB. The understanding for the need to reform is home grown.

It is recognised that there is a strong relation between public sector reform and private sector development: reduction of the public sector can only be achieved if a national strategy for private sector development is put in place to allow the latter to absorb the excess of personnel and activities currently managed by the Government. On the other hand, private sector development can only be achieved if a comprehensive public sector reform is implemented. Relevant stakeholders, both private and public, have identified main bottlenecks that are preventing the private sector from experiencing a more energetic development.^{xxiii}

Considerable progress has been made in macroeconomic, social and political stabilisation. Since 1993 the Government has improved the taxation system and administration, simplified the budget coding system and made it consistent across the public sector and has reduced bureaucratic interventions in the area of foreign trade. As for **money laundering and fraud**, a law was passed in 2002 to make money laundering punishable, and in 2003 a Financial Intelligence Unit was established. A draft **Anti-Corruption Act** has been submitted to the Parliament for approval. Also action has been taken to modernise the customs services. Concerning the **decentralisation process**, to improve the district administration, IDB is supporting the government to empower district governments with the core legal framework and institutional capacity necessary for fiscal self-management.

In its Multi-Annual Plan 2006-2011 (MOP), the Government spells out the objectives for the present 5-year cycle. While much of the money for the implementation is available through the Dutch Treaty funds, IDB loans, EC, France and the UN family, the challenge will be the capacity of the administration to implement the reforms. Also one should not underestimate the time required for politicians to take difficult decisions in a multi-party democracy: negotiations between the parties as well as the NSA take their time before consensus is reached. As a result, while the reform process moves ahead, the speed may vary.

Trade policy and external environment, regional cooperation agreements and EPAs

Suriname's **trade policy** has changed significantly in recent years. A key trade policy objective is to continue the liberalisation of trade to enhance efficiency and reduce costs through increased competition, while preserving the interest of the Surinamese economy. The Government's trade policy is **consistent with its development objectives**. It recognises the role the private sector plays in the development of the country, especially in the field of creating employment and increasing GDP. As a result, the Government is convinced that, despite some short-term difficulties related to trade liberalisation, this is the only way to increase growth and reduce poverty in the long term. Suriname became a contracting party to the GATT in 1978, and is an original member of the WTO. It did not participate in the post-Uruguay Round negotiations on financial services or telecommunications, but made commitments on basic telecommunications in 1998. Suriname joined CARICOM in 1995 and became a full member of the group's common market in 1996. Suriname grants duty-free access to all imports originating in CARICOM.

Since the mid-1990s, Suriname has made considerable **progress towards the liberalisation of its trade regime**, both through autonomous measures and through its participation in CARICOM. **Non-tariff trade barriers** appear low and applied MFN tariffs have been reduced to an average of 11% (a change from 35% in 1994), or 13% if account is taken of two fees levied exclusively on imports. Suriname maintains various tax exemptions to promote investment, and duties and foreign exchange surrender requirements still affect mineral exports. New statutes and other measures have been adopted to consolidate a stable institutional and regulatory environment^{xxiv}. As a member of CARICOM, Suriname has a **common external tariff rate** that ranges from 0 - 20%. According to the World Bank, Suriname's average tariff rate in 2002 was 11.7%.

Trade plays a crucial role in determining Suriname's development prospects. The high degree of trade openness and a narrow export base render the economy vulnerable to external shocks. Any significant change in the demand for, or supply of, Suriname's tradable products has an immediate effect on GDP. In the last decade, Suriname's current account balance was negative in most years. In addition, Suriname faces substantial new **trade challenges**. For rice and bananas, it faces the erosion of EU preferences and stronger competition in international markets. Although rice and bananas constitute only a small share of the country's exports, they account for a significant share of employment. Further expansion and diversification of export activity is required to achieve growth and employment creation.

Suriname participates actively in the negotiations for a regional **Economic Partnership Agreement (EPA)** through the Regional Negotiating Machinery (RNM). For the great majority of EU imports, there is no Surinamese equivalent. Many of these are technical products. There are some Surinamese products which are in competition with European imports, such as rum, beer, wooden furniture, cleaning products, fats, and ice cream. But there is significant potential to develop a number of areas of the economy (in agriculture, services and industry) where Suriname has a competitive advantage. As for the fiscal impact of an EPA, in 2004 Suriname earned US\$11.5 million in import duties on goods of EU origin. This amount is "at risk" in an EPA by 2012, while US\$ 33 million is similarly "at risk" in any FTAA. The value of import duties earned on all imports is equivalent to around 16% of Suriname's total revenue^{xxv}. As for **other regional integration initiatives**, President Venetiaan confirmed at the Summit of the Americas in November 2005 that Suriname supports resumption of the stalled talks to establish an FTAA under the explicit condition that "special and differential treatment is applied".

II.1.3 Social situation, including decent work and employment

The 2006 Human Development Report ranked Suriname as a Medium **Human Development** country at 89th position. The Government remains committed to the **MDGs**. However, the General Statistics Bureau (ABS) reports difficulties in determining the number of persons living beneath the poverty line^{xxvi}. Consumption-based **poverty** estimates put the household poverty rate at 28.7% in 1999 and the poverty headcount was 47%, based on the last ABS Household Budget Survey. The poverty profile also reveals that poor households are more likely to be headed by women, and 50% of them have six or more co-residents. A baseline MDG report published in 2005 provides very few figures. There are problems in the quality, coverage and timelines in Suriname for all **data**, including financial, economic and social. As Suriname is not an HIPC country, it has no need to establish a PRSP programme. However, the main issues are addressed in the Government's MOP for 2006-2011.

Demographic factors. The latest census^{xxvii} is from 2005. The overall population is officially 492,829; 49.7% are female. The average growth is 1.37% per year. The division between urban and rural in Suriname corresponds roughly to the division between the narrow coastal

strip and the vast interior. 82% of the population lives in the coastal area and 18% in the interior. As for **migratory flows**, information from the Demographic Data Central Registry shows that there was a 13% increase in immigrants from the Netherlands, 5% fewer immigrants from Guyana and over 6% more immigrants from China during the period 2001-2003^{xxviii}. About 2500 Suriname citizens per year request a visa for longer than 3 months for the Netherlands.

Disadvantaged groups. In general the main group of disadvantaged people is the population living in the interior. The interior, characterised by dense forests and mainly accessible only by river or small planes, is populated mostly by indigenous peoples (Amerindians and Maroons) who have been excluded, to different degrees, from modern life. These communities have recently achieved political representation in the ruling coalition. There is a need for legislation securing the rights of indigenous peoples to (i) Collective lands and resources; (ii) Participation in decision making; and (iii) Effective domestic legal remedies for rights violations. Access to education in the interior is limited. 66% of indigenous men and 44% of women are literate.

Child protection. UNICEF is assisting GoS to support children and juveniles. The programme has three components: (i) Early Childhood Development, (ii) Adolescent & Life Skills and, (iii) Social Investment for Child Protection. As for **food security**, like in the Caribbean in general, hunger is not an issue, but food and food safety issues are related to chronic food and lifestyle diseases such as obesity, heart diseases and diabetes.

EDUCATION. SURINAME HAS A HIGH LITERACY RATE (94% IN 2001). OVERALL SCHOOL ENROLMENT WAS 77% IN 2000-2001, PRIMARY SCHOOL ENROLMENT WAS 92%, BUT SECONDARY EDUCATION RATE ONLY 43%. SCHOOLING IS FREE ALTHOUGH MOST PUBLIC SCHOOLS CHARGE A NOMINAL ENROLMENT FEE. IN 2000, PUBLIC EDUCATION EXPENDITURE AMOUNTED TO 5.5% OF GDP, ACCOUNTED FOR 37% OF TOTAL GOVERNMENT EMPLOYMENT, AND TOOK 16% OF TOTAL GOVERNMENT BUDGET. OF THE MINISTRY OF EDUCATION (MINOV) BUDGET, ROUGHLY 80% WENT TO PRIMARY AND JUNIOR SECONDARY EDUCATION AND TO PERSONNEL EXPENDITURES. IN 2004 MINOV FINALISED THE FIVE-YEAR-EDUCATION SECTOR PLAN. THE PLAN HAS A TWIN-TRACK POLICY TO SOLVE THE PROBLEM OF REPEATERS. THE PLAN IS SUPPORTED WITH 10 MILLION € FROM THE DUTCH; AND A SCHOOL CONSTRUCTION AND RENOVATION PROGRAMME IS FUNDED BY THE DUTCH (US\$ 1.5 M) AND THE IDB (US\$12.5 M).

Health. Suriname's healthcare indicators are generally comparable with those of its Caribbean neighbours. Life expectancy at birth in 2003 was 69.1 years. Infant mortality stands at 40 per 1,000 live births. Suriname's expenditure on public health care was 5.2% of GDP in 2002. Suriname is undergoing an epidemiological transition from high levels of mortality associated with communicable diseases to lower mortality dominated by chronic diseases, and from high to low fertility rates. At present the country faces both traditional primary health care challenges and a rising chronic disease burden. The combination increases both the demand for health care and the associated costs. A multiannual health sector plan has been prepared, and the Netherlands is providing 10 m € and the IDB 5 m US\$ for its implementation. The plan emphasises efficiency, equity, quality and sustainability.

HIV/AIDS is the 5th cause of death for men and the 6th for women in Suriname. In 2003, 371 new cases emerged. Reliable data is lacking on transmission modes, but it is believed that most persons have been infected by heterosexual contact. The male-female ratio is close to 1. Newly infected young women outnumber newly infected young males. In 2002-2001, women accounted for 81% in the age group 20-24. AIDS has become one of the leading causes of mortality among children under 5. In 1997 in the interior 17% of the HIV+ cases were

Maroons, while Amerindians accounted for 3%^{xxxix}. Suriname has high **malaria** morbidity in the interior, but the situation is improving. In 2005 as part of the fight against AIDS, Tuberculosis and Malaria, Suriname received US\$ 5 m from the Global Fund.

Although 79% of all births take place in hospitals, the **maternal mortality** ratio in Suriname remains relatively high, especially Maroon women due to limited facilities in the interior for obstetric emergencies and the low use of pre-natal care. In accordance with global trends, the fertility rate has decreased in Suriname from 7.1 children in 1960 to 2.2 in 2002. The main issues with **reproductive health** have to do with the inability of poor women to make choices about their sexual life and contraception. Contraceptive use for women with lower educational attainment was 8.9%, compared to 32.6% for women with primary education. The teenage pregnancy rate has remained relatively stable at 15%^{xxx}.

Access to basic services (water, health, education, energy). Access is more or less available to the coastal zone (80 % of the population). The Social Safety Net provides assistance to those who cannot pay themselves. However, access is very difficult in the interior with scattered villages. As for **access to health services in the interior**, the government has transferred that responsibility to the Medical Mission. It focuses on primary health care and manages 48 polyclinics and medical posts, but care is limited as there are not enough doctors, equipment and facilities. There is only limited access to sanitation (latrines are absent in most villages) and safe drinking water (villagers obtain drinking water from creeks and rivers)^{xxxii}.

Suriname's public **Social Security Network (SSN)** includes a portfolio of 20 programmes, inclusive of 7 unconditional cash transfer programmes. These programmes are complemented by price subsidies for some goods and services consumed by the poor. The Ministry of Social Affairs and Housing (SOZA) is in charge of running the SSN. Expenditures of SOZA are one of the largest in the social sector (25% in 2000, approximately US\$100 per capita), second only to education (61%). The Old Age Pension and Health Card programmes represented 93% of SOZA's expenditures in 2003. Statistics on coverage and targeting are unknown except for the Health Card programme reaching 1/4 of the population. Most in-kind services for particular categories (elderly, youth, children) lack transparent criteria.^{xxxiii} Surinamese households also rely heavily on remittances from abroad (approx. 230 €/capita/year, mainly from the Netherlands). There are a number of NGOs providing SSN, but they are generally small and their capabilities are dispersed.

Employment opportunities. The public sector is the largest employer, directly employing 40% of formal sector employment, and indirectly another 20% in state-owned companies. Estimates suggest that 18% of the labour force is employed in the informal sector. There seem to be more females employed in the informal sector than males. The size of the informal sector is relatively small compared to other countries in the region. Concerning **working conditions**, the employees in the formal sector are well organised and working conditions follow more or less international standards. However, conditions in the informal sector vary and especially in the small scale mining operations can at best be dubious.

Housing. Bottlenecks in mortgage, land allocation, taxation, building materials and a decline in real incomes are blocking residential construction and home improvement for low and moderate-income Surinamese. The housing problem is mainly qualitative: roughly 10,000 units are dilapidated. The overall backlog for new housing in Paramaribo is 4,100 units. GOS has made the improvement of housing one of its policy goals, and has agreed to direct demand subsidies targeted to low/moderate-income households^{xxxiiii}. There is a housing sector plan (2005), and the Low Income Housing Project funded by the Dutch (18.3m €) and IDB contributes to this. In addition, the People's Republic of China provides US\$ 16.4 m for the construction of social housing. GoS is reviewing its land issuance policy.

Rural development. A more appropriate division for Suriname is **interior/coastal**, rather than rural/urban. Over 80% of the population live in the coastal zone, while the interior covers over 80% of the area. The coastal zone is urban/semi-urban. Most of the agriculture is situated on the coast. The coastal area is covered by roads, schools, health, water, energy, telephone and radio/TV networks. The interior can only be reached by dirt road, river or small planes. Access to markets, social and other services is limited. The population, mainly Maroon or Amerindian, lives in scattered villages. They earn their livelihoods from subsistence farming, small-scale gold mining and logging.

II.1.4 Environmental situation

The use of natural/environmental resources and trends. Suriname is made for the main part of generally untouched tropical forest of high biodiversity in a mainly flat area of about 166 000 km². The coastal plain contains 80% of the population, 75% in and around Paramaribo and Nickerie. A small number of large-scale industries (oil prospecting, oil refining, cement production, bauxite mining and alumina production) exists in other parts of the country. The Brokopondo hydropower dam and the bauxite mining activities are the largest manmade impacts in the interior. Small-scale gold mining provides income for several thousands of Brazilians and Maroons, but it poses an environmental and public health risk. With respect to renewable resources, local industries include lumbering and plywood manufacturing. Agriculture (13% of GDP) is primarily practised along the coast. The major commercial crops are paddy rice, bananas, and small-scale production of vegetables and fruits for the local market. Commercial fisheries, including shrimp fishing and farming, are expanding along the coast. Suriname has a substantial, largely untapped eco-tourism potential.

Climate change is already having significant and serious impacts on developing countries as highlighted in the recent reports of the Intergovernmental Panel on Climate Change (IPPC). Climate change is a threat to development and diminishes the chances of achieving the Millennium Development Goals. In this context, adaptation to climate change becomes a pre-condition for sustainable development

The main environmental **challenges** are over-fishing, the degradation of the coastal zone, deforestation, the impacts of the proposed hydroelectric dam in West Suriname, pollution from small and large-scale mining operations, uncontrolled tourism, and inadequate resource management in the interior. As for **pollution**, in the urban areas solid waste, wastewater and air pollution are a growing threat to human health and local environmental quality. The significant environmental and social impacts associated with these threats are compounded by the lack of an adequate **legislative, regulatory and institutional framework**. An environmental law was drafted in 2001 and a revised version is currently being reviewed by the Ministry for Labour, Technological Development and Environment.

The overall **environmental performance** has been mixed. 1.6 million ha of pristine forest has been protected since 1998 as the Central Suriname Nature Reserve, as well as a large share of the coastline providing nesting habitat for birds and, in the Galibi Nature Reserve (4,000 ha), a nesting beach for marine turtles. But the lack of **institutional capacity**, manpower, knowledge and regulations to control industrial activities and sanitary issues form a serious threat to the preservation and improvement of biodiversity and environment. The Dutch are funding the development and implementation of an environmental sector plan.

As for environment, **poverty reduction and MDGs**, it is the poorest who most directly face the negative consequences of poor environmental management. The contamination of surface waters by industrial effluents, untreated sanitary waters, pesticide, fertilizers and mercury have direct impacts on health. In industrial and agricultural companies, the lowest in the

hierarchy are the most exposed to dangerous labour conditions and toxic chemicals. Living areas of the poor are most affected by health problems caused by uncontrolled waste dumps. The poorest groups suffer most from over-fishing and are the first affected by floods that might occur due to climate change or poor water management. It is also the poor who participate in illegal logging, hunting and gold mining when no other options exist.

Vulnerability to natural disasters. Suriname is outside the hurricane belt; and there are no volcanoes or earthquakes. However, **climate change** and raising water levels form a threat to the coastal zones and low areas, as demonstrated in May 2006 by floods in the interior caused by the heaviest rains for 40 years. As for **accession to international agreements**, Suriname has ratified the Framework Convention on Climate Change, the Convention on Biological Diversity and the Kyoto-protocol in 2006. Influenced by financial aid offered by Japan, Suriname supported commercial whaling in 2005.

II.1.5 The country in the international context

Suriname is part of the **regional integration** process in the Caribbean. It is a member of CARICOM, CARIFORUM and the Association of Caribbean States, and maintains close relations with South America. In the MOP, the Government states that the relations with its neighbours, Brazil, Venezuela, France will further be developed, and the EU-LAC cooperation will be strengthened. Suriname is active in the Latin American Economic System (SELA), the Regional South American Infrastructure Initiative (IIRSA) and the OAS. The country is considering accession to the Association for Integration in Latin America (ALADI), and supports the resumption of FTAA negotiations. Suriname progressed well in lifting legal barriers for the CARICOM Single Market & Economy (CSME). The Revised Treaty of Chaguaramas has been incorporated in national legislation, and the law to implement the CCJ has been promulgated. As for cooperation with France (Guyane), Suriname and France are working on a cooperation treaty. This treaty, with the intended rehabilitation of the road from Paramaribo to the French border, could have important economic impacts on the border areas. In 2005 the Surinamese and French Customs (Guyane) signed a protocol of collaboration regarding ‘mutual administrative help’. The two parties have also discussed how to deal with cross border smuggling. In addition bilateral dialogue has taken place on readmission and a bilateral agreement is under ratification.

The GoS has signed/ratified some key international conventions concerning human rights, environment, gender equality, children’s rights, refugees, labour law, terrorism, organised crime including the trafficking in human beings and the smuggling of migrants by land, air and sea, readmission, and corruption. The main reason for not ratifying more is not a lack of will, but rather the lack of capacity to comprehend fully the importance of these treaties for Suriname and the capacity to process them. The GoS is considering the option to join ICC, however, the USA is putting pressure on the GoS to establish a bilateral agreement to protect US citizens. As for Suriname’s role in the regional and multilateral context, the country has provided peacekeeping forces to the UN efforts in Haiti. The fight against drug trafficking and trafficking in persons are areas where continued efforts and cooperation will be needed from Suriname within CARICOM, OAS and with USA, Brazil, France and the Netherlands.

Migration. There exists a diaspora of about 400 000 Surinamese in the Netherlands, mostly holders of Dutch passports, settled before and at the moment of independence in 1975. E/immigration between the two countries continues. It is estimated that 30-35 000 Surinamese have emigrated to Guyane (France), mainly Maroon origin and often moving between the countries. Only very few Surinamese emigrate to other countries. As for immigration to Suriname, there are three groups which are strongly present in the country, but there are no

reliable figures. As a result the estimates have a very wide range of error: up to 80 000 Guyanese, 40 000 Chinese and 50 000 Brazilians residing in the country.

II.2. Poverty reduction analysis

An analysis of poverty is provided under II.1.3. However, there is a lack of updated **data**. The Government MOP 2006-2011 aims at poverty reduction. In the UNDP HDR Report, Suriname is classified as a medium human developed country. Although urban poverty exists, the main disadvantaged groups are the Maroons and Amerindians living in the vast interior with extremely difficult connections making access to services very difficult. Most people in the interior have small farming plots and many men work in small-scale (il)legal logging and gold mining. However, it should be noted that there is no hunger in the country, though malnutrition due to bad eating habits exists. The MOP pays special attention to improving connections to the different parts of the country in order to improve access to services. The EC funded Transport Sector activities contribute to improved connections. Under the on-going health and education reform programmes, special attention is given to improving social service delivery in the interior.

II.3. The recipient country's development strategy

The **government's development strategy** and policies are documented in the Multi-Annual Development Plan 2006-2011 (MOP). The MOP was prepared on the basis of extensive consultations with a wide range of state and NSA actors. The central objectives of the new MOP are growth and poverty reduction. The strategy is based on 9 pillars: 1. Respect for Human Rights; 2. Respect for the democratic rule of law and security of citizens; 3. Economic prosperity and sustainable growth; 4. Equitable distribution of wealth; 5. The principle of sustainable development; 6. Gender equality; 7. The achievement of the MDG as a guide to the strategies to be adopted; 8. Policy coherence; and 9. Partnership between the public and the private sectors, the trade unions and NGOs. The GoS also identified six policy priorities: 1. Guarantee the revenue base of all citizens; 2. Access to social services including physical and legal security, education, health care and housing by all citizens; 3. Ensure equitable distribution of wealth by guaranteeing employment and by decentralisation of services; 4. Ensure the participation of citizens in the development process and in the institutes affecting their lives by means of decentralised government; 5. Ensure economic development by emphasising productivity, entrepreneurship, reinforcement of partnership between public and private sectors; 6. Sustainable exploitation of natural resources and development of new economic sectors.

Reform processes to achieve these goals are in place for the public sector, health, education, transport, legal protection and security, environment and agriculture (see II.1.2). Funding for these programmes is secured from the Netherlands treaty funds, IDB, EC, the UN and France.

*As for the country's **relations with its Diaspora** in the Netherlands (400 000), the estimated amount of remittances per year is 120 m €. No specific plan to use these funds or to encourage return to Suriname exists. For the **regional integration** process, see II.1.5.*

II.4. Analysis of the viability of current policies and the medium-term challenges

The main challenges facing the Government in its overall objectives of poverty reduction, guaranteed revenue base, and access to social services, are related to the lack of human capacity in the administration and to the capacity of the existing democratic and participatory decision making processes in place in Suriname to conclude difficult decisions efficiently. It should be noted that since the mid-90s Suriname has been on a path towards macro-economic stability, modernisation of the public sector, liberalisation and enhancement of the private

sector. As indicated under II.1.2., much has been achieved and several processes are on-going. The direction of the process is clear, although the speed has varied. Drug trafficking and money laundering remain issues of concern and require continued attention from the Government and its international partners.

In discussions with the Government since December 2005 the transport sector has been identified as the preferred option for continued assistance from the EC.

CHAPTER III: OVERVIEW OF PAST AND PRESENT EC COOPERATION, COMPLEMENTARITY AND CONSISTENCY

Overview of past and present EC cooperation (lessons learned)

Total EC assistance to Suriname since independence in 1975 can be estimated at 165 m €. This does not include benefits from regional programmes, trade preferences and protocols. The main areas of EC co-operation have been: The transport sector (60% of all EDF funding); Micro projects; Rice sector; Banana sector (SFA); Private sector; Environmental management; Good Governance and Democracy. Experience shows that Suriname has been slow to absorb donor funds. As a result, under the 9th EDF an accumulated amount of over 30 m € was programmed from previous EDFs. New 9th EDF A envelope funds were 11 m €.

The transport sector is the focal sector of the EC Country Support Strategy (CSP) under the 9th EDF NIP. In agreeing to this, the EC emphasised the importance of continued regular maintenance of infrastructures. With this in mind, the Financing Agreements (FAs) for infrastructure in this sector include prior actions to be taken by the Government to ensure regular and sufficient maintenance and to be implemented before the projects, namely Rehabilitation of the Port and Road to the Ferry, could start. As the EC was of the view that these measures were not being addressed adequately, the two projects remained stalled until 2005. Previously the EC had indicated that, based on detailed justifications, a request for renegotiating the FAs was possible. In August 2005, the outgoing Government asked for the preconditions to be renegotiated. By the end of 2005, it had been agreed that as the Port related preconditions had been met, the two projects would be de-linked and thus at least the Port project would move. As for the Road to the Ferry, the revised preconditions were met in June 2006 and the contract for the works has since been awarded.

Other general **lessons learned** from the past include that the implementation capacity of the Ministry of PLOS needs strengthening. Also, technical ministries need to be reinforced, so that the Ministry of PLOS is no longer required to carry out their tasks. Information exchange between the Commission and the Ministry of PLOS on requirements, procedures and processing time has been improved, which helps to avoid delays. In addition, Suriname has not benefited fully from regional, ACP wide or global (budget line) projects. A TA is on-going to strengthen PLOS to manage donor funding more effectively.

III.1.1. Focal sector: Transport

Transport has been the main sector of EC support under the 6th to 9th EDFs. Based on the EC experience in the sector, it seems to be a logical division also between donors. In addition to transport infrastructure the EC supported the establishment of a Road Authority (RA) to facilitate managing and funding of road maintenance and the drafting of a transport policy (completed in 2004, but pending Government adoption). It identifies future development needs in transport, the scope for increasing efficiency, and proposes policies and regulations, and identifies areas for investment. Appropriate transport policies and infrastructure are key in facilitating access to social services, for efficient flows of goods and people to and from other countries and in enhancing the country's competitiveness. Several transport sector activities are on-going (end 2006): Up-grading of the road to the Guyana Ferry (30 km, 13.2 m €);

Rehabilitation of Nieuwe Haven (Port of Paramaribo, 29.8 m €); Capacity building to improve the management and planning capacity of the N.V Havenbeheer (Port Authority); and Institutional strengthening of governmental agencies responsible for the planning, construction, maintenance and regulation of the transport sector including all modes of transport is to start mid-2007 (3.1 m €). This non-infrastructure support is to facilitate the implementation of the Transport sector policy. Under this project issues of gender, environment, road safety, rights of indigenous, poverty alleviation, participation and children's needs will be mainstreamed into the sector policy.

For the monitoring of the 9th EDF, the Government proposed a set of transport **indicators**. These Indicators were included in the MTR 2003. However, no centralised mechanism exists to gather these data and the proposed taskforce has not yet been established. As a result, it has not been possible to use these indicators to assess achievement. Therefore, it is important in the future to use indicators which are already measured.

The assessment of the 9th EDF transport intervention framework showed limited advancement until the end of 2005 **on impact level**: Funding to the RA (road maintenance) clearly fell short of requirements; private sector involvement in the maintenance policy formulation and implementation had been reduced by GoS interventions at the Board of Directors of the RA; private sector involvement in the Port Council had not become effective. Discussions to incorporate the proposed private sector actors are on-going; but the investment law, approved by the Parliament in 2002, has not been activated. **On the level of results**, by mid-2005, limited progress had been made in guaranteeing continued financing (Road Fund) for maintenance. However, since the new government took office in September 2005, clear advancement has taken place. An agreement has been reached on the revised preconditions for the Road to the Ferry and Rehabilitation of the Port, and these were met within the agreed revised timetable. The fuel levy has been increased fourfold, providing about 80% of the funds required for maintenance. In addition, the Government has agreed to fund a 2.6 m € increase in the cost of the Road to the Ferry since the design in 2002. A new director has been appointed to the RA. The TA contract for the institutional strengthening of the Port Authority has been awarded; and the capacity building project for the transport sector has been prepared.

Mainstreaming **cross-cutting issues** (children, gender, HIV/AIDS, culture, capacity building), capacity building and institutional strengthening are at the core of the EC approach to the sector. This is highlighted by the emphasis put on the development of a transport sector policy, on road maintenance and support to the RA. Environment is mainstreamed through the EIA in connection with works, and capacity to better understand environmental requirements are addressed by TA to various government agencies.

III.1.2 Projects and programmes outside focal sectors

Support for the non-focal sectors in the recent past has been directed to **the development of the private sector** (support to the tourism sector; support to the Suriname Business Forum (SBF), and **support to civil society** (Micro-project programmes (MPP). Support to fight drug use is on-going. Support to safeguard the cultural heritage has been provided – presently to rehabilitate the wooden cathedral, part of the UNESCO heritage site).

The logical framework for the non-focal area of the 9th EDF states that the overall objective is to, “accelerate growth and poverty reduction by facilitating trade and regional co-operation and integration” with an intervention objective of “increased trade through strengthened capacity of relevant state and NSAs.” In terms of achieving the logframe indicators, Suriname's performance has been good mainly because of improved macroeconomic management and a rise in commodity prices. As for poverty reduction, achievement of the MDGs has been mixed, with the rise in HIV/AIDS infection rates causing concern. The

ongoing EC funded projects in Suriname (notably in bananas) have contributed to the overall objective of “facilitating trade”. This in turn has stimulated “regional co-operation and integration”. Suriname is notably more present in CARICOM meetings and was one of the countries best prepared to implement the CARICOM Single Market and Economy (CSME) on 1 January 2006. Exports to the region, however, have not grown significantly.

As for the objective of “increased trade through strengthened capacity of relevant state and NSAs”, the EC funded tourism project, completed in 2005, boosted awareness in Suriname of tourism as a potential growth sector, as well as an acknowledgement that the Private Sector should be allowed to drive growth. A new phase will start in mid-2007. The Drug Demand Reduction Programme (DDR), working closely with NGOs, created notable links between DDR efforts in Suriname and within the region. The EC is also funding the Surinamese banana and rice sectors to integrate into the regional and world economies. In this respect, TA for Government capacity building in support of the preparation of the EPA was a success in 2005, with EPA awareness increasing dramatically. At the end of 2006, the Government legalised the SBF as a platform for Public-Private Sector dialogue to develop the domestic private sector. This enables the release of an agreed 2.4 m € of EC funds earmarked for the SBF. It will also harmonise the Government's approach to the NSAs as a whole, since in 2005 a formal decision was taken by Government to establish a Social and Economic Council. In this respect, the EC is making funding available for NGO capacity building (9th EDF, to start in 2007). Finally, the new Government has drafted a Multi Annual Development plan with TA support from the EC. The democratic process may also be further strengthened if recommendations of the EC funded elections programme in 2005 are acted on.

In addition, the NSAs are regularly consulted to provide input for Terms of Reference of feasibility studies and evaluations. During these studies, the consultants meet with the NSA. Draft reports are submitted for their comments. Also the draft JAR is discussed with the NSAs. However, the NSAs are in general very weak and only very few have the resources to participate in these type of consultations.

As for **cross-cutting issues**, capacity building has been and is the main thrust in all of the non-focal sector activities. The evaluation of the Tourism project (ITPD, 2005) gives a positive assessment on both as far as the private sector and government are concerned, and recommends continued support. The evaluation of the banana programme (2005) complimented the programme on the attention given to the use of environmentally sustainable production methods. The final evaluation of MPP (2005) concluded that the results of the capacity building of the NGOs had not been optimal and recommended a follow up action concentrating only on this aspect. The mid-term evaluation of the DDR (2005) was very encouraging about capacity building achieved so far. Environment and culture were emphasised under ITPD and MPP, and it is essential to look at cultural aspects and HIV/AIDS when setting out to fight drug abuse under the DDR project. The renovation of the Cathedral contributes to safeguarding the old Paramaribo, a UNESCO heritage site.

Concerning **coordination between donors** in the fields of private sector development and initiatives with NGOs, the main donors (IDB, the Netherlands, UN and EC) have been active in both sectors to varying degrees. In the area of NGO support regular meetings have been held, but meetings related to private sector development have been ad hoc.

III.1.3 Utilisation of Envelope B (1.1 m €)

The 7 m € of SYSMIN funds, which were originally under the B envelope, were released in 2004 to be used for the rehabilitation of the Port of Paramaribo. In May 2006, the Southern parts of Suriname were hit by unprecedented rains, causing flood and displacing 20 000

persons. As a response, ECHO decided to use 700 000 € from the B envelope to assist the victims. Funds are channelled through PAHO/WHO, WFP and the International Red Cross.

III.1.4 Other instruments

Under the **Banana BL SFA**'s support has been provided to restructure the banana sector with the aim of privatisation of the government-owned banana company SBBS. The project is part of the Revised Strategic Plan (2002) for the banana sector in Suriname. The overall objectives of the RSP are (1) increased foreign exchange earnings and (2) sustained rural employment and income by means of increasing productivity. Various studies, latest DFID 2004, show that the conditions in Suriname for banana production are ideal: no climatic catastrophes, hurricanes, earthquakes, volcanoes; the country is flat, there is enough water and sun, there is relatively cheap labour and Suriname has so far been spared from black Sigatoka disease.

The restructuring has been almost completed. The number of persons working for the company now exceeds the number who worked for Surland. Today some 2000 persons work directly for SBBS, making SBBS the biggest employer after the Government. The production levels have increased from about 40 containers a week to about 80 containers. The FOB cost price for 2005 was 7.81 USD/box while the objective was 6.21 USD/box. The privatisation attempt in mid-2005 was not successful as international banana operators, even though interested, did not wish to bid before the future of the "EU banana regime" was clear. However, the government remains committed to privatisation and the process was relaunched in 2006. To this end, as of October 2006, the management of SBBS has been contracted to a French company. This management contract is for two years, after which the company will be fully privatised. To date the GoS has provided SBBS/Surland with 25 m USD for repayment of debts, bank guarantees and working capital.

As Suriname is dependent on the EU market for its banana exports, the EU banana trade regime has had strong impacts on its banana sector. The uncertainties previous to the transition to the "tariff only" regime on 01.03.2006 and the modalities of import license management have slowed the restructuring of the Surinamese banana sector. At present, the EU regime offers improved perspectives for Suriname's sector: more equitable import licence management system, and perspectives for improved market access under the EPA. It should be noted that contrary to other Caribbean countries, Suriname favours a liberalised market for bananas as Surinamese bananas are competitive in the world market.

From the **Intra ACP funds**, Suriname is benefiting from two projects: 1. Integrated Development for the Caribbean Rum Sector, from which Suriname has received 60 000 € so far; and 2. Support to the competitiveness of the rice sector in the Caribbean – 24 m €, of which 9.255 m € is allocated to Suriname. The project is run by CARIFORUM and it provides for capacity building, credit and rehabilitation of irrigation canals. From the **Caribbean Regional** programme Suriname has benefited from four projects: 1. Strengthening the Institutional Response to HIV/AIDS/STD; 2. Strengthening the capacity of medical laboratories; 3. Caribbean Environmental programme; and 4. Caribbean Tourism project. Under these projects studies and training schemes have been carried out.

Some local NGOs and Government utility providers have shown interest in applying for funds from the **Water and Energy Facilities**. In 2005 as part of the fight against **AIDS, Tuberculosis and Malaria**, Suriname received US\$ 4,997,500 from the Global Fund for immediate action in terms of treatment, care and support. One **BL funded** project is presently ongoing in Suriname: Joint Programme in Sexual and Reproductive Health, implemented by UNFPA (1.7 m € for Suriname), in order to increase availability and utilisation of integrated and quality reproductive health services.

ECHO channelled 700 000 € from the B envelope through PAHO/WHO, WFP and the International Red Cross, to assist 20 000 persons displaced due to floods in Southern parts of Suriname in May 2006. The EU will continue to assist in developing and implementing a strategy for a comprehensive disaster management plan and to seek means of further streamlining responses to natural disasters. Support will give continuity to the programmes developed by ECHO, through the DIPECHO

In 1998, the **European Investment Bank** (EIB) provided a 4 m € loan to Staatsolie, for oil production and transportation. Completion was expected before the end of 2005. The outstanding arrears to the EIB amounted to 100,000 € at the end of 2005. The total outstanding EIB loans directly to borrowers incorporated in Suriname amounted to 2.5 m € by the end of 2004 and related to three active operations (signed for a total amount of 7.6 m € over the period 1989-1998). This was reduced to 0.5 m € by the end of 2005 as one operation was pre-paid. To support the emerging SMEs, EIB has provided a loan of 4 m € to Development Finance Limited (DFL) Caribbean Group. It provides advisory services to SMEs and will provide credit once this has been cleared by the Central Bank of Suriname.

There is no **Fisheries** Partnership Agreements between Suriname and the EU.

III.2 Information on the programmes of the Member States and other donors (complementarity)

Since independence in 1975 the main donor to Suriname has been the **Netherlands**. The 1975 Treaty defined the development cooperation relationship for over two decades. An amount of 1.6 billion € was made available under the so-called Treaty Funds. In addition, there are the so-called parity funds (the last instalment of the treaty funds, to be matched by equivalent Surinamese contributions). The use of the balance is guided by the 2004 Policy document “Een Rijke Relatie”. There are still 150 m € of regular treaty funds available, of which approx. 20 m € will be spent on "old" projects that are being phased out. The most important are “Fund for the Development of the Interior” and “Land Information System”. 130 m € are allocated to six sectors using the Sector Wide Approach (Agriculture, Education, Public Health, Public Housing, Environment, and Legal Protection and Security). These funds are/will be allocated through the Government budget to increase the national contributions made by Suriname from its own resources. Concerning the allocation of the parity funds (136 m €) agreements were reached in May 2006: 50 m € is earmarked for Public Sector Reform, but could be given (partially) in the form of general budget support, if certain conditions (Track Record) are met. Another 70 m € is reserved for securing the energy supply as a condition for Private Sector Development (PSD). Another 20 m € is available for other instruments for PSD (skills & development centre). The idea is to channel the parity funds as much as possible (depending on Track Record) through the national budget with only global earmarking. The aim is to phase out the development assistance to Suriname (at least the treaty funds) over the next five years.

The other Member State present in Suriname is neighbouring **France**. The border between Suriname and France is the only ACP-EU land border. Its present aid portfolio is about 1.5 m € divided into projects in health, police, culture, urban development and environment. Due to the fact that Suriname can now benefit from loans from Agence Française de Développement (AFD), AFD is preparing a strategy and discussions have been held with the EC, IDB and AFD to join forces under the 10th EDF to rehabilitate the road between Meerzorg and Albina.

Inter-American Development Bank is the only international development bank present in the country. Since 2002, its focus in Suriname has been on (a) private sector development; (b) environmentally and socially sustainable development; and (c) public sector reform. The IDB

country strategy, which is in the process of being updated, has been implemented through a number of loans and technical cooperation projects. Both lending and non-lending activities are designed to be catalytic in their respective sectors. The loan portfolio includes seven operations that amount to approximately US\$ 51 million, four of which focus on social development while the remaining three operations are in public sector reform.

III.3 Other EC policies

Analysis from an EU perspective

Trade policy has been the main policy area of concern. The EU Banana Regime has been of concern to Suriname. Suriname has been successful in restructuring its banana industry. However, the banana regime in place until the end of December 2005 was less favourable to Suriname than to other ACP countries. The new system in place as of 1.03.2006, is already more advantageous to Suriname, and could still improve Suriname chances when licences will totally disappear. As long as the licenses and historical quotas remain, Suriname will not be able to benefit fully from the trade as other ACP countries do.

Other policies are equally contributing to defining EU's development policy, including Research and Education. In the 6th Research Framework Programme (2002-2006), two ongoing projects have been financed in the fields of environment and agroforestry with a budget of 305.000 € destined to Suriname participants, and the possibilities foreseen in the 7th Research Framework Programme (2007-2013 (FP7) should be considered.

As for the other EU policy areas of environment, climate change, security, agriculture, fisheries, social dimension of globalisation, employment and decent work, migration, research and innovation, information society, transport and energy, none of these have so far played an important role in EU – Suriname relations.

Analysis from a wider donors' perspective

While there is no USAID programme for Suriname, the USA has an active presence in the country, supporting Suriname in tackling drug trafficking, TIP and related activities. Training and equipment for the army, police and judiciary have been provided. The USA is trying to persuade Suriname to sign a bilateral agreement concerning the ICC.

The other non-EU country with an active presence in Suriname is neighbouring Brazil. The relationship has become ever more active in recent years especially in the fields of migration, trade, security, the fight against the trafficking of drugs and arms.

III.4 Description of the political dialogue with the partner country

Concerning **dialogue with the NAO**, portfolio meetings to review the projects' progress are held monthly. The meetings are frank and constructive. Where appropriate the Delegation sits in project steering committees as an observer. As for dialogue concerning human rights, governance, the rule of law, the fight against illegal migration and the trafficking in human beings and the fight against corruption, etc. there are no taboos as far as topics of discussion are concerned and all the listed issues are discussed.

III.5 Description of the state of the partnership with the recipient country and progress towards harmonisation

The MOP is used by the main donors as a basis for **coordination of policies** and for their programming. **Donor coordination** is still very much donor led, but the Government intends to be more active. The Delegation participates in existing national coordination groups e.g. HIV/AIDS. General donor meetings take place monthly, as well as regular meetings with the two Member States in the country (France and the Netherlands). In addition, the main donors (EC, IDB, the Netherlands and UNDP) hold monthly meetings, and since May 2006 AFD too

has been taking part. This has been efficient, though there is always room for further improvement. Examples of well functioning donor coordination during 2005: IDB and EC contributed through UNDP to fund the organisation of the national elections; preparation of the Country Environmental Profile between IDB and EC. Presently discussions are on-going to join forces in the Transport sector under the 10th EDF between EC, France/AFD and IDB. Concerning the “Road Map for donor coordination and **harmonisation**”, EC, NL, UNDP, France and IDB drafted a harmonisation note on the way forward. It was presented officially to the Government on 20 January 2006. It includes a matrix with recommendations for better coordination and eventually harmonisation.

CHAPTER IV: RESPONSE STRATEGY

Under the 10th EDF, the EC intends to contribute to the Government’s objectives identified in the MOP, namely poverty reduction, sustained income base and equitable access to services. Maintaining the transport sector as the focal sector for the 10th EDF builds on past experiences, and complements programmes of other development partners. Support for the transport sector promotes regional and international integration and co-operation, improves access to services and the competitiveness of the private sector through improved transport links. The efficiency of transport infrastructure is key to addressing development challenges in a country over five times the size of Belgium. A draft national transport policy exists, looking at the role of transport in contributing to economic and social development. Support for the transport sector is also in line with the Cotonou Agreement, the EU Development Policy objectives (European consensus), and with the EU – Caribbean Strategy of 2006. All these policies identify transport as a means towards regional integration supporting trade and economic growth, and facilitating access to services, and thus contributing to the fight against poverty.

Concentration on transport also takes note of the fact that other sectors (health, education, housing, environment, public sector reform, trade, agriculture, legal protection and security) are covered by one or both of the other two main donors: IDB or the Dutch. As a result, none of these sectors has additional take-up capacity. Transport has traditionally been the focal sector for EC–Suriname cooperation. No other donor has been involved in the sector in any significant way in the past. Presently IDB is assisting Paramaribo to develop urban planning, and it has indicated its interest with France in joining forces with the EC to fund the rehabilitation of the road between Meerzorg^{xxxiv} and Albina. As a result, the Government has requested the EC to maintain transport as the focal sector under the 10th EDF.

Presently the transport sector in Suriname is in transition. The Government is moving towards reducing its direct involvement in transport operations while concentrating on policy and regulatory issues. In particular, it is clear that the Government is having difficulties to maintain the transport infrastructure and equipment. These issues are being addressed through the two EC funded capacity building projects: Capacity building of the N.V. Havenbeheer (Port Authority, on-going), and Capacity building to the Transport sector (to start mid-2007), namely to the Ministries of Public Works; and of Transport, Communications and Tourism; Road Authority; air transport sector authorities and Ministry of Regional Development. The draft Transport Sector Policy identifies four areas for major infrastructure expenditure: 1. Transport infrastructure to support the exploitation of bauxite in the Bakhuis mountains, to be provided by the mining companies; 2. Channel dredging in the Suriname river, to be paid for by the bauxite exporters; 3. Urban road capacity in Paramaribo, being looked at by IDB; and 4. Rehabilitation of the Paramaribo - Albina and Paramaribo - Paranam roads.

As a result of the continued needs in the sector and in accordance with the preference of the GoS, it is proposed to allocate 85% of the 10th EDF to the transport sector.

The preferred activity under this sector will be to rehabilitate the Meerzorg - Albina Road. As the cost (rough estimate 60-70 m €) clearly exceeds the means of the EC, the government has, in close contact with the EC, discussed with France (Agence Française de Développement, AFD) and IDB the possibility of co-funding. Both organisations have expressed their strong interest and they would participate in the funding through loans. However, if this joint funding is not possible, another activity contributing to the same objective will be identified.

The remaining 15% is considered too small to be divided. As a result, it will be allocated for the TCF. Activities under the TCF will facilitate and support the implementation of the CSP. It can be used to address issues related to the cross-cutting issues: good governance, gender, NSA, environment, EPA support, human rights, children's rights, indigenous peoples, conflict prevention and contributions to regional projects where feasible.

The **overall objective** of the 10th EDF would be to contribute to the Surinamese National Development Strategy (MOP) in achieving poverty reduction, a sustained income base and equitable access to services; and the EU Consensus objective of regional integration.

The **specific objective** is improved connectivity, flow of goods and persons within Suriname and between Suriname and its neighbours, and increased trade with neighbouring countries.

As for **budget support**, Suriname does not have a programme with the IMF. Assessments made by IDB and the IMF Article IV consultations indicate that there is much room for improvement in public finances: laws and procedures are outdated and there are very few checks and balances. Also the limited audit done in 2004 in connection to the implementation of the banana SFAs concluded that the management of those funds had to remain with the Delegation due to lack of management capacity in public finances by the Government. The IDB is funding a public sector reform programme and support has been given in the past by IDB and the Dutch to improve the management of public finances, but progress is very slow. The Government has so far not shown any interest in budget support. As a result, budget support is not an option and a project approach will be maintained.

Two **risks** associated with the strategy can be identified. First, it is assumed that GoS remains committed to the modernisation of the transport sector. This process is facilitated by the institutional strengthening projects already on-going under earlier EDFs. The new Government is showing renewed commitment to the modernisation of the sector. A list of GoS commitments is in annex 9. Second, there is the risk that for some reason the negotiations between EC, France/AFD and IDB might not be successful. Then a new activity in the sector would have to be identified. However, both France/AFD and IDB have expressed their strong willingness and interest to join forces to rehabilitate the Albina road. The main challenge is to find common procedures acceptable to the legal services of the three donors and GoS.

As the envelope allocated to Suriname is small, there will be no non-focal sector. The **cross-cutting issues** will be addressed as needs arise with funds from the TCF. An EIA and a Social Impact Assessment (SIA) will be carried out during the preparation of the Road Rehabilitation Project, and the recommendations will be integrated into the project. Under the SIA, issues related to HIV/AIDS and indigenous people will be studied.

As for **funds outside the NIP**, the support for the restructuring of the banana sector will continue with funding from the SFA in order to implement the national strategy for the sector.

PART 2: INDICATIVE PROGRAMME

1 Indicative Programme

1.1 Introduction

On the basis of the cooperation strategy presented in Part One and in accordance with Article 4 of Annex IV to the Cotonou Agreement, the Indicative Programme has been drawn up as a set of tables showing the intervention framework for each sector, the financial programming timetable and a detailed schedule of activities for all listed programmes over a rolling three-year period. More information on the transport sector can be found in the annex.

Amounts mentioned in this chapter indicate the overall breakdown of funds between the focal sector(s), macro-economic support and other programmes. The breakdown may be adjusted in the light of the operational, mid-term, final or ad hoc reviews. However, for any adjustment resulting in a substantial change to the structure of the response strategy, a formal decision in the form of an addendum to the strategy document will be required.

1.2 Financial instruments

The implementation of the EC's cooperation strategy with the Republic of Suriname will be financed from several financial instruments. The following is an indication of their mobilisation as currently envisaged.

<i>Focal sector 1:</i>		<i>financial instrument</i>
Transport Sector	€ 17.5 million, 88.4% of total	project support

Other programmes € 2.3 million, 11.6% of total, max 15% project support

of which: Technical Cooperation Facility € 2.3 million

Funds under the TCF will be used to facilitate and support the implementation of the CSP for Suriname and the funds will also be used, when required, to address cross-cutting issues, namely good governance, gender, participation of NSAs, environment, EPA support and for eventual contributions to regional projects.

In accordance with Article 3(5) of Annex IV to the Cotonou Agreement, this amount may, if necessary, be increased in the light of the operational or ad hoc reviews.

Some specific activities may be supported by the **Centre for the Development of Enterprise** (CDE) and the Centre for the Development of Agriculture (CTA).

1.2.5. Other financial instruments:

Specific activities may be supported by external actions funded by the general budget of the European Community carried out under the financial framework for 2007-2013 subject to special procedure and availability of funds, and out of the own resources of the EIB. Actions funded by the general budget include, among others, programmes funded under the Development Cooperation Instrument such as the thematic programmes "investing in people", "non state actors in development", "migration and asylum", "environment and sustainable management of natural resources" and "food security", as well as actions funded from other instruments such as the stability instrument, the instrument for the promotion of human rights and democracy or the instrument for humanitarian and emergency assistance.

1.2.6. Monitoring and evaluation

Monitoring of results and evaluations of impact of individual activities (programmes, projects, sectors) under this CSP will be undertaken in line with the Technical and

Administrative Provisions that are attached to each individual Financial Agreement prepared to implement this CSP.

The results and impact of the Community's cooperation with Suriname implemented through the NIP and through other external actions funded by the general budget of the European Community, will be assessed by means of an independent external evaluation. This country-level evaluation may be undertaken jointly with EU Member States and possibly also with other donor agencies.

1.3 Focal sector(s)

Transport Sector

The following specific objective will be pursued:

Improved connectivity, flow of goods and persons within Suriname and between Suriname and neighbouring countries, increased trade with neighbouring countries.

As an indicative amount, approximately € 17.5 million will be set aside for this field.

The main action proposed is:

The rehabilitation of the road between Albina and Meerzorg (137 km), including supervision.

As the cost of this road rehabilitation (rough estimate 60-70 m €) exceeds the amount available under the 10th EDF, it is envisaged that the rehabilitation be jointly funded between the EC, France (Agence Française de Développement, AFD) and the Inter-American Development Bank IDB. Both organisations have expressed their strong interest and they would participate in the funding through loans. However, if this joint funding is not possible, another road will be identified for rehabilitation.

The main implementing instrument will be: project support

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy in this field are listed in Annex 2.

These accompanying measures were agreed with the Government at the time of renegotiating the preconditions to unblock the Road to the Ferry project in February 2006 and are concerned with the implementation of the Transport sector policy and regulations, role of the Road Authority and setting the fuel levy "Opcenten" as a percentage rather than a fixed amount.

The main commitments by the Government to ensure mainstreaming of the crosscutting issues are:

The appropriate type of environmental assessment (SEA or EIA) will be carried out, as well as a social impact study (SIA), and the recommendations will be incorporated in the implementation of the project.

1.4 General budget support

No budget support is currently provided for in the context of the 10th EDF. However, should conditions change so as to make it feasible and opportune, part of the A-envelope can be reprogrammed for general budget support at a later stage, by agreement between the National Authorising Officer and the Commission's services to be reached in the context of a mid-term or end of term review. It is understood that the agreement on the reallocation of funds to the focal areas should take the form of an addendum to the CSP.

1.5 Other programmes

An indicative amount of € 2.3 million is set aside for the following action:

- The Technical Cooperation Facility

Due to the restricted amount of the A envelope allocation, all remaining funds will be allocated to be used through the TCF rather than dividing them into very small projects. From the TCF, activities will be funded to facilitate and support the implementation of the CSP for Suriname and to address cross-cutting issues, namely good governance, gender, participation of NSAs, environment, EPA support, human rights, children's rights, indigenous peoples, conflict prevention and for eventual contributions to regional projects.

As for institutional support for non-state actors, (see Article 6 of the Cotonou Agreement and Article 4(1)(d) of Annex IV to the Cotonou Agreement), several projects under the 9th EDF are in the pipeline to be prepared and/or implemented, namely Support to the Suriname Business Forum, Institutional Strengthening for the Tourism sector, and Institutional strengthening to NGOs: no specific action is foreseen under the 10th EDF at this stage. However, the NSA can be supported through the TCF when necessary and feasible.

TCF will also be used as a reserve for insurance against possible claims and to cover cost increases and contingencies.

When needed, the appropriate type of environmental assessment (SEA or EIA) and social assessment (SIA) will be carried out.

1.6 Intervention Framework & Performance Indicators

First Focal Sector - Transport

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives	Contribute to the objectives of the Government's Multi-annual plan (MOP) to <ul style="list-style-type: none"> - achieve poverty reduction, - sustained income base and - equitable access to social services; as well as EU Consensus objective of - regional integration.. 	<ul style="list-style-type: none"> - growth of GDP - % of persons living in poverty - unemployment rate - literacy rate - health coverage - increased trade volumes with the region 	<ul style="list-style-type: none"> - PLOS - Bureau of Statistics - Ministry of Finance - IMF - Customs statistics 	<ul style="list-style-type: none"> - stable macro-economic and social environment - Public sector reform, Health sector plan and Education sector plan implemented - further deregulation and liberalization for enhanced private sector development
Programme Purpose	Improved connectivity, flow of goods and persons within Suriname and between Suriname and neighbouring countries thereby enhancing access to social services and private sector development, increased trade with neighbouring countries	<ul style="list-style-type: none"> - traffic flow - frequency of transport services - traffic flow between Suriname and the Departement de Gyane (France) and between Suriname and Guyana 	<ul style="list-style-type: none"> - traffic survey - private operators/surveys 	<ul style="list-style-type: none"> - ferry service between France and Suriname maintained operational
Results	Condition of Road between Albina and Meerzorg 137 km improved	<ul style="list-style-type: none"> - international roughness index - vehicle operating costs 	<ul style="list-style-type: none"> - condition survey - private operators/surveys 	<ul style="list-style-type: none"> - Accompanying measures are implemented and thus road maintenance is assured through the efficient functioning of the Road Authority, - Transport Sector Plan implemented

1.7 Indicative timetable for commitments and disbursements

1.7.1 Indicative timetable of global commitments

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
1. FOCAL SECTOR – Transport	17.5 M €						
- Project 1 Road Rehabilitation, including supervision	17.5 M €	17.5					
NON FOCAL SECTOR	2.3 M €						
- Technical cooperation facility	2.3 M €	2.3					
Total Global Commitments:	M €	19.8					
Total Cumulative Global Commitments :	M €	19.8					

1.7.2 Indicative timetable of disbursements

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
1ST FOCAL SECTOR – Transport Sector	17.5 M€						
- Project 1: Road Rehabilitation, including supervision	17.5 M€						
Commitment			17.5				
Disbursements			2.5	3.5	3.5	3.5	3.5
NON FOCAL SECTORS	2.3 M€						
- Technical cooperation facility	2.3 M€						
Commitment				1.3			
Disbursements				0.1	0.3	0.3	0.3
Total Commitments :			17.5		1.3		
Total Cumulative Commitments :			17.5		18.8		18.8

1.8 Chronogram of activities

1 st FOCAL AREA (17.5 M €)	Indicative allocation	2006				2007			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Project 1 Road Rehabilitation, including supervision	17.5 M €				PS			FS	

1 st FOCAL AREA (17.5 M €)	Indicative allocation	2008				2009				2010→			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Project 1 Road Rehabilitation, including supervision	17.5 M €		FP	FD	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ	
NON FOCAL AREA (2.3 M €)		2008				2009				2010→			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
- Technical cooperation facility	2.3 M €		FP	FD	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ	ζ

FS: Feasibility Study
 FP: Financing proposal
 FD: Financing decision
 ζ: Project implementation
 PS: Pre-feasibility Study

ANNEX I **Transport Sector**

1. EC Support to the Transport sector

Transport has been the main sector of EC support under the 6th, 7th, 8th and 9th EDFs. **In the past**, the EC has supported projects to rehabilitate ports, improve regional aviation, establish a ferry crossing to Guyana and to build and rehabilitate roads in Suriname. The EC funded the Suriname Road Rehabilitation Programme under 6th and 7th EDF and has supported the establishment of a Road Authority to facilitate managing and funding of road maintenance. The EC has also supported the drafting of a transport policy for Suriname (completed in 2004), which identifies the future development needs in transport, the scope for increasing its efficiency and proposes appropriate policies and regulations, measures for institutional strengthening as well as identifies areas for investment. Appropriate transport policies and an efficient transport infrastructure play a key role in facilitating efficient flows of goods and people to and from other countries in the region as well as the rest of the world and in enhancing the country's competitiveness.

Several transport sector projects are **on-going** (as of June 2006). The 8th EDF project to upgrade the dirt road to the Suriname Guyana Ferry (to South Drain, about 30 km) has started in Q2 2007 (EUR 13 Mio). The Works for the rehabilitation of Nieuwe Haven (Port of Paramaribo, 9th EDF, € 28.5 Mio) is on-going, and a capacity building project to improve the management and planning capacity of the N.V Havenbeheer (Port Authority) is ongoing. In addition, a project (3.1 M €, 9th EDF) to provide capacity building to the different ministries and governmental agencies responsible for the planning, construction, maintenance and regulation of the different transport sector aspects for all modes of transport (road, air, river) was signed by Q3 2007. This non-infrastructure support to the transport sector is to facilitate the implementation of the Transport sector policy drafted in 2004.

2. Present status of the transport sector

Presently the transport sector in Suriname is in a transition phase. The Government is gradually moving towards reducing its direct involvement in transport operations and concentrating on policy and regulatory questions. There is a general acceptance that the sector needs to become more efficient. In particular, it is clear that the State Owned Enterprises, and Government departments, are failing to maintain the transport infrastructure and equipment for which they are responsible. Long-term sustainability will require greater private sector involvement in transport operations and infrastructure, and to achieve greater efficiency, this will require competition. These issues are being addressed through the two EC funded capacity building projects: Capacity building of the N.V. Havenbeheer (Port Authority, on-going), and Capacity building to the Transport sector (under preparation), namely to the Ministry of Public Works, Ministry of Transport, Communications and Tourism; Road Authority, air transport sector authorities and Ministry of Regional Development which is responsible of the tertiary road network.

In general, transport infrastructure is adequate for the demands placed on it. Traffic flows outside Paramaribo are low, and there is no immediate requirement for extending the road network, although a large proportion of the paved network is in urgent need of rehabilitation.

Airport capacity is also adequate for the foreseeable future, as is ro-ro ferry provision at the international river crossings. Once the EDF financed rehabilitation of Nieuwe Haven in Paramaribo, is complete, port capacity should be adequate.

The main infrastructure problem thus is to ensure that adequate financial provision is made for maintenance. This is a pressing problem in the road sector, but will also be an issue for the port and airport sub-sectors. The issue of planning and management of road maintenance is addressed under the new EC funded Capacity building to the Transport sector project. Also as a precondition to the awarding of the works contract for the rehabilitation of the Road to South Drain, the Government committed itself to increase the fuel levy to 6 SRD cents for both fuel and diesel, thus multiplying the present funds available to road maintenance by four, hereby providing for sufficient financial resources to maintain the primary road network. The law to implement this increase was approved on 6 June 2006 and gazetted on 19 June 2006.

However, the draft Transport Sector Policy identifies four areas where major infrastructure expenditure may be required:

- Transport infrastructure to support the exploitation of bauxite in the Bakhuis mountains, which should be provided by the mining companies
- Channel dredging in the Suriname river, which will require a feasibility study, and should probably be paid for by the bauxite exporters
- Urban road capacity in Paramaribo, which can be handled by traffic management measures. This is being looked at by IDB.
- A long-term need to rehabilitate sections of the inter-urban main road network, notably the Paramaribo - Albina and Paramaribo - Paramaribo roads.

In 2003 the unit costs to rehabilitate the two last roads were estimated to be in the range US\$ 200,000 to US\$ 300,000 per km, suggesting a total cost of US\$ 30 – 45 million for the Albina road and US\$ 10 – 15 million for the Paramaribo road. However, due to important increases in fuel costs and the further deterioration of the roads a rough estimate at present is that the costs would have doubled. Expenditure of this magnitude will require full economic and engineering feasibility studies to ensure that the road design is appropriate and that the investment is economically justified as well as Environmental and Social Impact Assessments.

Maintaining transport sector as the focal sector for the 10th EDF addresses the priority challenges of Suriname identified in the Government Multi-annual Plan (MOP 2006-2011), and builds on the past experiences of EC in Suriname, and would complement programmes of other development co-operation partners, by promoting regional and international integration and co-operation, improving access to services and by improving the competitiveness of the private sector through improved transport links. Support to the transport sector is in line with the Cotonou Agreement, the EU Development Policy objectives (European consensus), and with the EU – Caribbean Strategy of 2006. All these policy documents identify transport as a means towards regional integration thus supporting trade and economic growth, and also facilitating access to services, and thus in conclusion contributing to the fight against poverty.

Support to the transport sector will specifically address several of the key objectives of the Government's Multi-annual Plan, namely

- Improve access to social services (health, education) by all citizens.

The Road to Albina would especially improve the access to and from a region which has largely been neglected since the mid 80s due to the civil war.

- Ensure equitable distribution of wealth by guaranteeing employment and by decentralisation of services

The rehabilitation of this road would facilitate the development of the private sector in the Albina region and would thus create employment and contribute to economic growth.

- Ensure the participation of citizens in the development process and in the institutes which affect their lives by means of decentralisation of government

The improved connection between the Albina region and Paramaribo would facilitate the on-going decentralisation process (funded by IDB).

- Sustainable exploitation of natural resources and development of new sectors of economic activity

The improved condition of the road would also make it easier to exploit the natural resources of the Albina region (forest, agriculture, mining). However, attention should be paid to the environmental aspect of this development.

ANNEX II

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy

These accompanying measures were discussed and agreed on between the Government of Suriname and the European Commission during the negotiations to renegotiate the preconditions of the Road to the Ferry project in February 2006. As a result of the negotiations the Government agreed to implement the following accompanying measures within the set timeline:

- commence implementation of the Institutional strengthening for the transport sector as soon as the project is approved by European Commission
- set fuel levy “Opcenten” to become a percentage of the pump price and steadily increase the level to cover full maintenance costs of the primary road network under the management of the Road Authority: percentage by 1 January 2008
- formally transfer to the Road Authority 750 km of primary roads (inclusive the current approximately 350 km maintained by the Road Authority)

2006 500 km

2007 100 km

2008 100 km

2009 50 km

- forward and adapt the existing traffic regulation including provisions for agricultural vehicles and axle load control: 1 August 2008
- implement legislation clarifying the roles and responsibilities of the Road Authority vis-à-vis the Ministry of Public works including arrangements for transferring the fuel levy to a Road Fund: 1 January 2008

ANNEXES

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Not applicable
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ANNEX 1A Economic and social statistics

Table of macroeconomic indicators

		2000	2001	2002	2003	2004	2005
Basic data							
1	Estimated Population (in 1000) at end of the year	466.6	473.5	479.2	483.0*	502.6	NA
	- annual change in %	1.2	1.5	1.2	1.5	1.5	NA
2a	Nominal GDP (mp)(in 1000 SRD)	1167.633	1663.541	2581.821	3381.932	4107.318	NA
2b	Nominal GDP (mp) per capita (in SRD)	2517	3539	5420	7005	8334	NA
2c	- annual change in %	NA	41	53	29	19	NA
3	Real GDP (annual change in %)	2	5	2	5	8	NA
4	Gross fixed capital formation (in % of GDP)	NA	NA	NA	NA	NA	NA
International transactions							
5	Exports of goods and services (in % of GDP)	55	65	36	43	52	NA
	- of which the most important: ... (in % of GDP)	NA	NA	NA	NA	NA	NA
6	Trade balance (in % of GDP)	-1.5	-7.5	-3.8	-7.0	4.5	NA
7	Current account balance (in % of GDP)	-0.2	-11.6	-12.4	-12.4	-9.3	NA
8	Net inflows of foreign direct investment (in % of GDP)	NA	NA	NA	NA	NA	NA
9	External debt (in % of GDP)	41	58	39	36	36	
10	Service of external debt (in % of exports of goods and non-factor services)	NA	NA	NA	NA	NA	NA
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	NA	NA	NA	2.0	2.0	1.7
Government							
12	Revenues (in % of GDP)	30	35	34	31	29	NA
	- of which: grants (in % of GDP)		3.0	1.2	1.4	1.4	NA
13	Expenditure (in % of GDP)	32	40	36	35	38	NA
	- of which: capital expenditure (in % of GDP)	NA	2.0	1.7	1.3	2.4	NA
14a	Deficit (in % of GDP) including grants	NA	NA	NA	NA	NA	NA
14b	Deficit (in % of GDP) excluding grants	NA	NA	NA	NA	NA	NA
15	Debt (in % of GDP)	58	75	49	46	51	NA
	- of which: external (in % of total public debt)	70	77	79	80	70	NA
Other							
16	Consumer price inflation (annual average change in %)	59.3	38.6	15.5	NA	NA	9.5
17	Interest rate (for money, annual rate in %)	29	23.5	21.1	20.8	19.0	17.1
18	Exchange rate (annual average of national currency per 1 €)	NA	2.35	3.15	3.48	3.46**	NA
19	Unemployment (in % of labour force, ILO definition)	14	14	10	7	8**	NA
20	Employment in agriculture (in % of total employment)	13	13	11	11	12	NA

*Population and Housing Census march 31, 2003

** Up to May 2006, (source Central Bank of Suriname)

*** Census figures of all districts (The years 2000-2003 have figures for two districts; Paramaribo en Wanica)

Table of indicators for the MDGs

Type		Indicator	1990	2000	2004	2005	2006	2007	2008	2009	2013	2015	
Impact	1	Proportion of population living on less than USD 1 per day ² (%)	NA	> 50									
	2	Prevalence of underweight children (under-five years of age)	NA	13%									
	3	Under-five mortality rate (per 1000)	44	32									
Outputs	4	Net enrolment ratio in primary education (%)	NA	87 (c)									
	5	Primary Completion Rate grade 6 (%)	NA	71.0									
	6	Ratio of girls to boys in:	NA										
		primary education	0.96	0.96									
		secondary education	NA	1.13									
		tertiary education	NA	1.79									
	7	Proportion of births attended by skilled medical personnel (%)	NA	85									
	8	Proportion of one-year-old children immunised against measles (%)	65	90									
	9	HIV prevalence among 15 to 24 year old pregnant women (%)	NA	1.4	2								
	10	Proportion of population with sustainable access to an improved water source (%)	NA	73									

a 37/1000 was calculated by Unicef. The more accurate value is 27/1000 (this is an estimate, because true values about the real number of live births is not available yet: CBB)

c Big differences between net enrolment in urban and rural areas: rural areas:50-60% and urban areas:95-98%. Mean value: 87%.

² Indicator 1 may be replaced by an equivalent indicator based on national poverty thresholds, in which case a comment will be needed to permit consistent interpretation of data over time.

ANNEX 1B Demographic statistics

	1980			2004			% of total			
	male	female	total	male	female	total	male	female	total	
coastal	NA	NA	NA	204,934	196,950	401,884	41.61%	39.99%	81.61%	
interior	NA	NA	NA	42,912	47,668	90,580	8.71%	9.68%	18.39%	
age group	0-14	72,753	71,468	144,221	74,308	72,019	146,327	15.09%	14.62%	29.71%
	15-59	90,730	94,553	185,283	151,032	148,378	299,410	30.67%	30.13%	60.80%
	60+	10,583	11,567	22,150	19,712	22,463	42,175	4.00%	4.56%	8.56%
	Unknown	1,568	1,638	3,206	2,794	1,758	4,552	0.57%	0.36%	0.92%
	total	175,634	179,226	354,860	247,846	244,618	492,464	50.33%	49.67%	100.00%
Emigration	NA	NA	NA	1553	1822	3375 ³	NA	NA	NA	
Immigration	NA	NA	NA	920	670	1590	NA	NA	NA	

Source: General Bureau of Statistics, Suriname_Census-2004_Final-Volume-I

³ According to CBS Netherlands

ANNEX 1C Main political events

Main political events of Suriname: Independence Day (1975) — present

Status	Name	Period	Short Explanation
Independence Day		25 November 1975	Suriname independence from Netherlands
Elected by Parliament	Mr. J.H.E. Ferrier	25 November 1975 - 13 august 1980	Suriname president Johan Ferrier ousted August 13 in History
Military Regime	Military Coup	25 February 1980	Mr. Desi Bouterse and 16 other sergeants assume government over the country. Bouterse is appointed by the group as Commander in Chief of the armed forces
	National Military Council	25 February – 14 august 1980	
	Mr. H.R. Chin a Sen	15 august 1980 - 4 February 1982	Mr. Chin A Sen resigns and fled to the Netherlands February 5, 1982
	Mr. L.F. Ramdatmisier	8 February 1982 - 25 January 1988	
Elections	Mr. R. Shankar	25 January 1988 - 24 December 1990	Mr. Desi Bouterse resigns on the 22 December 1990 and on 24 December 1990 the Military assume government over the country once more
Military Regime	Mr. I. Graanoogst	24 December 1990 - 29 December 1990	Mr. Ivan Graanoogst appointed as President a.i. On 27 December parliament instated the resign of the government. On 31 December 1990 Bouterse was appointed again as Commander in Chief of the armed forces
	Mr. J.S.P. Kraag	29 December 1, 990 - 16 September 1991	New constitution and Preparations for Elections
Elections	Mr. R.R. Venetiaan	16 September 1991 - 15 September 1996	
Elections	Mr. J.A. Wijdenbosch	15 September 1996 - 12 augusts 2000	
Elections	Mr. R.R. Venetiaan	12 Augusts 2000 - 12 augusts 2005	
Elections	Mr. R.R. Venetiaan	12 Augusts 2005 - present	

ANNEX 2A Donor matrix by Sector

Donor/ Sector	Budget policy	Monetary policy	Rural development	Mining	Energy	Transport	Education	Health	Water	Urban development	Gender	Environment	CDMT and priority areas	Decentralisation	Judicial	Poverty monitoring	Private sector and NGOs (1)	Culture, youth, communication (1)	Total
Multilateral																			
Millions (Euro)																			
PAHO								0.44											0.44
WWF												1.19							1.19
Inter-American Development Bank	22.72	0.56	8.24	0.19	0.16		10.0	5.69		0.20	0.22	0.08		3.9	0.49	16.14	2.62	0.12	71.33
UNDP+	0.48			0.07								0.26			0.07	0.13	0.69	1.26	2.96
UNICEF							0.09					0.49							0.58
Conservation International Suriname																			
EC + MS																			
Millions (Euro)																			
France								0.38		0.15		1.5			0.41		0.50	0.04	2.98
The Netherlands	211.5		23.2				12.5	22.4	21.0	29.2	0.5	22.2			5.5		1.8	5.4	355.2
EC	1.13		31.73			47.1		2.59									6.5	2.8	91.85
OTHER																			
Millions (Euro)																			
India	12.8			2.0	0.4	1.4			4.2										20.8
China			106.4			42.6				9.5									158.5
Total	248.63	0.56	169.57	2.26	0.56	91.1	22.59	31.5	25.2	39.05	0.72	25.72		3.9	6.47	16.27	12.11	9.62	705.83
% EC	0.45	0	18.71	0	0	51.7	0	8.2	0	0	0	0		0	0	0	53.67	29.11	13.01

ANNEX 2B Donor matrix by Donor

DONOR MATRIX 2005 onwards

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment /Gender
INDIA*						
Loan 20.8 Mio €	• Water drainage project (concessional loan)	Ongoing		4.2 Mio €		
	• Steel rolling mill at Paranam (concessional loan)	Ongoing			2.0 Mio €	
	• 14 heavy duty earth excavators (concessional loan)	Ongoing			1.4 Mio €	
	• Solar powered traffic signals system in Paramaribo (concessional loan)	Ongoing	0.4 Mio €			
	• 161 KV electric transmission line from Paranam to Paramaribo/ • Defense related equipments for Ministry of Defense (concessional loan)	Ongoing	12.8 Mio €			
Loan			13.2 Mio €	4.2 Mio €	3.4 Mio €	
* Originally stated in US\$ amounts: converted at a rate of 1.25 €/US\$						
INDONESIA						
	• Per year 3 scholarships for master degrees are awarded	Ongoing				
	• Per year 2 scholarships for non-degrees are awarded	Ongoing				
	• Scholarship for military/policy officer/command training	Ongoing				
	• Providing teacher to classical dance and music from Indonesia	Ongoing				
	• Presenting Suriname as “The Central of Wayang in Southern America/Establish Permanent Secretariat to maintain/develop Indonesian arts in Suriname	Ongoing				
	• Providing sponsorship for Surinamese to attend Language Congress in Indonesia	Ongoing				
	• Providing supporting tool of traditional arts dance costumes, martial arts Pencak silat	Foreseen				
	• Providing teacher for (promotion of) Javanese language	Foreseen				
	• Providing expert in horticulture (rice and fruit)	Foreseen				
	• Providing expert in fishery (aquaculture)	Foreseen				

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment /Gender
CHINA*						
Grant 9.5 Mio €	<ul style="list-style-type: none"> New office building for the Ministry of Foreign affairs Housing programme Road Rehabilitation Project (2nd phase) Support to industrial development (grant/loan) Palm Tree Plantation & Processing Project Low-cost housing project in Paramaribo 	To be closed	3.90 Mio €	1.60 Mio €	42.60 Mio €	
		Closed				
		Ongoing				
		Foreseen				
		Foreseen				
Loan/grant 149 Mio €		Foreseen	4.00 Mio €		92.80 Mio €	
Grant Loan/grant			7.90 Mio €	1.60 Mio €	149.0 Mio €	

FRANCE						
Grant 2.48 Mio €	<ul style="list-style-type: none"> Combat transmissible diseases, especially malaria, amongst Marowijne area, 3 yr program Institutional support to increase capacities of Surinamese Police, Justice & Customs, 3 year program Promotion of the French language Cultural and sportive exchange across the Guiana shield Financing of project studies (loan) TA to urban development plan for Suriname FFEM (French Global Environment Fund): contribution to regional sustainable forest management in the Guyana Shield – project implemented by WWF 	Ongoing	0.41 Mio €	0.38 Mio €		
		Ongoing				
		Ongoing		0.01 Mio €		
		Ongoing		0.03 Mio €		
		Ongoing		0.50 Mio €		
		Closed		0.15 Mio €		
		Ongoing				
Grant Loan			0.41 Mio €	0.57 Mio € 0.50 Mio €		1.5 Mio €

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment /Gender
THE NETHERLANDS						
Grant 355.2 Mio €	• Land management	Ongoing	10.9.Mio €			
	• Sector fund Government	Foreseen	15.0 Mio €			
	• Start fund sectoral approach	Ongoing	25.2 Mio €			
	• Preparation fund PLOS	Ongoing	3.0 Mio €			
	• National Archive	Foreseen	5.4 Mio €			
	• Justice building	Foreseen	5.5 Mio €			
	• Sector Fund housing incl. IDB program Low Income Shelter.	Ongoing		18.3 Mio €		
	• Health Care projects	Ongoing		8.8 Mio €		
	• Sector Fund Health Care	Ongoing		10.1 Mio €		
	• Educational projects	Ongoing		2.3 Mio €		
	• Sector Fund Education	Ongoing		10.2 Mio €		
	• IFONS	Foreseen		11.3 Mio €		
	• Agricultural Projects	Ongoing			5.0.Mio €	
	• Sector Fund Agriculture	Ongoing			18.2 Mio €	
	• TA private sector	Foreseen			1.8 Mio.€	
	• Environmental projects	Ongoing				4.0 Mio €
	• Sector Fund Environment	Foreseen				15.0.Mio €
	• Suriname Conservation International	Ongoing				3.2 Mio €
	• Water projects	Ongoing				21.0 Mio €
	• Capacity building	Foreseen	21.0 Mio €			
• Parity Fund (PSR)	Foreseen	136.0 Mio €				
• HIV/Aids Prevention programme	Ongoing			3.5 Mio €		
• Local Women's Fund	Ongoing				0.5 Mio €	
Grant			222.0 Mio €	64.5 Mio €	25.0 Mio €	43.7 Mio €

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment /Gender
EUROPEAN COMMISSION						
Grant 91.85 Mio € 2006-2009	• Capacity Building for Road Authority and Policy Support (phase II),	Foreseen	3.10 Mio €			
	• Capacity building for NGOs,	Foreseen	1.50 Mio €			
	• Support to Regional Integration,	Foreseen	1.10 Mio €			
	• Business Forum; Support to the Private/Public Partnership	Foreseen	2.40 Mio €			
	• 9 th EDF Technical cooperation facility	Ongoing	1.13 Mio €			
	• Suriname/EC/UNFPA Joint Program in Sexual Reproductive Health	Ongoing		1.70 Mio €		
	• Drug demand reduction program	Ongoing		0.89 Mio €		
	• Restoration of the Cathedral	Ongoing		2.80 Mio €		
	• Construction of road to the ferry	Foreseen				13.20 Mio €
	• Rehabilitation, upgrading of harbor	Ongoing				29.80 Mio €
	• TA to port rehabilitation,	Ongoing				1.00 Mio €
	• Support to banana sector	Ongoing				20.00 Mio €
	• Support to rice sector	Ongoing				9.23 Mio €
	• Continued support to Tourism Sector	Foreseen				1.50 Mio €
• Emergency support to Banana Sector	Ongoing				2.50 Mio €	
Grant			9.23 Mio €	5.39 Mio €	77.23 Mio €	

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment /Gender
INTER-AMERICAN DEVELOPMENT BANK*						
Grant 8.38 Mio €	• Census preparation (loan)	Ongoing	3.37 Mio €			
	• Decentralization (loan)	Ongoing	3.90 Mio €			
	• Health sector reform program (loan)	Ongoing		4.00 Mio €		
	• Strengthening of Public Sector Management (loan)	Ongoing		4.00 Mio €		
	• Low income shelter (loan)	Ongoing		7.84 Mio €		
	• Community Development Fund (loan)	Ongoing		8.24 Mio €		
	• Basic Education Improvement (loan)	Ongoing		10.00 Mio €		
	• Trade Sector Reform (loan)	Ongoing	3.20 Mio €			
	• Health Sector Reform Program (grant)	Closing		1,09 Mio €		
	• Strengthening Financial Sector (grant)	Ongoing	0.40 Mio €			
	• Public Sector Road Map (grant)	Ongoing	0.54 Mio €			
	• Sustainable Tourism Development (grant)	Ongoing				0.67 Mio €
	• Institutional strengthening of National Assembly (grant)	Ongoing	0.49 Mio €			
	• Institutional Strengthening of Debt Management (grant)	Ongoing	0.48 Mio €			
	• Entrepreneurship promotion (grant)	Ongoing				0.20 Mio €
	• Strengthening Airport Security (grant)	Ongoing				0.35 Mio €
	• Youth Empowerment and Development (grant)	Closing			0.12 Mio €	
	• Integrated Coastal Zone Management (grant)	Ongoing				0.08 Mio €
	• Power Sector Assessment (grant)	Ongoing				0.16 Mio €
	• Indigenous People and Mining (grant)	Ongoing				0.11 Mio €
• Strengthening Legal and Institutional foundation for Private Investment (grant)	Ongoing				0.08 Mio €	
• Support for the Public Sector Investment System (grant)	Ongoing	0.12 Mio €				
• Consolidation of Democracy through Strengthening of Electoral Process (grant)	Ongoing	0.44 Mio €				
• Policy Dialogue: Identification of Development Challenges and Policy Options (grant)	Ongoing	0.12 Mio €				
• Design of Pension Reform (grant)	Ongoing			0.16 Mio €		
• National Technology Strategy (grant)	Ongoing				0.12 Mio €	
• Social Programs Beneficiary Information and Payment Systems (grant)	Ongoing			0.015 Mio €		
Loan 62.95 Mio €						

Pan-American Health Organization (PAHO)*						
Grant 0.44 Mio €	• Integrated Management of Maternal and Child Health			31,000 €		
	• Maternal Mortality reduction			135,440 €		
	• Reducing the spread and impact of HIV/AIDS in Suriname			16,000 €		
	• Communicable Diseases			22,400 €		
	• Non-communicable Diseases			60,800 €		
	• Expanded Program Immunization			33,000 €		
	• Global Fund Contribution			144,800 €		
Grant				443,440 €		

* Originally stated in US\$ amounts: converted at a rate of 1.25 €/US\$

United Nations Development Programme (UNDP)*						
Grant 1.84 Mio €	• Labour skills	Ongoing	265,580.00 €			
	• Public Sector Reform	Ongoing	251,312.00 €			
	• Institutional Strengthening Parliament	Ongoing	173,034.40 €			
	• Access to Justice	Ongoing	880,00 €			
	• Culture Umbrella	Ongoing		90,508.00 €		
	• UNV Umbrella	Ongoing		32,000.00 €		
	• Phase II Legal consequences Caricom	Ongoing	72.201.60€			
	• Conservation Global Forest	Ongoing				264,474.40 €
	• Trade impact	Ongoing			163,600 €	
	• Proposal writing elections	Ongoing	16,800.00 €			
	• Elections 2005	Ongoing	36,000.00 €			
	• MDG Reporting	Ongoing		125,656.80 €		
	• Youth Parliament	Ongoing	8,960.00 €			
	• Mining agreements	Ongoing		72,400.00 €		
	• Land rights dialogue	Foreseen		60,000.00 €		
	• Expanded SGP	Foreseen		55,920.00 €		
	• Intellectual property rights (Music)	Foreseen		128,000.00 €		
• Strengthening Regional Development	Foreseen	21,600.00€				
Grant			846,368.00 €	564,484.80€	163,600.00 €	264,474.40€

* Originally stated in US\$ amounts: converted at a rate of 1.25 €/US\$

N.B.: The amounts mentioned are based on the programme from 2002.

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment / Gender
UNICEF*						
Grant 1.49 Mio €	• Early Childhood Development	Ongoing		265,580.00 €		
	• Adolescent and Life Skills	Ongoing		784,000.00 €		
	• Child protection	Ongoing		80,000.00 €		
Grant				1,488,000.00 €		

* Originally stated in US\$ amounts: converted at a rate of 1.25 €/US\$

World Wildlife Fund (WWF)						
WWF Grant 1.19 Mio €	• Effective and Sustainable management Brownsberg Nature Park	Ongoing				137,660.00 €
	• Creation of the North-Western Suriname Reserves	Ongoing				140,767.20 €
	• Boven-Coesewijne Nature Reserves: Effective Management Project	Ongoing				280,000.00 €
	• Several gold mining pollution projects	Ongoing				258,933.60 €
	• Forest Certification	Ongoing				36,000.00 €
	• Capacity Building for Sustainable Forest Management	Ongoing				62,064.00 €
	• Capacity Building at the Policy Implementing Institutions to promote further sustainable Forestry Development in Suriname	Ongoing				143,249.60 €
	• Website platform Houtsector Suriname: www.phsur.com	Ongoing				5,316.00 €
	• Rainforest Art Festival	Ongoing				20,000.00 €
	• Transfer of knowledge and Development of expertise for designing forest use and forest management documents	Ongoing				12,201.60 €
	• CMS1: Basics of CMS Principles, Implementation, Results and Experiences so far	Ongoing				7,942.40 €
	• CMS11: Preparing the Study on Practical Scale Operations of CMS	Ongoing				19,856.00 €
• Marine Turtle monitoring and protection season 2006	Foreseen				64,000.00 €	
Grant						1,187,990.40 €

* Originally stated in US\$ amounts: converted at a rate of 1.25 €/US\$

Donor	Project Description	Status	Economic Development/ Capacity building	Social Development	Productivity Sector Activity	Environment / Gender
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CONSERVATION INTERNATIONAL SURINAME (CIS)						
Grant 0,58 Mio €	• Management plans for Central Suriname and Sipaliwini, Nature Reserves	CSNR closed, SNR ongoing	36,000 €			x
	• Pikin Rio and Gran Rio mapping project (funds provided by GCF)	Closed	x			x
	• Upper Suriname consultation project (GCF)	Closed	x			x
	• Werehapi scooping project (GCF)	Closed	x		x	
	• Raleigh falls eco-tourism project	Ongoing		96,000 €		
	• Modernizing/ upgrading nature science curriculum for primary schools	Ongoing		38,400 €		
	• Educational trips for teachers	Ongoing		52,000 €		
	• Rapid assessment of the waters of the Suriname River	Closed				x
	• National awareness program: biodiversity conservation	Ongoing				80,000 €
	• Bioprospecting along upper Suriname River and Kwamalasemutu area	Closed	x			x
	• Establish libraries in schools of Kayana and Kwamalasemutu	Closed	x		x	
	• Operational assistance to Suriname Tourism Foundation	Closed	x			
	• River otter monitoring field trip on Coppename River	Closed	x			x
• Ecotourism project at Kwamalasamutu	New project				164,000 €	
• Protected areas project at Kwamalasamutu/Werehpai	New project				112,000 €	
Grant			36,000 €	186,400 €		356,000 €
TOTAL	Grant		243.51 Mio €	77.07 Mio €	105.12 Mio €	47.21 Mio €
	Loan		34.07 Mio €	46.78 Mio €	152.40 Mio €	-

* Originally stated in US\$ amounts: converted at a rate of 1.25 €/US\$

N.B.: The amounts mentioned are total amounts of multi-annual projects

ANNEX 3 Executive summary of the Country Environmental Profile

1 State of the environment

Current Status

For the main part the country exists of rather untouched natural areas, tropical forest of high biodiversity in a mainly flat area of about 166.000 km². View (unpaved) roads connect the coastal areas with the inland. The coastal plain concentrates most of the countries population (85%), mainly in and around Paramaribo and Nickerie (together about 75%). A small number of large scale industries (oil exploration, oil refining, cement production, bauxite mining and alumina production) are present in other parts the country. The hydropower dam in the Brokopondo Lake and the bauxite mining activities are the largest man-made impacts in the inlands. In the urban areas waste, waste water and air pollution are a growing threat to human health and local environmental quality.

Current Pressure and Future Trends

The local impacts of large scale mining activities are significant (erosion, social impacts, deforestation). Illegal logging and hunting are a serious and growing threat to the biodiversity, although still on a relatively small scale and rather dispersed. Illegal gold mining is a growing sector. The uncontrolled use and spill of mercury applied at the process has severe negative impacts on the water quality of the inland rivers and forms a very persistent threat, also to human health, due to the accumulation of mercury in the food chain (fish). In the urban areas sanitary water is not treated, waste is only partly collected and often dumped, while growing traffic and small scale industry cause ongoing deterioration of the urban air quality. Also industries discharge uncontrolled into the surface waters. Near agricultural activities the water and soil is contaminated with chemicals (pesticides and fertilizers) which have negative impacts on environment and health. These chemicals spread through soil, surface water and produced food. Pressure of over fishing is causing decrease in fish populations in the coastal waters. Tourism to the untouched inland areas is a growing sector and although of small scale, there will be growing negative impacts if not regulated well. Some major projects which are under preparation constitute direct serious pressure: Western Bauxite Project (Alcoa/Suralco, Biliton), Chinese Palm oil concession, Patamacca; Jai-creek project, meant to bring more water to the Brokopondo Lake; new gold mining concessions for Alcoa.

The large scale mining activities are expected to improve their own performance by the adoption of cleaner technologies, energy saving and their own (international) quality and EMS-systems. The illegal logging, hunting and gold mining will go on and will probably rise, especially if better access to remote areas is facilitated while control remains weak. The flow of tourists to the inlands is expected to grow substantially. Climate change and raising water levels form a serious threat to the coastal zones and other low areas of the country.

Objectives

Sustainable development is officially the key objective for the countries development. The conservation of biodiversity and the preservation of the unique values of the inlands and coastal zones receive high priority in most layers of Suriname's political and civil organizations. This also includes a hold on illegal practices, improvement of environmental performance of the larger companies and restoration of earlier caused damage and the promotion of ecotourism as a sustainable source of income for the country.

Action taken/planned

Several nature reserves have been created (however, the monitoring and enforcement in the protected areas are not sufficient yet due to the lack of equipment and manpower and in Brownsberg for example some gold-mining activities are still going on). Regulations have been drawn up for different sectors and awareness campaigns among civilians and industrial sectors have been launched. An overall Environmental Framework Law (defining responsibilities and, in a second stage, environmental standards and EIA procedures) has been submitted for approval by the now responsible Ministry of Labour Technological Development and Environment (ATM). The approval of the Law, the subsequent installation of environmental authorities, the adoption of standards, etc. could provide a sound basis for further serious environmental protection in the country. Practical actions in the form of planned installations for the treatment of waste and waste water were not identified. Most initiatives for improvement in the environment are donor related. The donors and NGO's have clear programmes and actions for the preservation of the biodiversity and building environmental awareness among the population and industries.

Regulations

Referring to the absence of the Framework Law: at present the environmental content of the existing sectoral legislation is weak, very fragmented and largely depending on case-by-case decisions of the politicians in charge. The approval of the Framework Law will hopefully bring a significant change, if followed by effective standards and a well equipped inspection and enforcement system. A date for adoption of the Framework Law cannot be given.

Environmental performance in meeting objectives and Risks

The objectives are set out in general wordings only and the performance can therefore not really be monitored. The overall environmental performance of the country however is not very positive. So far environment has not received priority on the political agenda and the resulting negative impacts on the environment are evident in many cases. Many of the countries environmental objectives will not be achieved as long as the institutional environmental framework is not reinforced. Contamination, degradation and health risks will become more serious. The lack of manpower, knowledge and regulations to control legal industrial activities and sanitary issues form a serious threat to the targeted preservation and improvement of biodiversity and environment. Illegal practices are not unique for Suriname and will be hard to ban, especially in combination with this poor institutional framework and the geography of the country. The same institutional constraints, in combination with the cost aspects will cause delay in the targeted shift to a more biological agriculture. Massive tourism, even if called Ecotourism, at certain hot spots will put pressure on the ecosystems and price competition may lower the 'Eco' factor in the tour operators programmes.

Environment in relation to poverty reduction and health

As anywhere else, in Suriname it is the poorest groups in society that most directly face the negative consequences of poor environmental management. The contamination of surface waters by industrial effluents, untreated sanitary water, pesticides and fertilizers from agriculture and mercury from gold mining, have direct impacts on their health situation (e.g. the lack of clean drinking/bathing water). In industrial and agricultural companies, the lowest in the hierarchy are most exposed to dangerous labour conditions and toxic chemicals. Poor living areas are most affected by health problems caused by uncontrolled waste dumps, by extending erosion and by deforestation. The poorest groups most suffer from the decline in fish populations caused by over-fishing and the same group is the first

affected by floods that might occur due to climate changes or poor water management. On the other hand it is also the poor that participate in illegal logging, hunting and gold mining if no other resources are available.

2 Environmental policy, legislation and institutional framework

General status

The environmental legislation in Suriname is fragmented (separately included in laws for e.g. fishing, mining, oil, etc.) and far from effective from an operational point of view. Sectoral legislation is with the specialised ministries as Agriculture (with its agency SBB), Natural Resources (ROGB), Animal Husbandry and Fisheries (LVV) and others. Most of these ministries have sectoral legislation which includes very little environmental issues. The environmental capacity in terms of staff and knowledge in these ministries is very limited. The situation can best be described as reactive and not proactive. Action may follow after serious problems will have occurred.

Since 2002 ATM formally coordinates. The technical institute NIMOS was placed under ATM instead of under the National Council for the Environment as was the case previously. The National Council for Environment now is an advisory board to ATM. The National Action Plan of 1996 plan eventually led to the establishment of NIMOS. The plan is no longer of importance in the present situation. NIMOS, set up with EU and IDB assistance, is a small institute counting with 7 technical staff and 6 supporting staff. EU and IDB assisted in the drawing up of the Framework Law. Many actors are involved, as described in detail in the CEA. Consultation with some of the key players learned that little has changed since the CEA was published and that little will change as long as the Environmental Framework Law is with the Council of Ministers and Assembly for final approval. It is still unclear when this will take place. The delay is the result of administrative and political reasons, e.g. at the first drawing up of the Framework Law ATM was not fully involved and now holds the central position.

The Framework Law will arrange the environmental institutional set-up and responsibilities and will in a later stage provide specific standards and mechanisms for inspection and enforcement. The framework Law also arranges for EIA, chemical waste, permit procedures, audits, plans and strategies. The practical guidelines and standards will follow in a second phase in coordination with the specialised ministries.

After approval NIMOS will become the Environmental Authority under ATM and the second phase of activities will be implemented, including the establishment of specific environmental standards and EIA obligations. After approval of the Law a next problem might be the staffing and adequate experience at NIMOS and the involved ministries. Also the lack of adequate laboratories will remain a bottleneck.

The actual situation is that of a stand still or even moving backwards, because the uncertainty causes specialists at NIMOS and specialists at other ministries to reconsider their position and sometimes accept jobs elsewhere. The delay in the drawing up of an Environmental Sector Plan is mainly a result of the uncertain situation and lack of clear definition of roles and tasks at the many Ministries and institutes involved. Also of influence to the delay was that the traditional division in urban/non urban environment was left behind and replaced by a sectoral approach now for intervention: biodiversity; atmosphere; chemical management (agriculture); water management; renewable energy; land management; waste management).

ATM indicates that capacity building with respect to environmental legislation, EIA, standards, inspection, monitoring and enforcement, EMS, licensing etc. is necessary at most levels in the environmental institutions.

Environmental Impact Assessment (EIA)

Still there is no EIA legislation in the country. IDB carried out a questionnaire on the subject some years ago and the main conclusions of this inquiry are still valid: the EIA system in Suriname is basically non-existing. However, for mining, forestry, electricity generation and transmission activities, industries are requested (but not obliged) to draw up an EIA. NIMOS has established a system for scoping of activities for which an EIA should be carried out. The list is a combination of European, Dutch and other experience and is supposed to become in force after the Environmental Framework Law will be adopted. At present EIA's are carried out for the mentioned industrial activities and for donor aided activities. The EIA system as it is applied in practice for mentioned projects, is far from complete and not in line with international standards. Especially the fact that the industries and their consultants are in charge of guideline preparation and final approval of the prepared EIA indicates the total lack of independent review from the authorities' side. With respect to EU, so far the only experience with EIA is with the port of Paramaribo and with the rehabilitation of the roads to Albina and the road to the ferry to Guyana (South Drain in Nickerie), which were carried out properly and in accordance with EU EIA standards. The EIA for the road projects is outdated however, due to delay in the overall project implementation.

Kyoto

Suriname has subscribed to the Kyoto protocol but it is still in the process of ratification. Apart from the environmental importance of the protocol, ATM is fully aware of the potential benefits of the protocol for Suriname because of the possibilities to trade off CO₂ credits. The investment in, for example, cleaner energy (hydro power, solar, wind or biomass) and the conservation of tropical woods comprise important potential financial benefits to the country in cooperation with countries that are exceeding their greenhouse gas emissions.

Non state actors

NGO's

Most environmental NGO's in Suriname are concentrated on the protection of biodiversity and natural parks. The main ones, CI and WWF implement their activities in good coordination with the authorities. No 'hard line' environmental protection NGO's are active in the country. The Foundation for Natural Protection STINASU (linked to Ministry of Spatial Planning, Natural Resources and Forestry, ROGB) takes responsibility for the management of the Brownsberg National Park, a favourite tourist attraction not far from Paramaribo, regrettably still threatened by on-going mining activities. Different non state actors in the environmental field are described in the CEA and no important changes to that information could be detected in the course of this review.

Business community

The largest industry in the country (Alcoa/Suralco) operates under international environmental standards and has published an extensive set of position papers per environmental issue (e.g. air pollution, Bauxite Mine Rehabilitation Standards and Guidelines, biodiversity, cleaner production, climate change, fresh water resources, land management etc.). The large state owned oil company Staatsolie also operates according its own environmental regulations. These companies have far more information, equipment and experience in the environmental issues than the authorities which are

supposed to regulate and control them. Connected to the absence of green NGO's, the real performance of these large companies is not clear. Some 'auto-revised' EIA's do not include descriptions of any negative impacts of the activities. A conclusion that certainly require an independent second opinion!

3 Integration of environmental concerns into the mainstream economic planning

Plan and Strategy for Sustainable Development

The Plan and Strategy for Sustainable Development of Suriname (MOP) for the period 2006-2011 is presently in the stage of approval by the Council of Ministers. A concept version (part II) was available however and consultations took place with policy advisors of the responsible Ministry of Planning and Development Cooperation (PLOS).

In the new planning period environment receives significantly more attention than before and the Plan is fully focussed on sustainability. It is stated as a basic condition that the environment must be a crucial factor in social and economic development to guarantee a healthy environment for future generations. Environment will become an integrated part of the development process and can no longer be seen as a separate issue.

The MOP refers to the Rio declaration of 1992, defining the right on a healthy and productive life in harmony with nature. MOP takes this statement as a basis. All present activities should take into account that future generations have the same right.

More in practice, MOP defines that environment (together with gender and youth) from now is a cross cutting issue, which will have to be taken into account in all projects and development mechanisms. The following priorities are listed:

- Suriname must define an effective and up-to date environmental legislation in which clear environmental standards and priorities are laid down;
- Old and obsolete legislation must be adapted;
- Environmental issues should be dealt with on the relevant level and with participation of all involved civilians;
- Everyone should receive adequate information on the environment, especially with respect to hazardous substances and activities in their neighbourhood;
- The inhabitants of the inlands and other local communities play a crucial role in environmental protection and sustainable development, due to their specific knowledge and traditions. The authorities must enable them effectively to fully participate in the decision processes with respect to the environment and natural resources in their territories;
- To safeguard environmental quality for future generations it is necessary to actively improve environmental conditions, apart from environmental protection;
- The negative environmental impacts from companies' emissions of toxic substances and discharges of chemical waste must be reduced by effective legislation and levies.

The (draft) MOP also indicates clearly the importance of access to good and clean water and sanitation, which are mentioned as basic rights for the population.

The CEA gives a summary of the priority areas which have been defined as a result of the priorities as laid down in the MOP.

The Kyoto protocol is mentioned as an important issue for development. The final version will include more in detail how Suriname could benefit from the protocol (by CO₂ trading, Cleaner Development Mechanism and Joint Implementation) by expanding the use of alternative energy sources to reduce the use of fossil fuels.

In general the MOP focuses on a shift in policy towards sustainability instead of short-term economic gains. The following examples with direct government involvement illustrate the authorities' shift towards long term environmental concern:

- active promotion of hydropower and cleaner energy sources;
- promotion of the application of the so called CELOS sustainable system for logging of tropical wood (in the privatisation process of the Bruynzeel company, the authorities' choice for the Doorwin company was largely influenced by the companies' commitment to these CELOS sustainable working methods);

The synergy and effective implementation of all these priorities must be safeguarded by an Environmental Sector Plan which is in preparation (funded under Dutch Cooperation) in cooperation between the ministries of NH, ROGB, PLOS, OW, under coordination of ATM. The plan will define the criteria for the overall national environmental policy.

Business to business

Cooperation with specialised environmental companies from abroad is still low. The local industry could benefit from their knowledge and experience while the international companies can find a new market for their products. This will happen if the local industry is forced to take measures by sound legislation and control, but also if the measures turn out to be economically feasible. In this respect the following issues are important for Suriname:

- re-use and recycling of certain waste streams (plastics, metal, glass, chemicals from industry, biogas production from organic waste, coconut waste for agricultural substrates, etc.);
- treatment of waste water to improve the quality of receiving waters with an economic value in the form of fishery, aquaculture, tourism and drinking/irrigation water;
- reduction of the consumption of water (efficiency and recycling), energy (better management, alternative energy sources) and raw materials (efficiency and cleaner production);
- application of ISO-14001 and FSC certification, in order to improve possibilities to export to demanding markets as Europe, the US and Japan, often requiring those certificates;
- Kyoto related emission trades, financed with foreign capital (renewable energy projects, saving of tropical forest, biogas).

Financial mechanisms exist to attract foreign companies. Examples are the Dutch Ministry of Economics' subsidies for trade missions and economic/technical feasibility studies for combinations of Dutch providers and Surinamese clients. Other governments apply similar instruments, often related to the promotion of export and the transfer of their technology. These projects can provide practical examples, pilot projects and study results that might show that investing in the environment also leads to economic benefits.

4 EC cooperation with the country from an environmental perspective

Country Strategy Paper and National Indicative Programme 2001-2007

The EU cooperation with Suriname is described in the Country Strategy Paper and National Indicative Programme 2001-2007. The focal area for Suriname is the transport sector; the non focal area is the reinforcement and capacity building of economic actors. Apart from those areas, special budget lines are applicable for reconstruction of the banana sector and budgets are there from the Regional Indicative Programme for the rice sector. There is no specific environmental programme between EU and Suriname and environment is not a key issue.

The projects financed by EU with a potential influence on the environment are mainly in road construction (for example 40 kilometres of paving of the road to the ferry connection with Guyana (West-Suriname), port rehabilitation (port facilities in Paramaribo) and some minor projects as the rehabilitation of the cathedral of Paramaribo. The EU applies a scoping system for its assistance projects to define whether or not an Environmental Impact Assessment is necessary. For both the port and the road project EIA's were required. These EIA studies have been carried out properly before the implementation of the projects and clearly indicate as to which extent special measures in the implementation were necessary to adequately protect the environment from the direct negative impacts of those projects. No specific attention is given to secondary or indirect environmental and social impacts of the transport projects (although not directly applicable to the present EU coastal road projects: better roads to remote areas and better port facilities, might also serve illegal loggers, wood transporters and small scale gold searchers in the inlands).

10th European Development Fund

With respect to the 10th EDF only the rehabilitation project for the road to Albina is of importance. If this project will be developed, an EIA will be carried out.

Special budget lines

Banana sector

In the Financing Agreements between EU and Suriname in the banana sector and in the report on implementation of the restructuring plan, environmental issues are not included at all.

The EU recently had a detailed evaluation carried out of its assistance programme in the banana sector. The report indicates, however, that the Surinamese counterpart (the company SBBS) is quite aware of environmental values in the plantation areas and that SBBS is taking measures to mitigate its negative impact on the environment, independent of EU involvement. Examples are given on options for better environmental performance:

- improvements in the drainage systems, resulting in lower fungicide usage and more environmental friendly phyto-sanitary treatment;
- reduction of the use of toxic components (pesticides) by the installation of preventive parasite monitoring systems, reducing the need for large scale reactive spraying;
- chemical monitoring of the soil quality which allows for better fertilizer management: more mineral, environmental friendly substances and less chemical fertilizers;
- use of in-vitro plants, free of endemic pests, also resulting in reduced pesticide usage;
- improved water management, drainage versus irrigation, resulting in optimization of the use of available water resources.

SBBS, so far is not involved in any activity related to Biological banana growing.

Regional EDF funding

Rice sector

Within the framework of the 9th EDF (Regional Indicative Programme), EU finances a regional project for the improvement of the competitiveness of the rice sector in the Cariforum area. Feasibility studies were carried for Guyana, French Guyana and Suriname and a national plan for the rice sector of Suriname was prepared. The project includes about 22 million euros (of which 9 million euros for Suriname) for improvement in water management and about 2 million for technical assistance, training and research. Environment is not a well defined component in the project plan. Specific recommendations on environment are given in the feasibility study, including better water management and the increase of costs for water (to promote water savings), better use of pesticides and fertilizer and the introduction of Integrated Pest Management. The results of the implementation of these recommendations are not clear and not specifically monitored. Surprisingly no EIA is foreseen for the planned rehabilitation of an irrigation canal next to the Nami swamp in the Nickerie area, which represents important natural values.

5 Other funding agencies for Environment

The Netherlands Government

After independence from the Netherlands in 1975, 3 billion Dutch guilders were made available as Treaty Funds, of which at present about 120 million euro still remains available, partly due to the low absorption capacity of Suriname. This budget cannot be spent for individual projects but through a sector approach. The following sectors are eligible: agriculture, housing, health, education, good governance and *environment*. Per sector an average of 20 million is available. For all mentioned sectors, except environment, the required sector plan was prepared by the Suriname government (as mentioned in chapter 4). The Environmental Sector Plan is vital for the implementation of the environmental priorities as identified in the MOP. Because of the actual diffuse competences for the environment in Suriname, The Netherlands have decided that an active role as facilitator in the development of the Environmental Sector Plan and as coordinator between the different key players can be a best option. Specialists from the Netherlands and Suriname will be hired in to implement this task. In total € 15 million is allocated from the Treaty Funds for this task, of which € 5 million will go to SBB (investment in sites, new head office and field offices, transport facilities, training of personnel, computerization). Other eligible sectors as for example agriculture and education do not have a specific environmental component.

Apart from the Treaty Funds, another 130 million Euro is available as a Matching Fund. The precise contribution of Suriname is under discussion now and through PLOS it will be decided when and how these funds will be used. It is not known which part will be used for the environment.

The Netherlands financed the Jan Starke institute for agricultural education in Paramaribo. The efficiency of the institute is not sufficient and the remaining 800.000 euro of this budget line will probably be used for an educational fund, in the form of scholarships, to finance trainees from companies' to gain practical experience at the Institute.

A total of about 150.000 €/ year is made available for projects of a maximum size of € 40-50.000 within the Small Grants Programme, especially for NGO's and authorities. The fund can be used for investigation, equipment and technical assistance. Due to limited staff capacity at the Embassy, the fund will be managed through UNDP in the near future. Pilot studies and projects in the field of environment and alternative energy will receive priority.

Another budget line is the Netherlands Climate Change Assistance Programme, to assist ATM. This is about 150.000 € over 3 years with issues related to for example the raising sea level.

The embassy financed the drawing up of the terms of reference for the IDB Coastal Zone Management Project.

UNDP Global Environmental Facility

With respect to the environment, UNDP focuses on the millennium goals and supports mainly NGO/CBO activities. Support is given in the form of small grants and institutional support for the implementation of international agreements that Suriname has subscribed to. No specific environmental programmes are being implemented apart from support to the Suriname conservation Foundation (SCF) and the establishment of a Strategy on Biodiversity with NIMOS. An assessment of capacity needs in the environmental sector is being carried out with UNDP assistance.

Inter American Development Bank

The IADB involvement in Suriname is restricted to technical assistance, institutional strengthening and project management. For the near future loans for investment project may be added, for example in the West Suriname Bauxite project. IDB states that as a policy, even if its involvement is limited to a certain part of a project, the bank requires an integral EIA for the whole project. This includes all phases, sub-sectors and secondary effects of a project (e.g. in the case of the bauxite project: not only the mining itself but also the transport of the material to other areas, by river, road, train etc. and the resulting effects on each location). IDB was, together with EU involved in the first phase of NIMOS. Assistance for a second phase is under consideration, depending on the approval of the Framework Law. IDB is now reviewing the possibility of carrying out a Strategic EIA for the Guyanas. IDB will give technical assistance at the review of the EIA for the mentioned Chinese palm oil project.

Conservation International Suriname

This US based NGO is concentrated on protection of biodiversity in the inlands. CI has its own fundraising and receives funds through IDB (Japanese fund) and MIF. CI financially supports SCF at the Central Suriname Natural Reserve and works on the preservation of the Sipaliwini grass savannas in the south. Together with IDB, CI is active in capacity building for the eco-tourism sector and carries out projects to offer alternatives for illegal hunting. No direct links exist with EU activities.

World Wildlife Fund Guyanas

WWF wants to be complementary to the Surinamese official policies. WWF in Suriname has a total turn over of around 1.5 million US\$. WWF is mainly active in assistance to research, training, management, wood certification and monitoring. WWF intends to strengthen capacity at the ministries and runs successful protection projects together with the authorities. Part of the financing is in the form of grants for basic equipments for regional agencies (SBB for example). The Biodiversity

Strategy as under preparation with NIMOS is a request of WWF for possible further funding. Without WWF funding the strategy will most probably not be implemented by the Surinamese authorities.

6 Conclusions and recommendations

General

- Suriname possesses unique ecosystems of international value that need to be preserved. Although much of the country is still untouched, Suriname also faces some serious environmental problems: chemical pollution of water and air, over fishing, erosion, deforestation, health and sanitary problems.

- The institutional environmental framework is absolutely not strong enough to tackle the problems in an efficient way and to reduce risks in the future. The Framework Law on Environment has been under consideration since 2001 and is still nowhere approved. It is not possible to give a reliable time frame for the final approval of this Law, since it is subject to an ongoing political decision process. For the time being fragmented legislation and a lack of a National Environmental Policy and the lack of an Environmental Sector Plan are serious bottlenecks. The specialised ministries have limited staff and knowledge, political changes are frequent and so are case-by-case decisions without coherence. There is still no official EIA system in the country and companies are not controlled. Monitoring equipment and laboratories are scarce and enforcement is basically not applied. The approval of the Environmental Framework Law will clarify the position of the key environmental institutes such as NIMOS and will provide a start with preventive approached EIA and stricter standards. After approval, it will take time before efficient standards and EIA procedures will be in place. Moreover, the lack of staffing, knowledge, monitoring equipment etc. will have to be solved.

- Positive is that the MOP now defines environment as a cross cutting issue in the overall development strategy of the country. The formal approval of the MOP and the subsequent drawing up of the Environmental Sector Plan are vital to guarantee progress in this situation.

- Apart from CI and WWF, mainly active in biodiversity and forest protection, NGO's play a very limited role in Suriname. As long as the official institutional environmental framework doesn't function properly, NGO's, especially in areas where voluntary action plays an important role, can push towards improvement. For example in ecotourism, ISO-14001, FSC certification and EIA's for foreign investments. NGO's can provide publicity about the performance of foreign companies operating in the country based on their own control and inspection. Also awareness building within the companies and awareness building among civilians can be of great importance to protect the environment in the absence of a good official framework. There is obviously room for environmental NGO's in the present situation. NGO's might also influence the drawing up of environmental regulations and standards; they could play a watch dog function. This especially applies if they will be linked to specialised international NGO's.

Recommendations for EU

Among the international donors in the country the EU is at present not directly involved in environmental projects, however, it environment is a crosscutting issue for all its activities. EU played an important role, as co-funder with IADB in the set up of an institutional and legal framework for environmental management in Suriname in 1998 (ATN/SF-5941-SU) and the setting up of NIMOS. (As mentioned, NIMOS is in a process of establishing a phase II Environmental Management Program in which, (together with other the Govt. of Suriname and IADB), EU could play an important role again in the implementation).

EU has applied environmental criteria correctly in its assistance programmes so far. However, EU might want to raise the environmental factor in its projects by applying part of the following recommendations:

General

- Include environment as a non-focal key issue in the CSP, equal to energy and make environment a fixed criteria in all project appraisals, evaluations and yearly reviews.

Roads and ports

- Apply a more integral approach, given specific attention to secondary or indirect environmental and social impacts of the transport projects. Better roads also facilitate logging, gold mining and might affect isolated traditional societies. At present the roads financed by the EC in Suriname do not lead to such isolated places however, but it can be taken as a recommendation for possible new projects in the future. The IDB request for integral EIA's is a good example in this context;
- Include capacity building with respect to the control of illegal logging, transport and the shipping of certified wood;
- Include waste management at the port, through capacity and through a study on a reception facility for chemical waste from ships and cargo rests (in accordance with the UN Marpol treaty);

Banana sector

- Further stimulate and monitor developments towards environmental friendly and sustainable banana cultivation. Since the sector itself has defined a series of actions and strategies towards higher sustainability in its processes, there is probably a good receptivity for separate small assistance projects, such as courses on water management, waste management, pesticide control and ISO-14001 practices which can be integrated in the EU assistance to the sector.
- Include conditions on environment performance in the assistance projects (and also requirements for the inclusion of comments and requirements of local NGO's/CBO's), in the technical and administrative provisions in the support programmes.
- Consider the environmental and social impacts as a standard procedure in the periodic evaluations of ongoing projects.

Rice sector

- Check the obligation for an EIA for the rehabilitation of the canal next to a Nami swamp in the Nickerie area;
- Include environmental management in the TA, training and research components of the ongoing project;

- Follow the advice on environmental issues as stated in the feasibility study and the action plan with respect to water management: payment for the use of water, better fertilizer use IPM;
- Oblige for inclusion of environment as a standard issue in the periodical reviews of the cooperation programme.

International business cooperation

- Stimulate business-to-business cooperation in the environmental sector in order to facilitate the transfer of know-how and the import of specialised environmental equipment and technology. Especially in waste recycling and alternative energy it can be expected that economically feasible projects arise. Also Kyoto related projects are of importance in this context;
- Support trade missions and feasibility studies between Surinamese and foreign companies.

Poverty reduction

- Link environment to poverty reduction at all levels in the EU assistance programmes in the Country and make this also a standard evaluation criteria. Better environmental performance in the rice and banana sector, in roads and port projects will have a positive effect on the situation of the poor. Also business-to-business projects will improve the situation of this group by providing better technologies and labour conditions.

ANNEX 4 Country migration profile

COUNTRY MIGRATION PROFILE: Suriname

Total Number of Residents (2004) _____ 504'190
of which:
Own nationals (2004): _____ 502'600
Immigrants (2004): _____ 1'590

Immigrants

Status of immigrants

Refugees: _____ NA
Labour migrants/permanent: _____ NA
Labour migrants/seasonal: _____ NA
Internally displaced persons: _____ NA

Immigration trend

Number of arriving immigrants in 2000: _____ 1'446
Number of arriving immigrants 2004: _____ 1'590

Education

Unskilled labour _____ NA

Main country of origin

Guyana (2004) _____ 89
Brazil (2004) _____ 27
China (2004) _____ 201

Rate of return/Number of immigrants leaving Suriname: _____ NA

Finance

Amount of outgoing migrant remittances: _____ NA
Remittances as % of GDP: _____ NA

Emigrants

Total number of emigrants in 2004: _____ 626

Status emigrants

Refugees: _____ 0
Labour migrants/permanent: _____ NA
Labour migrants/seasonal: _____ NA

Legal situation emigrants

Documented: _____ NA
Undocumented: _____ NA

Trend

Record on departures for The Netherlands in 2004:	_____	371
Record on returns from The Netherlands in 2004:	_____	NA
Border crossings into France in 2004:	_____	72
Record of returns from France in 2004:	_____	NA

Educational level of emigrants _____ NA

Main country of destination:

The Netherlands	_____	371+111
France (Guyane)	_____	72

Rate of return: _____ NA

*Finance*⁴

Amount of incoming migrant remittances (2005):	_____	115 M €
Per capita	_____	€ 230
Remittances as % of GDP:	_____	10 %

Any other comments

Emigration to the Netherlands Antilles (Kingdom of the Netherlands) in 2004 totaled 111
Source: Ministry of Internal affairs – Central Bureau for Citizens Affairs – Statistical
Publication 2003 – 2004 (No prior publications made).

There exists a diaspora of about 400 000 Surinamese in Holland, mostly holders of Dutch
passports established before and at the moment of independence in 1975. there continues to
be e/immigration between the two countries.

It is estimated that 30-35 000 Surinamese have emigrated to Guyane (France).

There are three groups of immigrants in Suriname of which most are undocumented. There
are **NO** reliable figures of the actual numbers, so estimates come with a wide range of error:
Brazilians up to 50 000, Guyanese up to 80 000 and Chinese up to 40 000.

Suriname has remained on the US State Department TIP report Tier 2 watch list for the last
two years. According to the US Department Trafficking in Persons Report 2003 Suriname is
used for transshipment of Chinese to the US, and Haitians, Dominicans and Chinese to French
Guyana.

⁴ Estimation by Dutch Consumers' Union

ANNEX 5 CSP drafting process: particular attention to involvement of NSA and local authorities

The guidelines for the preparation of the Country Strategy Paper were sent to the following NSAs, government institutions and Member States present in Suriname on 29 March 2006 (preliminary version - note EC 060200).

H.E. P. Somohardjo, Speaker of The National Assembly
H.E. H. Soeters, Ambassador of the Kingdom of the Netherlands
H.E. J.-M. Bruno, Ambassador of France
Mr. M. Meyer, Chairman Suriname Trade and Industry Association (VSB)
Mrs. S. Ang, Chairman Association of Surinamese Manufacturers (ASFA)
Mr. R. Ameerli, Chairman Chamber of Commerce (KKF)
RAVAKSUR, Council of trade union federations in Suriname
NGO Network consultation:
 Platform Women/Gender and Development
 Interior consultation Network
 Education Network
 Network for Social Housing (PSW)
 Health Network (in formation)
 Network for Social Well being

The Delegation in Suriname had its first discussions concerning the 10th EDF NIP and CSP with the NAO on the 29th of December 2005. Brainstorming took place between the NAO and the Delegation and ideas concerning the transport sector, energy, education and support to NSAs were floated. Discussions with the two Member States present in the country, namely France and The Netherlands, were also initiated at the end of December 2005.

In preparation for the AIDCO regional meeting in Santo Domingo, 8 -10 February, the Government and the Delegation in Suriname agreed that the 10th EDF focal sector would be transport. This was confirmed during the second regional meeting in Santo Domingo 5-7 April in the meeting between Commissioner Michel and Minister Van Ravenswaay (NAO).

During the meetings with the NAO and the Member States since December 2005 it was agreed that the Delegation would prepare the first draft, which would then be commented by the government, Member states and NSAs.

The final guidelines were sent to the same above listed recipients on 12 June 2006 (note EC 060356).

On 21 June 2006 (note EC 060390) the draft CSP and NIP was sent to the same above-mentioned NSAs, Government institutions (+ Ministers of Public Works & Transport, Communication and Tourism) and Member states for comments by 18 July 2006. The NAO then gathered the comments from the different NSAs. Comments were received from the following NSAs and government institutions:

- NAO
- Ministry of Defense
- Statistics Bureau
- NGO Network Consultation
- Suriname Trade and Industry Associations
- Chamber of Commerce

In general it should be noted that the NSAs found the format for the CSP negative, highlighting the negative aspects of developing countries rather than providing room for presenting achievements. The format was also considered repetitive. The NSAs would also have appreciated if the source of information had been mentioned more often.

SURINAME
DONOR COORDINATION POLICY NOTE
October 2005

I. GENERAL OBJECTIVE

The objective of this Policy Note is: (i) to describe the strategic approach of each member of the donor community in Suriname; (ii) to describe the current coordination efforts of the donor community; and (iii) to make recommendations that would improve coordination in the future.

II. DONOR COMMUNITY AND THEIR STRATEGIC FRAMEWORKS

Summary: The main donors to Suriname are The Netherlands, the European Commission, the Inter-American Development Bank (IADB), and the United Nations. Since Independence, the Netherlands has been the top source of development aid to Suriname in the context of the 1975 Treaty Fund. Disbursements from Treaty funds have averaged €17,3 million per year in the period 1999 to 2004. The European Commission and the IADB have had similar average levels of disbursements in recent years. The EC disbursed € 4.3 million per year for the period of 2002-2005 while the IADB disbursed an average of \$5 million between 2001-2004. Although the UNDP has been a modest provider of development finance, it has significant input through technical assistance. The Islamic Development Bank (IsDB), the only other multilateral bank with activities in the country, has recently granted a loan for medical facilities and equipment and is seeking other opportunities to work with the country.⁵ Suriname also receives financing from bilateral agreements, mainly with Brazil, the US, China, and India and mostly related to infrastructure projects.

2.1 THE NETHERLANDS

The bilateral relationship between Suriname and the Netherlands reflects the historical linkages between the two countries. The 1975 Treaty defined the development cooperation relationship for over two decades (see Box 1), but there has been increasing emphasis on Surinamese leadership of its development process over the past several years. Based on the recognition that Suriname is a potentially rich country with access to international capital markets and a GDP per capita that exceeds most other partner countries, the Netherlands purposes to establish a businesslike relationship with Suriname on the basis of clear agreements on mutually agreed targets. The use of the sector-wide approach as the organizing principal and the emphasis on Surinamese leadership represent a considerable change in the relationship. There are remaining challenges for both countries in the transition to a new kind of partnership, including the need for open and constructive dialogue on development cooperation and clear agreements. The issue of “ownership” of the remaining Treaty funds – and particularly the extent of Surinamese discretion in guiding use – has been a special challenge.

⁵ The World Bank does not have a program with the country and Suriname has not yet joined the Caribbean Development Bank.

The Netherlands' policy targets for the coming years are: (a) maintain a good relationship and cooperation with Suriname in many areas; (b) effective and targeted use of the remaining Treaty funds; (c) reduce the dependency of Suriname on the Netherlands; and (d) look after the common interests in the framework of the integrated Dutch foreign policy.

Box 1: Dutch Assistance to Suriname defined by the 1975 Treaty Funds

Development cooperation has been at the center of bilateral relations between Suriname and the Netherlands since Suriname's independence. The vast majority of Dutch development assistance to Suriname comes from the *1975 Agreement between the Netherlands and Suriname regarding Development Aid*, which amounted to roughly 1.59 billion EUR. Disbursement from the Treaty Funds restarted in 2000. While the Treaty Funds have played a leading role in public investment over the past 30 years, the growth performance of the Suriname economy and the overall effectiveness of the Fund have fallen short of expectations.

The Treaty Funds are divided into grant funds, parity funds and guarantee funds. Approximately 85% of the 1.59 billion EUR of the Treaty Funds have been spent. An estimated 108 million EUR remain of the grant funds, while the guarantee funds have been spent entirely. According to the Treaty, 136 million EUR of the Parity Funds can only be spent after the grant funds have been exhausted. Recently the Netherlands Minister for Development Cooperation agreed to be more flexible with the starting date of these parity funds. Article 15 of the Development Cooperation Treaty, and article 2 of the Framework Treaty Supplementary Funds indicate that additional funding could be available when the Treaty funds have been spent.

Since the resumption of the program in 2000, an original group of 9 projects have been executed while some 42 projects (referred to as the "Startfonds" program) are currently underway. The latter subset of projects focused on agriculture, education, environment, good governance and public health. In 2000 and 2001, both countries agreed to spend the remaining Treaty funds, along the lines of the Sector Wide Approach (SwAP), through "basket funding" ("Sectorfund") with an amount of approximately 108 million EUR. After mid-2005, all development projects will be administered through this Sector Fund and will focus on Agriculture, Education, Environment, Governance, Housing, and Public Health and the allocation of funds to the six sectors should be completed in 2010.¹ Currently, all but two of the sector plans are being implemented.

2.2 EUROPEAN COMMISSION

Total assistance from the EC to Suriname since the beginning of the Lomé Convention in 1975 is estimated to be approximately € 145 million excluding indirect benefits from regional programs, the Lomé trade preferences, and the protocols. EC support to Suriname responds directly to the central objectives of co-operation of the Cotonou agreement: poverty reduction, sustainable development, and integration of the ACP countries in the world economy. In this context, the co-operation promotes local ownership of economic and social reforms and the integration of the private sector and civil society actors into the development process. Specifically, the co-operation aims at:

- achieving rapid and sustainable job creating growth, developing the private sector, improving access to productive activities and fostering regional co-operation;
- promoting human and social development and an equitable income distribution;
- promoting cultural values;
- promoting institutional reforms and developments for democracy, good governance and efficient and competitive market economies;
- promoting environmental sustainability.

EC's Country Strategy

The EC response strategy for Suriname is based on government strategy, the views expressed by civil society groups, economic and social analysis and the activities of other development co-operation partners. According to present strategy covering 2001-2007, the EC program aims to improve competitiveness and facilitate trade by (a) improving the efficiency of the transport sector; and (b) reinforcing and building the capacity of state and non-state actors in the area of trade and regional integration. The intervention in the transport sector, which is the sector of concentration, has a current allocation of 46 EUR and will address policy, institutional capacity building, and improvement of selected transport facilities, such as the rehabilitation and upgrading of the Port of Paramaribo. The present strategy identifies "Reinforcement and capacity building of economic actors" as the non-focal sector. Under this heading support is provided for the tourism sector, the private sector as a whole and to the regional integration process. Support also includes the fight against drug demand as well as building the capacity of NGOs. In addition 20 M € are being used to restructure the banana sector and 9 M € to contribute to the restructuring of the rice sector. Although average annual disbursements have been at 4.3 M € since 2002, once the port rehabilitation gets started in 2006 the average is likely to rise up to 12-15 M € per year for the next three years. The preparation of a new country strategy for 2007-2012 will start in 2006 (see Box 2).

Box 2: EC activities in capacity building reflect stakeholder feedback on enabling environment

There is a broad consensus among government and civil society groups that an enabling environment needs to be created for private sector-led growth and improving social conditions. The enabling environment will contribute to the competitiveness of the private sector in regional and international markets. Priority measures include macro economic reform and stabilization and improving governance through institutional strengthening and reform. These measures should be supplemented by structural reforms of the economy aimed at facilitating a supply response. Growth and employment creation will contribute to poverty reduction and facilitate improving the effectiveness of social and human development programs, as well as ensuring environmentally sustainable development.

2.3 UNITED NATIONS DEVELOPMENT PROGRAMME

Overall Strategy for UNDP Cooperation

UNDP's cooperation with Suriname focuses on: (a) initiatives at the governmental level that aim to support the participatory elaboration of a holistic development vision, the formulation or strengthening of people-centered development policies, and the maintenance of democratic governance; and (b) activities for civil society organizations, local communities and the private sector focusing on the enhancement of productive capacity, the creation of an enabling environment, and the empowerment of people and the improvement of their condition, particularly in the interior.

Against the background of government's policy objective of Sustainable Human Development and National Reconstruction, the broad objective of UNDP's strategy in Suriname would be to create a sustainable basis for long-term development. The central strategic approaches will be capacity building for the undertaking and management of development programmes and advisory services for achieving or strengthening of sustainable development policies. For the CCF period, 2002-2006, four thematic focus areas have been identified for UNDP support: (a) poverty reduction and policy development; (b) democratic governance; (c) environmental management and sustainable development and (d) HIV/AIDS prevention and impact

mitigation.⁶ The program areas are fully in line with the country's priorities as identified in the MOP for 2001–2005 and the Declaration of Government for the period 2000– 2005. Support will focus on upstream policy advice, capacity and institutional strengthening, and leveraging of the potential for coordination and mobilization of the necessary resources.

Gender equality and empowerment of women, as well as increased effective participation of women in UNDP supported activities will be guiding principles in the implementation of this CCF. Gender mainstreaming in project and programme design and activities will be pursued, placing emphasis on strengthening the capacity of women to participate in the development process and on bringing to the forefront their positive and crucial contributions to development in Suriname.

Box 3: Complementarity and Coordination across UN agency programming in Suriname

A Common Country Assessment will inform UNDP's program activities and will facilitate complementarity across UN Agency programs in the country. The CCA will also serve as a framework for collaboration among the UNDP, specialized agencies and the donor community in support Suriname's national priorities and its commitments to Global Compacts. Given Government's commitment to greater regional integration, UNDP will actively promote the use of the Technical Cooperation among Developing Countries (TCDCD) modality to expose Suriname to wider global experiences, investments and specific training opportunities. UNDP's cooperation with Suriname is supported by projects under the UNDP GEF Small Grants Programme (SGP), which focus on local community projects regarding sustainable use and/or conservation activities that have a global significance. The United Nations Volunteers programme (UNV), which aims to strengthen national capacity and to promote volunteerism and is also administered by UNDP, is also active in Suriname. UNV will be deployed as much as possible within the thematic focus areas.

The Ministry of Planning and Development Cooperation is responsible for the management of UN development cooperation with Suriname. In terms of the UN Development System, technical cooperation with Suriname is discussed in the context of monthly meetings of the UN Agency representatives in Port of Spain under the UN Resident Coordinator system and in the annual meetings held in Suriname. Within Suriname, representatives of the WHO/PAHO act as the UN Correspondent and provide oversight of coordination of the UN development system with the support of the UNDP sub-office in Paramaribo.

UNDP support also aims to contribute, both directly and indirectly, to the achievement of several of the Millennium Development Goals (MDGs) and targets, particularly those on poverty eradication, HIV/AIDS, environmental sustainability and gender equality. It is Government's intention to achieve a harmonization of the monitoring system (and thus the mechanism for policy monitoring) for the MOP intimately with monitoring of achievement of the Millennium Development Goals.

2.4 INTER-AMERICAN DEVELOPMENT BANK

⁶ These areas are the same as those articulated in the UNDAF for the period 2002–2005, with the exception of democratic governance, which is treated as a crosscutting theme.

IDB Strategy and Programs

Since 2002, the IDB's strategic focus in Suriname is in (a) private sector development; (b) environmentally and socially sustainable development; and (c) public sector reform. The IDB country strategy, which is in the process of being updated, has been implemented through a number of loans and technical cooperation projects. Both lending and non-lending activities are designed to be catalytic in their respective sectors. The loan portfolio includes seven operations that amount to approximately \$51 million, four of which focus on social development while the remaining three operations are in public sector reform. The sizable technical assistance portfolio includes 13 non-reimbursable operations that amount to over \$7 million.

The Decentralization and Local Government Strengthening Program, for instance, is supported by a loan of US\$ 4.9 million. Its implementation has prepared five district administrations for fiscal self-management and established budget management systems for four of them. Training programs to enhance the capabilities of local officers have focused on public administration of local infrastructure systems, such as roads, drainage networks, and domestic waste management. Training on environmental management has also been provided. The elaboration of urban development plans and the financing of a number of small infrastructure projects are also programmed to prepare district administrations for future development initiatives.

Box 4: The review of the IDB strategy for 2000 highlighted several important changes in Suriname during the late 1990s.

Private Sector Development

- Barriers to trade reduced: elimination of trade licensing, quotas, import prohibitions and foreign exchange surrender (the last only for non-minerals)
- Land Policy Directive approved

Human Resource/Social Development

- Methodology established for targeting poor families for health and other social services
- Housing finance opportunities for poor households expanded
- Judges' capacity to deal with domestic violence cases strengthened

Governance/Public Sector Reform

- More favorable environment created for public sector reform
- Legal framework for local governments decentralization
- Dialogue on civil service reform
- Methodology for public sector reform road map

III. COORDINATION EFFORTS AND RESULTS

3.1 Current situation

Currently, there is no government-led coordination of development aid in Suriname nor is there a single focal point for oversight of development aid by the government. Three separate agencies are responsible for managing development projects based on the donor. The assistance from the Netherlands, the EU/EC, and UNDP, is under the responsibility of the Ministry of Planning and Development (PLOS) while the Islamic Development Bank reports to the Central Bank and the IADB should technically report only to the Ministry of Finance.

Coordination to date has been Donor-led

Aid coordination, which is donor-led at this point, takes the form of bilateral arrangements among the major donors as well as ad-hoc meetings. Joint high-level meetings of the principal donors (Dutch, EU/EC, IDB, UNDP) are held every month, usually as a working-dinner. Although these meetings have helped keep donors informed about each other's activities, they have not helped to address specific problems encountered in day-to-day execution. Technical teams also meet occasionally (as needed) to inform or consult on specific operations or actions. This has been particularly true with IDB operations, as HQ and the country office have made great efforts to ensure that missions coming to Suriname consult and share information with their technical counterparts at the Dutch Embassy, the European Union local office, and UNDP. This coordination mechanism has worked at different levels of project cycle, including both design and execution.

There are a number of examples of collaboration at the project level. The Netherlands is participating in the IDB-financed Low Income Shelter project with US\$2.5 million; the project will be executed in line with operating regulations agreed by GOS and IDB. Similarly, an important technical cooperation supporting the establishment of NIMOS was co-financed by the EC. Technical and material support to the general elections in Suriname of 2005 is another example of joint financing, namely by GOS, IDB, EU/EC and UNDP. In other instances, coordination efforts have allowed more complementary programming in specific sectors. For example, the IDB has conditioned its participation in the Agriculture sector until the Sector Strategy document prepared by the Netherlands is in effect. Additionally, the IDB has limited its actions in Transport in light of the large-scale EC program in the sector. Nonetheless, there have also been instances in which adequate coordination hasn't been achieved. The Public Sector Reform Road Map is a good example: although there was an agreement between GOS, UNDP, and the IDB regarding the preparation of the Road Map, the differing roles of the two agencies remain unclear.

The donor-led coordination effort is still far from being an efficient mechanism. The main implication of the lack of a well-structured multi-annual government plan is the risk of identifying piece-meal solutions instead of an integrated, more comprehensive approach. In addition to the lack of a reliable multi-annual plan, there is no national investment system that assures the integrality and feasibility of public investments and provides a performance monitoring system. The use of different systems and procedures to access and to spend resources coming from different donors is also a complicating factor.

IV. RECOMMENDATIONS FOR FUTURE ACTIONS

The environment for donor coordination in Suriname compares favorably to countries in which dozens of donors are active across a wide range of sectors. Two crucial elements for designing a practical and well-focused coordination mechanism are present in Suriname: the main donors all favor government-led coordination of aid programming and recognize the limitations of current coordination practices and, even more important, high-level government officials such as the ministers of Finance and PLOS indicate their agreement. The tasks ahead would be to develop a shared vision for what government-led development partnership in Suriname can achieve and to agree on the next steps.

The recommendations in Annex 1 highlight the following:

- a GOS focal point for oversight of development cooperation and use of a well-structured Multi-Annual Plan for adequate and timely coordination. The government of Suriname is in the process of preparing such a plan for the 2006-2010 period.⁷
- Coordination of analytical work and preparation of projects;
- use of the Multilateral Development Goals to provide a long-term context for measuring key performance indicators in a common framework;
- harmonization of reporting and possible use of Sector Wide Approach;
- the development of a modern, flexible, and transparent national procurement system as a prerequisite to harmonizing reporting and/or financial systems across donors.⁸

⁷ The IDB is also in the process of preparing a new country strategy that will cover the same period. It is expected that the policy notes and the issues-paper prepared for the new strategy will be useful to GOS for their plan. The United Nations agencies in Suriname are currently preparing the new UN Development Assistance Framework (UNDAF) for the period 2006-2010 (coinciding with the MOP period) which will form the basis of the individual UN agency programs for their programming period, among others the 2006-2010 Country Program of UNDP.

⁸ Use of a Sector Wide Approach before a national procurement system is in place could be based on an agreement across donors regarding the use of one of their procurement procedures; such could be the case with implementation of the Public Sector Reform Road Map currently in preparation. The IDB Public Management Strengthening Program has a component that will address this issue.

Annex 1: MATRIX OF POLICY RECOMMENDATIONS

CURRENT ISSUES	POLICY RECOMMENDATIONS		OUTPUT	OUTCOME
	<i>Short Term (1-2 years)</i>	<i>Medium Term (2-4 years)</i>		
Strengthened GOS led coordination	(i) Support to MDG/MOP framework that will be the overall development umbrella for donors to shape their programs and projects; (ii) Capacity strengthening and provision of comparative models of donor coordination; (iii) Consider identification of a single government focal point to provide coordination across agencies and oversee donor coordination	Integrated planning processes at macro and sector level using forthcoming Multi-Annual Plan as a basis for programming donor aid over a 3-5 year time horizon.	(i) Harmonized development framework of national priorities (ii) Facilitation of effective GOS oversight of aid; (iii) greater consistency between GOS plans and programmed development assistance	(i) Coordinated and synergetic program and project delivery; (ii) More efficient and selective programming of development aid and public investment in Suriname
Coordination of analytical work & preparation of projects	Donors agree to share current analytical work and cooperate as appropriate. Collaborate on establishing a virtual library that is accessible to the public.	In the context of GOS MOP, identify and undertake specific projects for joint analytical work in strategic sectors.	(i) Enhanced quality and broader ownership of key analytical products; (ii) reduced duplication of efforts across donors/GOS.	Improved quality of development projects and programs due to stronger analytical foundations. More informed policy dialogue in key sectors.
Consistent Measuring Performance across donors	Use the MDGs as a framework for identifying key areas for intensified development efforts in decade remaining until 2015.	Based on (i) the GOS Multi-Annual plan, (ii) donor strategies and (iii) key gaps in Suriname's progress in reaching the MDGs, identify areas for potential joint activity, whether analytical or operational.	(i) More comprehensive view of Suriname's progress in reaching the MDGs; (ii) clearer identification of key gaps and potential areas for collaboration.	More focused activities in key sectors; improved outcomes in sectors requiring intensified effort to reach MDGs.
CURRENT ISSUES	POLICY RECOMMENDATIONS		OUTPUT	OUTCOME

	<i>Short Term (1-2 years)</i>	<i>Medium Term (2-4 years)</i>		
Harmonization of reporting and potential use of Sector Wide Approach or Direct Budget Support	Identify possible use of the Sector Wide approach in an area of priority to the GOS and common interest across donors, including the possible use of non-reimbursable funding from PRODEV (IDB).	In the context of GOS MOP and as appropriate, identify specific sector for SWAp, including harmonized operational reporting.	Greater coherence of development assistance in one or more sectors; more focused programming and reduced administrative requirements. Assess possibilities and steps required to eventually move towards direct budget support.	Reduced administrative burden for GOS; more efficient processes.
National Procurement System	Identify key steps necessary for strengthening public procurement system in Suriname. Produce necessary analytical work to clarify options, requirements, the scope of the activities and their appropriate sequence.	Undertake steps to improve the procurement system in light of an agreed action plan.	Specific improvements in the quality of national procurement system.	Improved public financial management for Suriname; increased transparency and efficacy in use of public resources; clearer rules and standards for private sector participation in public investment contracts.

ANNEX 7 Partner country positions in relation to key international conventions

STATUS OF RATIFICATION BY SURINAME OF THE PRINCIPAL INTERNATIONAL HUMAN RIGHTS TREATIES As of 09 March 2006

Global Instruments: http://www.ohchr.org/english/countries/ratification/index.htm		Status	Signature Date	EIF Date	Rec. of Instr.
1	CAT-Convention Against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment	No Action			
2	CAT-OP-Optional Protocol to the Convention Against Torture and Cruel Inhuman or Degrading Treatment or Punishment	No Action			
3	CCPR-International Covenant on Civil and Political Rights	Accession			28/03/77
4	CCPR-OP1-Optional Protocol to the International Covenant on Civil and Political Rights	Accession			28/03/77
5	CCPR-OP2-DP-Second Optional Protocol to the International Covenant on Civil and Political Rights	No Action			
6	CEDAW-Convention on the Elimination of All Forms of Discrimination against Women	Accession			31/03/93
7	CEDAW-OP-Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women	No Action			
8	CERD-International Convention on the Elimination of All Forms of Racial Discrimination	Succession			15/03/84
9	CESCR-International Covenant on Economic, Social and Cultural Rights	Accession			28/03/77
10	CMW-International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	No Action			
11	CRC-Convention on the Rights of the Child	Ratification		26/01/90	31/03/93
12	CRC-OP-AC-Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict	Signature only		10/5/2002	
13	CRC-OP-SC-Optional Protocol to the Convention on the Rights of the Child on the sale of children child prostitution and child pornography	Signature only		10/5/2002	
14.	Agreement establishing the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean (Madrid, 24 July 1992)	No Action			
	http://www.unhchr.ch/tbs/doc.nsf/webRatifStatPage?OpenPage or http://www.unhchr.ch/tbs/doc.nsf/newhvstatusbycountry?OpenView&Start=1&Count=250&Expand=165#165				
	Corruption and Money laundering				
	INTER-AMERICAN Convention against Corruption B-58	Accession	29/03/96		
	FATF-Style Regional Bodies Caribbean Financial Action Task Force (CFATF)	Member			

**STATUS OF RATIFICATION BY SURINAME OF OTHER
INTERNATIONAL CONVENTIONS**

	ILO Conventions	Status	Signature Date	EIF Date	Rec. of Instr.
C1	Hours of Work (Industry) Convention, 1919	Not Ratified			
C2	Unemployment Convention, 1919	Not Ratified			
C3	Maternity Protection Convention, 1919	Not Ratified			
(C4)	Night Work (Women) Convention, 1919	Not Ratified			
C5	Minimum Age (Industry) Convention, 1919	Not Ratified			
C6	Night Work of Young Persons (Industry) Convention, 1919	Not Ratified			
C7	Minimum Age (Sea) Convention, 1920	Not Ratified			
C8	Unemployment Indemnity (Shipwreck) Convention, 1920	Not Ratified			
C9	Placing of Seamen Convention, 1920	Not Ratified			
C10	Minimum Age (Agriculture) Convention, 1921	Not Ratified			
C11	Right of Association (Agriculture) Convention, 1921	Ratified	15:06:1976		
C12	Workmen's Compensation (Agriculture) Convention, 1921	Not Ratified			
C13	White Lead (Painting) Convention, 1921	Ratified	15:06:1976		
C14	Weekly Rest (Industry) Convention, 1921	Ratified	15:06:1976		
(C15)	Minimum Age (Trimmers and Stokers) Convention, 1921	Not Ratified			
C16	Medical Examination of Young Persons (Sea) Convention, 1921	Not Ratified			
C17	Workmen's Compensation (Accidents) Convention, 1925	Ratified	15:06:1976		
C18	Workmen's Compensation (Occupational Diseases) Convention, 1925	Not Ratified			
C19	Equality of Treatment (Accident Compensation) Convention, 1925	Ratified	15:06:1976		
(C20)	Night Work (Bakeries) Convention, 1925	Not Ratified			
(C21)	Inspection of Emigrants Convention, 1926	Not Ratified			
C22	Seamen's Articles of Agreement Convention, 1926	Not Ratified			
C23	Repatriation of Seamen Convention, 1926	Not Ratified			
C24	Sickness Insurance (Industry) Convention, 1927	Not Ratified			
C25	Sickness Insurance (Agriculture) Convention, 1927	Not Ratified			
C26	Minimum Wage-Fixing Machinery Convention, 1928	Not Ratified			
C27	Marking of Weight (Packages Transported by Vessels) Convention, 1929	Ratified	15:06:1976		
(C28)	Protection against Accidents (Dockers) Convention, 1929	Not Ratified			
C29	Forced Labour Convention, 1930	Ratified	15:06:1976		
C30	Hours of Work (Commerce and Offices) Convention, 1930	Not Ratified			
(C31)	Hours of Work (Coal Mines) Convention, 1931	Not Ratified			

C32	Protection against Accidents (Dockers) Convention (Revised), 1932	Not Ratified			
C33	Minimum Age (Non-Industrial Employment) Convention, 1932	Not Ratified			
(C34)	Fee-Charging Employment Agencies Convention, 1933	Not Ratified			
(C35)	Old-Age Insurance (Industry, etc.) Convention, 1933	Not Ratified			
(C36)	Old-Age Insurance (Agriculture) Convention, 1933	Not Ratified			
(C37)	Invalidity Insurance (Industry, etc.) Convention, 1933	Not Ratified			
(C38)	Invalidity Insurance (Agriculture) Convention, 1933	Not Ratified			
(C39)	Survivors' Insurance (Industry, etc.) Convention, 1933	Not Ratified			
(C40)	Survivors' Insurance (Agriculture) Convention, 1933	Not Ratified			
C41	Night Work (Women) Convention (Revised), 1934	Ratified	15:06:1976		
C42	Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934	Ratified	15:06:1976		
(C43)	Sheet-Glass Works Convention, 1934	Not Ratified			
(C44)	Unemployment Provision Convention, 1934	Not Ratified			
C45	Underground Work (Women) Convention, 1935	Not Ratified			
(C46)	Hours of Work (Coal Mines) Convention (Revised), 1935	Not Ratified			
C47	Forty-Hour Week Convention, 1935	Not Ratified			
(C48)	Maintenance of Migrants' Pension Rights Convention, 1935	Not Ratified			
(C49)	Reduction of Hours of Work (Glass-Bottle Works) Convention, 1935	Not Ratified			
(C50)	Recruiting of Indigenous Workers Convention, 1936	Not Ratified			
(C51)	Reduction of Hours of Work (Public Works) Convention, 1936	Not Ratified			
C52	Holidays with Pay Convention, 1936	Not Ratified			
C53	Officers' Competency Certificates Convention, 1936	Not Ratified			
C54	Holidays with Pay (Sea) Convention, 1936	Not Ratified			
C55	Shipowners' Liability (Sick and Injured Seamen) Convention, 1936	Not Ratified			
C56	Sickness Insurance (Sea) Convention, 1936	Not Ratified			
C57	Hours of Work and Manning (Sea) Convention, 1936	Not Ratified			
C58	Minimum Age (Sea) Convention (Revised), 1936	Not Ratified			
C59	Minimum Age (Industry) Convention (Revised), 1937	Not Ratified			
(C60)	Minimum Age (Non-Industrial Employment) Convention (Revised), 1937	Not Ratified			
(C61)	Reduction of Hours of Work (Textiles) Convention, 1937	Not Ratified			
C62	Safety Provisions (Building) Convention, 1937	Ratified	15:06:1976		
C63	Convention concerning Statistics of Wages and Hours of Work, 1938	Not Ratified			
(C64)	Contracts of Employment (Indigenous Workers) Convention, 1939	Not Ratified			
(C65)	Penal Sanctions (Indigenous Workers) Convention, 1939	Not Ratified			
(C66)	Migration for Employment Convention, 1939	Not Ratified			
(C67)	Hours of Work and Rest Periods (Road Transport) Convention, 1939	Not Ratified			

C68	Food and Catering (Ships' Crews) Convention, 1946	Not Ratified			
C69	Certification of Ships' Cooks) Convention, 1946	Not Ratified			
C70	Social Security (Seafarers) Convention, 1946	Not Ratified			
C71	Seafarers' Pensions Convention, 1946	Not Ratified			
C72	Paid Vacations (Seafarers) Convention, 1946	Not Ratified			
C73	Medical Examination (Seafarers Convention, 1946	Not Ratified			
C74	Certification of Able Seamen Convention, 1946	Not Ratified			
C75	Accommodation of Crews Convention, 1946	Not Ratified			
C76	Wages, Hours of Work and Manning (Sea) Convention, 1946	Not Ratified			
C77	Medical Examination of Young Persons (Industry) Convention, 1946	Not Ratified			
C78	Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946	Not Ratified			
C79	Night Work of Young Persons (Non-Industrial Occupations) Convention, 1946	Not Ratified			
C80	Final Articles Revision Convention, 1946	Not Ratified			
C81	Labour Inspection Convention, 1947	Ratified	15:06:1976		
P81	Protocol of 1995 to the Labour Inspection Convention, 1947	Not Ratified			
C82	Social Policy (Non-Metropolitan Territories) Convention, 1947	Not Ratified			
C83	Labour Standards (Non-Metropolitan Territories) Convention, 1947	Not Ratified			
C84	Right of Association (Non-Metropolitan Territories) Convention, 1947	Not Ratified			
C85	Labour Inspectorates (Non-Metropolitan Territories) Convention, 1947	Not Ratified			
(C86)	Contracts of Employment (Indigenous Workers) Convention, 1947	Not Ratified			
C87	Freedom of Association and Protection of the Right to Organise Convention, 1948	Ratified	15:06:1976		
C88	Employment Service Convention, 1948	Ratified	15:06:1976		
C89	Night Work (Women) Convention (Revised), 1948	Not Ratified			
P89	Protocol to the Night Work (Women) Convention (Revised), 1948	Not Ratified			
C90	Night Work of Young Persons (Industry) Convention (Revised), 1948	Not Ratified			
(C91)	Paid Vacations (Seafarers) Convention (Revised), 1949	Not Ratified			
C92	Accommodation of Crews Convention (Revised), 1949	Not Ratified			
C93	Wages, Hours of Work and Manning (Sea) Convention (Revised), 1949	Not Ratified			
C94	Labour Clauses (Public Contracts) Convention, 1949	Ratified	15:06:1976		
C95	Protection of Wages Convention, 1949	Ratified	15:06:1976		
C96	Fee-Charging Employment Agencies Convention (Revised), 1949	Ratified	15:06:1976		
C97	Migration for Employment Convention (Revised), 1949	Not Ratified			
C98	Right to Organise and Collective Bargaining Convention, 1949	Ratified	05:06:1996		
C99	Minimum Wage Fixing Machinery (Agriculture) Convention, 1951	Not Ratified			
C100	Equal Remuneration Convention, 1951	Not Ratified			
C101	Holidays with Pay (Agriculture) Convention, 1952	Ratified	15:06:1976		

C102	Social Security (Minimum Standards) Convention, 1952	Not Ratified			
C103	Maternity Protection Convention (Revised), 1952	Not Ratified			
(C104)	Abolition of Penal Sanctions (Indigenous Workers) Convention, 1955	Not Ratified			
C105	Abolition of Forced Labour Convention, 1957	Ratified	15:06:1976		
C106	Weekly Rest (Commerce and Offices) Convention, 1957	Ratified	15:06:1976		
C107	Indigenous and Tribal Populations Convention, 1957	Not Ratified			
C108	Seafarers' Identity Documents Convention, 1958	Not Ratified			
C109	Wages, Hours of Work and Manning (Sea) Convention (Revised), 1958	Not Ratified			
C110	Plantations Convention, 1958	Not Ratified			
P110	Protocol to the Plantations Convention, 1958	Not Ratified			
C111	Discrimination (Employment and Occupation) Convention, 1958	Not Ratified			
C112	Minimum Age (Fishermen) Convention, 1959	Ratified			
C113	Medical Examination (Fishermen) Convention, 1959	Not Ratified	15:06:1976		
C114	Fishermen's Articles of Agreement Convention, 1959	Not Ratified			
C115	Radiation Protection Convention, 1960	Not Ratified			
C116	Final Articles Revision Convention, 1961	Not Ratified			
C117	Social Policy (Basic Aims and Standards) Convention, 1962	Not Ratified			
C118	Equality of Treatment (Social Security Convention, 1962	Ratified	15:06:1976		
C119	Guarding of Machinery Convention, 1963	Not Ratified			
C120	Hygiene (Commerce and Offices) Convention, 1964	Not Ratified			
C121	Employment Injury Benefits Convention, 1964	Not Ratified			
C122	Employment Policy Convention, 1964	Ratified	15:06:1976		
C123	Minimum Age (Underground Work) Convention, 1965	Not Ratified			
C124	Medical Examination of Young Persons (Underground Work) Convention, 1965	Not Ratified			
C125	Fishermen's Competency Certificates Convention, 1966	Not Ratified			
C126	Accommodation of Crews (Fishermen) Convention, 1966	Not Ratified			
C127	Maximum Weight Convention, 1967	Not Ratified			
C128	Invalidity, Old-Age and Survivors' Benefits Convention, 1967	Not Ratified			
C129	Labour Inspection (Agriculture) Convention, 1969	Not Ratified			
C130	Medical Care and Sickness Benefits Convention, 1969	Not Ratified			
C131	Minimum Wage Fixing Convention, 1970	Not Ratified			
C132	Holidays with Pay Convention (Revised), 1970	Not Ratified			
C133	Accommodation of Crews (Supplementary Provisions) Convention, 1970	Not Ratified			
C134	Prevention of Accidents (Seafarers) Convention, 1970	Not Ratified			
C135	Workers' Representatives Convention, 1971	Ratified	15:06:1976		
C136	Benzene Convention, 1971	Not Ratified			

C137	Dock Work Convention, 1973	Not Ratified			
C138	Minimum Age Convention, 1973	Not Ratified			
C139	Occupational Cancer Convention, 1974	Not Ratified			
C140	Paid Educational Leave Convention, 1974	Not Ratified			
C141	Rural Workers' Organisations Convention, 1975	Not Ratified			
C142	Human Resources Development Convention, 1975	Not Ratified			
C143	Migrant Workers (Supplementary Provisions) Convention, 1975	Not Ratified			
C144	Tripartite Consultation (International Labour Standards) Convention, 1976	Ratified	16:11:1979		
C145	Continuity of Employment (Seafarers) Convention, 1976	Not Ratified			
C146	Seafarers' Annual Leave with Pay Convention, 1976	Not Ratified			
C147	Merchant Shipping (Minimum Standards) Convention, 1976	Not Ratified			
P147	Protocol of 1996 to the Merchant Shipping (Minimum Standards) Convention, 1976	Not Ratified			
C148	Working Environment (Air Pollution, Noise and Vibration) Convention, 1977	Not Ratified			
C149	Nursing Personnel Convention, 1977	Not Ratified			
C150	Labour Administration Convention, 1978	Ratified	29:09:1981		
C151	Labour Relations (Public Service) Convention, 1978	Ratified	29:09:1981		
C152	Occupational Safety and Health (Dock Work) Convention, 1979	Not Ratified			
C153	Hours of Work and Rest Periods (Road Transport) Convention, 1979	Not Ratified			
C154	Collective Bargaining Convention, 1981	Ratified	05:06:1996		
C155	Occupational Safety and Health Convention, 1981	Not Ratified			
P155	Protocol of 2002 to the Occupational Safety and Health Convention, 1981	Not Ratified			
C156	Workers with Family Responsibilities Convention, 1981	Not Ratified			
C157	Maintenance of Social Security Rights Convention, 1982	Not Ratified			
C158	Termination of Employment Convention, 1982	Not Ratified			
C159	Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983	Not Ratified			
C160	Labour Statistics Convention, 1985	Not Ratified			
C161	Occupational Health Services Convention, 1985	Not Ratified			
C162	Asbestos Convention, 1986	Not Ratified			
C163	Seafarers' Welfare Convention, 1987	Not Ratified			
C164	Health Protection and Medical Care (Seafarers) Convention, 1987	Not Ratified			
C165	Social Security (Seafarers) Convention (Revised), 1987	Not Ratified			
C166	Repatriation of Seafarers Convention (Revised), 1987	Not Ratified			
C167	Safety and Health in Construction Convention, 1988	Not Ratified			
C168	Employment Promotion and Protection against Unemployment Convention, 1988	Not Ratified			
C169	Indigenous and Tribal Peoples Convention, 1989	Not Ratified			
C170	Chemicals Convention, 1990	Not Ratified			

C171	Night Work Convention, 1990	Not Ratified			
C172	Working Conditions (Hotels and Restaurants) Convention, 1991	Not Ratified			
C173	Protection of Workers' Claims (Employer's Insolvency) Convention, 1992	Not Ratified			
C174	Prevention of Major Industrial Accidents Convention, 1993	Not Ratified			
C175	Part-Time Work Convention, 1994	Not Ratified			
C176	Safety and Health in Mines Convention, 1995	Not Ratified			
C177	Home Work Convention, 1996	Not Ratified			
C178	Labour Inspection (Seafarers) Convention, 1996	Not Ratified			
C179	Recruitment and Placement of Seafarers Convention, 1996	Not Ratified			
C180	Seafarers' Hours of Work and the Manning of Ships Convention, 1996	Not Ratified			
C181	Private Employment Agencies Convention, 1997	Ratified	12:04:2006		
C182	Worst Forms of Child Labour Convention, 1999	Ratified	12:04:2006		
C183	Maternity Protection Convention, 2000	Not Ratified			
C184	Safety and Health in Agriculture Convention, 2001	Not Ratified			
C185	Seafarers' Identity Documents Convention (Revised), 2003	Not Ratified			

ANNEX 8 Debt Sustainability Analysis

Not applicable

ANNEX 9 List of Government's commitments

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy

These accompanying measures were discussed and agreed on between the Government of Suriname and the European Commission during the negotiations to renegotiate the preconditions of the Road to the Ferry project in February 2006. As a result of the negotiations, the Government agreed to implement the following accompanying measures within the set timeline:

- Commence implementation of the Institutional strengthening for the transport sector as soon as the project is approved by European Commission
- Set fuel levy "Opcenten" to become a percentage of the pump price and steadily increase the level to cover full maintenance costs of the primary road network under the management of the Road Authority: percentage by 1 January 2008
- Formally transfer to the Road Authority 750 km of primary roads (inclusive the current approximately 350 km maintained by the Road Authority)
 - 2010 500 km
 - 2011 100 km
 - 2012 100 km
 - 2013 50 km
- Forward and adapt the existing traffic regulation including provisions for agricultural vehicles and axle load control: 1 August 2008
- Implement legislation clarifying the roles and responsibilities of the Road Authority vis-à-vis the Ministry of Public works including arrangements for transferring the fuel levy to a Road Fund: 1 January 2008

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 - *Policy Note Labor Market and Institutions in Suriname – Final Report* (October 2005)
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ANNEX 11 List of abbreviations

Abbreviations

ABS	General Statistics Bureau
ACP	African, Caribbean, Pacific
ACS	Association of Caribbean States
AFD	Agence Française de Développement
AOV	Old Age Pension
ALADI	Association for the integration in Latin America
BL	Budget Line
BOG	Bureau for Public Health Care
CALP	Caribbean Anti-Money laundering Project
CAREC	Caribbean Epidemiology Centre
CARICOM	Caribbean Community and Common Market
CBOs	Community-based Organisations
CCJ	Caribbean Court of Justice
CEDAW	Convention for the Elimination of all forms of Discrimination against Women
CET	Common External Tariff
CHRC	Caribbean Health Research Centre
CICAD	Inter-American Commission for the Control of Drug abuse
CLAD	Central National Accountants' Agency
CRNM	Caribbean Regional Negotiating Machinery
CRN PLUS	Caribbean Regional Network Plus
CROSQ	Caricom Regional Organisation for Standards and Quality
CRS	Convention of the Rights of the Child
CSME	Caricom Single Market & Economy
CSO	Civil Society Organisation
CSP	Country Strategy Paper
CTATF	Caribbean Financial Action Task Force
DCA	Department of Civil Aviation
DDR	Drug Demand Reduction
DEA	Drug Enforcement Agency
DFID	Department for International Development
DFLSA	Development Finance Limited Caribbean
€	Euro
EBS	Energy company Suriname
EC	European Commission
ECHO	European Commission Humanitarian Aid Office
EDF	European Development Fund
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EIU	Economist Intelligence Unit
EPA	Economic Partnership Agreement
EU	European Union
FA	Financing Agreement
FICOD	Fiscal Detection Service of the Tax Department
FIU	Financial Intelligence Unit

FPA	Fisheries Partnership Agreements
FR	France
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GFTAM	Global Fund Tuberculosis, Aids and Malaria
GOS	Government of Suriname
HDR	Human Development Report
HIPC	Heavily Indebted Poor Countries
ICC	International Criminal Court
IDB	Inter-American Development Bank
IDOS	Institute for Development Oriented Studies
IIRSA	Regional South American Infrastructure Initiative
IMF	International Monetary Fund
ILO	International Labour Organisation
ITDP	Integrated Tourism Development Program
JAR	Joint Annual Review
LAC	Latin American and Caribbean
LRB	Law of Regional Bodies
MDG	Millennium Development Goals
MFN	Most Favored Nation
MINOV	Ministry of Education and Community Development
MOF	Ministry of Finance
MOJP	Ministry of Justice and Police
MOP	Multi-Annual Development Plan
MPP	Micro Projects Program
MPW	Ministry of Public Works
MRD	Ministry of Regional Development
MTR	Mid-Term Review
NAO	National Authorising Officer
NAR	National Anti-Drugs Council
NDP	National Democratic Party
NF PLUS	Nieuw Front Plus
NGO	Non-Governmental Organisation
NIP	National Indicative Programme
NL	The Netherlands
NSA	Non-State Actors
OAS	Organisation of American States
PAHO	Pan-American Health Organisation
PDP	Policy Dialogue Paper
PLOS	Ministry of Planning and Development Cooperation
PRS(P)	Poverty Reduction Strategy (Paper)
PSDS	Private Sector Development Strategy
PSR	Public Sector Reform
RA	Road Authority
RAVAKSUR	Council of trade union federations in Suriname
RIP	Regional Indicative Program
RNM	Regional Negotiating Machinery
RSP	Revised Strategic Plan
SBBS	Foundation for the Conservation of the Banana Sector
SBF	Suriname Business Forum
SCPSR	Steering Committee for Public Sector Reform
SDMO	Suriname Debt Management Office
SIA	Social Impact Assessment
SLM	Surinam Airways

SELA	Latin American Economic System
SER	Social-Economic Council
SFA	Special Framework of Assistance
SME	Small and Medium Enterprises
SOZA(VO)	Ministry of Social Affairs (and Housing)
SPMU	Suriname Project Management Unit
SRD	Surinamese Dollar
SSN	Social Safety Net
STD	Sexually Transmitted Diseases
TA	Technical Assistance
TACS	Tax Administrators Collectors System
TCF	Technical Cooperation Facility
TIP	Trafficking in Persons
US\$	United States Dollars
UN	United Nations
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation
WIRSPA	West-Indies Rum and Spirit Production Association
WTO	World Trade Organisation

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- i On 15 June 2005, the Inter-American Court of Human Rights found Suriname in violation of provisions of the American Convention on Human Rights, including article 21 in relation to the killing of at least 39 members of the Maroon community of Moiwana during the Interior War. In 2005, the UN Committee on the Elimination of Racial Discrimination expressed its “deep concern about information alleging that Suriname is actively disregarding the Committee’s prior recommendations, issued in 2003, 2004 and March 2005, by authorizing additional resource exploitation and associated infrastructure projects that pose substantial threats of irreparable harm to indigenous and tribal peoples, without any formal notification to the affected communities and without seeking their prior agreement or informed consent.” In 2004, the UN Human Rights Committee (HRC) made similar recommendations to Suriname. However, the present Government is implementing the recommendations. The trial of Mr. Bouterse, the former military ruler, is to take place in 2006. He is accused of participating in the “December killings” of 15 opposition politicians and NSA activist in 1982.
- ii 2004 census
- iii HDR 2005
- iv Concluding observations of the Human Rights Committee, 2004, CCPR/CO/80/SUR
- v Trafficking in Persons (TIP) report. USA Department of State. 2003
- vi Policy note on Gender equality and development in Suriname (IDB, October 2005), TIP in the Caribbean (IOM, OAS, IACW, March 2005)
- vii IDB Report Governance in Suriname, April 2001
- viii IDB Report Governance in Suriname, April 2001
- ix Report on Judicial Systems in the Americas 2004-2005
- x EIU 2005
- xi EIU 2005, 2006
- xii EIU Country Profile Suriname 2005, 2006
- xiii IDB Policy note Public Sector Reform 2006, IDB January 2006 Policy dialogue paper
- xiv Metra Economic Consulting 2005
- xv EIU Country Profile 2005
- xvi Metra Economic Consulting, Capacity Building in Support of Preparation of EPA, December 2005
- xvii WTO Trade Policy Review Suriname 14.6.2004
- xviii IMF Suriname 2005 Art IV Consultation
- xix IDB January 2006 Policy Dialogue Paper

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- xx IMF Suriname 2005 Art IV Consultation
- xxi IDB has prepared a Debt Management Policy Note that includes an analysis of the SDMO with recommendations to consolidate back and middle office functions, and a debt sustainability analysis. The 2004 IMF Article IV Consultation also presents a debt sustainability framework for the period 1999-2009.
- xxii IMF, art IV 2006
- xxiii IDB Policy Note Public Sector Reform 2006
- xxiv WTO Trade Policy Review Suriname 14.6.2004
- xxv Metra 2005
- xxvi In determining an exact percentage, the ABS uses poverty in money and estimated that in 1999/2000 around 60% of the population was living in poverty.
- xxvii The count was done in 2004
- xxviii Population Policy document, 2005, PLOS
- xxix ICPD+10 Report, 62
- xxx ICPD+10 Report
- xxxi Policy note on issues of gender equality and development in Suriname (IDB, October 2005)
- xxxii Social safety net, IDB, February 2006
- xxxiii IDB Low-income shelter programme document SU-0017
- xxxiv Meerzorg is the community opposite to Paramaribo on the other side of the Suriname River.