



Republic of Suriname



European Commission

CO-OPERATION

BETWEEN

THE EUROPEAN COMMISSION

AND

THE REPUBLIC OF SURINAME

JOINT ANNUAL REVIEW 2003

(CALENDAR YEAR 2002)

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This Joint Annual Review 2003 (calendar year 2002) has been undertaken in compliance with Annex IV (Implementation and Management procedures, Chapter I (Programming), Article 5 (Review process) of the Cotonou Agreement, signed on 23rd June 2000.

The document hereafter is based on the policies, lessons learned and responses identified and agreed in the Country Strategy Paper, signed in Paramaribo on 30 July 2002, and the results of the first comprehensive Joint Annual Review undertaken in 2002 and duly concluded 22nd November 2002.

The Annual Review 2003 presented to the Council of Ministers on 5 May 2003 consists of a joint assessment of the implementation of the programme (calendar year 2002) and takes into account the results of relevant activities of monitoring and evaluation.

Signed in Paramaribo on 25th August 2003.


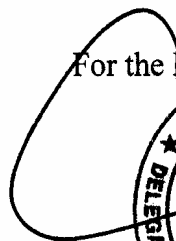
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1 Executive summary

This Joint Annual Review 2003 (calendar year 2002) has been undertaken in compliance with Annex IV (Implementation and Management procedures, Chapter I (Programming), Article 5 (Review process) of the Cotonou Agreement, signed on 23rd June 2000.

The document hereafter is based on the policies, lessons learned and responses identified and agreed in the Country Strategy Paper, signed in Paramaribo on 30 July 2002, and the results of the first comprehensive Joint Annual Review undertaken in 2002 and duly concluded 22nd November 2002.

The Annual Review 2003 of the indicative programme consists of a joint assessment of the implementation of the programme (calendar year 2002) and takes into account the results of relevant activities of monitoring and evaluation.

This review contains:

- The results achieved in the focal sector(s), measured against the identified targets and impact indicators and sectoral policy commitments;
- Projects and programmes outside the focal sector(s) and/or in the framework of multi-annual programmes;
- The use of resources set aside for non-State actors;
- The effectiveness in implementation of current operations and the extent to which the timetable for commitments and payments have been respected;
- An extension of the programming perspective for the following years;

The year 2002 was characterized by the **increasing difference of opinion of State and non-State actors**, the first one supporting a **large public sector pay increase** and the last one (in particular the **private sector**) claiming total **absence of enabling environment conducive for socio-economical growth**.

The Government adopted a **revised banana strategic plan** in August 2002, in which **the restart of the production and privatization of the state-owned sector** is foreseen with the **strategic goal** to export in the first quarter of 2004. Privatisation of the sector is foreseen in the last quarter 2003/first quarter 2004. Preparation of the fields started in September 2002, the start of replanting is foreseen in April/May 2004.

Working capital and debt restructuring is financed by the **Government**. The running **EC-support** (estimated € 15 million) is used for **in-depth investments**, such as plant material, irrigation and cableway systems and Technical Assistance.

In November 2002, a **rice draft Financing Proposal** was submitted by the Technical Assistance for appraisal between the RAO and the Commission. The expected results of the programme for Suriname is to achieve **efficient and sustainable competitiveness towards world markets**, thereby maximizing its potential for **income and employment creation (poverty reduction)**.

The State and non-State actors defined in 2002 **several strategies** (Banana Sector, Business Forum) and **Memoranda of Understanding** were signed (Tourism, Port Rehabilitation), which will **reduce the delays** occurred with EDF projects (Transport

Sector Policy, Rehabilitation of the Port of Paramaribo, Drug Demand Reduction Program, Business Forum) and **increase commitments and disbursements** for sustainable development in 2003-2004, in accordance with the CSP (EDF & Budget lines included), as follows:

Sector of concentration: Transport: € 50,5 Mio

Operations will essentially focus on the following:

- Definition of a Transport sector policy;
- Rehabilitation/Institutional strengthening of the Port of Paramaribo;
- Construction of the Road to the Ferry (West);
- Rehabilitation of three bridges (East);
- Evaluation of the Road Authority (phase I);
- Identification of a Road Authority (phase II).

Non-focal area (€ 31,8 Mio): Actions will essentially focus on the **reinforcement of the capacity of State and non-State actors** in Transport, Trade, Regional integration as follows:

- Policy development, Business Forum, National Negotiating Machinery, Regional Integration policy, Enhancement of the productivity and trade in the Banana and Rice sub sectors, ...

The **integration of crosscutting themes** in development policies is recent in Suriname and depends on available information regarding the issues and **the rate of achievement of sectoral analysis**.

As for **the gender issue**, UNIFEM Suriname produced, in October 2001, a report analysing **the situation of women** in the country.

Regarding **environmental issues**, the EU-IDB project (590.000 EUR) financed on 7th EDF) aims at developing a **national institutional framework for environmental policy management**. **Two environmental impact assessments** were achieved for the reconstruction of the road to Suriname-Guyana ferry terminal and the rehabilitation of the Port of Paramaribo in 2002.

The EC Office in Suriname is full member of the **National Steering Committee of the Global Environment Fund**, coordinated by the UNDP, beside the Ministry of Labour, Development Technology and Environment, the University of Suriname, the NGO Forum, the National Women's Movement, the Representative of the Maroon Community, the Dutch Embassy and the Pan-American Health Organisation.

The concern for **the institutional strengthening and capacity building** principles have been already **incorporated into the policies**, defined for the Road Authority, the Tourism Authority, the Micro Projects, the supports to the banana sub sector and the rehabilitation of the harbour of Paramaribo and is reflected as **a non-focal area in the CSP**, even before the financial enforcement of the Cotonou Agreement.

Ten projects will be closed before June 2003 for a total amount of € 12 Mio, and **unspent funds transferred to the 9th EDF** (Sector of concentration) for an estimated amount of € 10 Mio.^(*)

A Regional Integration policy will be defined by State and non-State actors in 2003-2004, strengthening the coherence of ongoing actions in Transport and Trade (**9th EDF Budget - € 675.000**).

After appropriate evaluation and audit (2003), **supplementary funds** are foreseen by the Ministry of Planning and Development (NAO) to be made available **for building more capacity via the non-state actors (*)** and in order to **reach the 10th EDF, without time-breaks**:

- **Micro projects (phase III) - € 3 Mio**
- **Business Forum - € 2 Mio**
- **Support to the electoral process 2005 - € 2 Mio**

Finally, **efforts of the NAO and the EC** will concentrate on the **increase of commitments and disbursements** in 2003-2004, with the **strengthening of human resources** to appraise, implement, monitor and evaluate the programs (Training, awareness to increase **partnership and ownership** of line ministries, NGO's and private sector in the development process).

2 The policy agenda of the partner country (Cfr. Annex VIII)

The central objectives of the government's national development strategy, which is detailed in the Government's Multi-Annual Development Programme (MOP), are growth and poverty reduction. This strategy covers a five year period (2001-2005) and is based on the following pillars:

- Strengthening of principles of Good Governance throughout the Government;
- Macro-economic stability, public sector reform and rationalization of State enterprises;
- Reform of social sector policies and programmes (education, health) and ensuring that growth is inclusive with adequate protection of the poor;
- Creating a conducive environment for private sector development to generate growth and employment and to contribute to poverty alleviation;
- Ensuring sustainable development, including establishing an explicit link between economy and environment, stimulating sustainable mining, agricultural and tourism development.

Regional integration is a key ingredient in ensuring the success of this strategy. At the third Summit of the America's held in Quebec City in May 2001, Suriname signed a declaration adopting development priorities which are reflected in the above strategy, regarding public governance and political development, ecology and sustainable

^(*) Non-state actors include private sector, economic and social partners & the civil society

development, equity and human development and connectivity and technological development.

In order to decrease the vulnerability of the Surinamese economy and increase the welfare of the people the Government of Suriname has chosen for a development strategy, which has a very strong focus on the development of the production sectors and the private sector. However, this development policy needs to become supported by an integrated transport sector policy, which will adequately respond to the requirements of the macro- and social-economical development of Suriname.

3 Update on the political, economic and social situation

3.1 Political situation (Cfr. Annex IX and X)

The governing Nieuw Front (NF) coalition keeps the majority in Parliament. The government's ability to achieve its policy objectives will depend to a large extent on the possibility to manage demands for large public-sector pay increases in a new round of pay talks expected in the first quarter of 2003. The 2002 pay round-sparked inflation and currency depreciation may reduce confidence in government policy.

The major challenges of the Government confronted with public sector reform, retreat from production functions by public services, regional integration, illegal activities, such as drug trafficking and money laundering, will be to face the fiscal and monetary constraints accordingly to policy developments and measures earmarked in the MOP 2001-2005.

Tax changes since December 2002 have attempted to increase revenue, while providing concessions to minimise public discontent. The sales tax was raised on December 1st from 7% to 10 % for goods, and from 5% to 8% for services, and with a new rate of 25% for luxury goods sales. From 2003, those earning more than SRG 1.89 Mio (US\$ 750) a month will be required to pay a 10% income tax solidarity surcharge. At the same time, however, the impact of higher taxes has been limited by the raising of the income tax threshold from SRG 105,000 (US\$ 42) to SRG 157,000, and the increase in tax deductions. Import duties on a wide range of goods were reduced from 30% to 25% as part of the final phase of the introduction of Caribbean Community (Caricom) common external tariff (CET), causing revenue losses of some SRG 11.5 Bio. But higher Caricom duties on seven agricultural commodities are expected to raise an additional SRG 23 Mio. The government has also proposed the introduction of a casino tax of SRG 400,000 per month for gaming machines and SRG 3-4 Mio per month for gaming tables. The casinos, with annual turnover of some SRG 60 Bio (although government estimates the turnover to SRG 100 Bio) represent an attractive target.

3.1.1 Drugs, money laundering and national security

There is a widespread international concern that Suriname is being used as a transshipment route for cocaine from South American producers to consumers in Europe and the US. Legislation passed in 1997 brings national law into partial compliance with the UN's 1988 Vienna Convention, but enforcement has been slow.

A maritime cooperation agreement with the US was signed in 1998 and came into effect in August 1999. Suriname has increased its participation in the Caribbean Financial Action Task Force (CFATF), which coordinates efforts to tackle money laundering.

The National Assembly approved in October 2002 the first set of legislation precisising eight acts, which makes money laundering punishable:

- penalising on unusual transactions, money laundering, legal entities, organized crimes;
- identification for rendering financial services, seizure and forfeiture, mutual legal assistance, witness protection.

Serious narcotic trafficking appears well entrenched, and it is difficult for the government to control them. A National Coordination Centre was established in April 2002, to link the counter-narcotics work of the police, military, coast guard and customs service. Other security concerns include problems associated with armed groups that operate in the interior and internationally, illegal gold miners and smugglers in the interior, narcotics traffickers and, to a lesser extent, former guerrillas.

3.1.2 Territorial disputes

Suriname claims possession of a triangular area in the Southwest between the rivers known to the Surinamese as the Boven Corantijn and the Curuni and to the Guyanese as the New River and the Upper Courantyne.

The disputed area is almost uninhabited. The maritime boundaries of Suriname's exclusive economic zone (EEZ) have not been agreed with its neighbours. A dispute with Guyana developed in June 2000, when a Surinamese patrol boat threatened to use force against exploratory drilling rig operated by a Canadian company in the disputed area. Talks failed to resolve the issue. The Guyanese claim rests on the internationally recognised principle of equi-distance, while Suriname bases its case on a 1936 negotiation involving the UK and the Netherlands. However, relations between the two countries have improved to some extent in 2001-02, owing to discussions held between their Presidents and Foreign Ministers, and the setting up of a joint border commission. Still, proposals for the joint exploitation of the disputed area may be difficult to finalise, as they are likely to be portrayed as a betrayal of national sovereignty in each country.

3.2 Economic trends (Cfr. Annex XI)

3.2.1 Economic policy

The budget for 2003 was passed by the National Assembly on 19th December 2002. During the first 11 months of 2002, revenue totalled SRG 612 Bio (US\$ 243 Mio), of which direct and indirect taxes each made up SRG 251 Bio. Expenditure totalled SRG 830 Bio, of which salaries made up SRG 354 Bio, transfers and subsidies SRG 113.5 Bio, interest payments SG 43.9 Bio, goods and services SRG 156 Bio, and debt repayment SRG 105 Bio. The deficit measured SRG 218 Bio, up from a full-year deficit of SRG 113 Bio in 2001. According to the government, the deficit was financed mainly from development assistance loan funds, and only SRG 40 Bio of new liquidity was created- within the limit of 10% of revenue set by banking legislation.

3.2.2 Inflation

After monthly inflation rates of more than 4% in the period June-September 2002, prices increased at more moderate pace between October 2002 and January 2003. Twelve-month inflation was 28.3% in December 2002 (up from 4.9% in 2001), and 0.8% in January 2003.

In an attempt to control domestic inflation, the Central Bank van Suriname (CBS), imposed in September 2002 a band of SRG 2,540-2,800 on the purchase of US dollars and a SRG 2,490-2,750 selling rate by banks and cambios. The August peak exchange rate had been SRG 3,600: US\$ 1. Since September, banks and licensed cambios have traded at the top of permitted band, but there have been increasingly severe shortages of foreign currency and reduced trading volumes within the official system. Since early December an illegal parallel-market rate, with rates rising from SRG 2,900: US\$ 1 to SRG 3100: US\$ 1 in early January and SRG 3,150: USD\$ 1 in early February, according to local press reports.

3.2.3 Foreign Exchange rate

As many importers are forced to pay for foreign currency at the high rates quoted on the parallel market, given the restricted dollar sales, further price rises seem inevitable. At the same time, some important price rises have yet to feed into inflation, such as higher international oil prices, which will cause local fuel costs to increase. Telesur, the state-owned telephone company, started to calculate its charges for value-added services at an exchange rate of SRG 2,800: US\$ 1 rather than the earlier national rate of SRG 2,200: US\$ 1 in March. Telesur will still have to seek the permission of the Minister for Communications for the increases. The state-owned electricity company, Energie Bedrijven Suriname (EBS), has proposed the calculation of electricity rates with an exchange rate of SRG 2,800: US\$ 1, instead of the current national rate of SRG 2,200: US\$ 1.

Although bauxite industry earnings are sold directly to the Central Bank, other exporters have, since September 2002, been able to hold foreign-currency bank accounts.

3.3 Social Trends (Cfr. Annex XII)

3.3.1 Education

Education, including higher education, is free. Primary school education is compulsory for children between the ages of six and twelve. Three-quarters of school-age children are in primary or secondary education. Based on survey evidence, the illiteracy rate in 2001 was an estimated 14% of the total population. State spending on education was equivalent to 3.4% of GDP in 1990-2000, compared with 3% in Guyana and 7.3% in Barbados over the same period.

3.3.2 Health

The health sector was severely affected by fiscal problems in the late 1990s as the government fell seriously behind on payments to major hospitals and healthcare institutions. There has been a heavy loss of trained personnel through emigration: estimates published in 2001 suggested that 82% of nurses trained between 1970 and 1998 were working overseas. Despite the lack of public investment, Suriname's healthcare

indicators are generally comparable with those of its Caribbean neighbours. Life expectancy at birth in 2000 was 71.4 years, compared with 64.8 years in 1980; infant mortality improved from 46.6 per 1,000 live births to 25 per 1,000 live births over the same period. Clean drinking water is available to 95% of the population, while access to sanitation facilities exists for 83% of the population.

3.3.3 Employment

The structure of employment has changed only slightly over the past decade. Mining is gradually becoming a more important source of employment as gold, nickel and other minerals ventures begin to proliferate. The other notable area of employment growth is the financial services sector. Although the latest estimates do not give a breakdown of agriculture's contribution to employment, it is probable that the contraction experienced here in the early 1990's has lowered its share to around 15% of total employment. The government remains the largest employer in Suriname, with more than one-half of the workforce employed in the public sector; in 2001 39.607 civil servants were directly employed by the central government, representing a cumulative growth rate of 9,4% over four years. A further 17.650 staff were employed by state corporations. Wages in the financial sector and in the bauxite industry are significantly higher than in the rest of the economy, while agricultural wages are well below average.

3.3.4 Pensions

State pensions will now be paid from an autonomous Pension Fund supervised by the Central Bank and the *Rekenkamer*, rather than by the Treasury. Pension fund contributions totaling SRG 21 Bio, collected between 1997 and 2002, were finally paid into the Suriname Pension Fund in July 2002, out of the proceeds of a consolidated loan from the Central Bank to the Government.

3.4 Economic sectors

3.4.1 Agriculture

Bananas

By early 2002, sales income covered only half of Surland State owned company's production costs, and there was US\$ 7.3m of accumulated debt. Cash shortages forced the company to suspend production in April, after failing to meet March salaries for 2,500 staff.

The Government of Suriname adopted a revised strategic plan 28 August 2002, in which the restart of the production and privatization of the state-owned banana company Surland NV is foreseen with the strategic goal to restart export of competitive bananas in the first quarter of 2004. Privatisation of Surland is foreseen in the last quarter 2003/first quarter 2004. Preparation of the fields started in September 2002, the start of replanting is foreseen in April/May 2004.

The restart and privatization is financed by the Government for the components start-up working capital and debt restructuring. The running EC-support (estimated € 15 million) is used for in-depth investments, such as plant material, irrigation and cableway systems and Technical Assistance.

Rice

Dry weather problems with the irrigation system and a debt to the UK company Shell of SG 42 m for earlier fuel deliveries have damaged the first of the two annual rice crops. Meanwhile, some irrigation canals are blocked after 15 years of poor maintenance, while some stretches of rivers cannot be used for irrigation as flow has allowed brackish water to penetrate further upstream than usual.

Small farmers are also concerned with the share of irrigation water.

Large and small-scale rice farmers; service companies and the SML have large accumulated debts, which in turn pose a severe problem for the financial sector.

3.4.2 Fisheries

Low world shrimp prices are expected to affect the sector in general and the state-owned fishing company, Suriname American Industries (SAIL), in particular, this year. World prices fell by around 50% in 2001. Japanese buyers, traditionally the market for 80% of Suriname's catch, reduced prices by a further 25% in 2002. The Ministry of Agriculture estimated in January that illegal fishing in its Exclusive Economic Zone cost it around US\$ 5 m per year. Fishing accounts for 4% of GDP, and employs 8,000 people. The ministry aims to increase the fish catch from US\$ 46 m to US\$ 70 m within three years.

In relation with the conclusion of UCLAF report (1997), new rounds of discussions between Suriname (State and non-State actors) and the EC have taken place in 2002, in order to find a solution to the difference in interpretation on the application of the rules of origin for the exportation of shrimps to the EU. Suriname agreed to withdraw the certificates EUR 1 issued since the entry into force of the Cotonou Agreement and keeps its position concerning the EUR 1 certificates issued before 1st March 2000. The Government of Suriname reiterated its request for formal consultation, in order to solve this issue.

3.4.3 Mines

Bauxite

Following a declaration of intent in October 2002, the government signed a Memorandum of Understanding with the international bauxite companies Suralco/Alcoa and BHP-Bilidon in January. The agreement calls for a 55-45% joint venture development of the bauxite resources in the Bakhuys Gebergte in western Suriname. A final agreement will be signed after the completion of a 21-25 month feasibility study which will include detailed proposals for an alumina refinery, with an annual capacity of at least 1 m tonnes. Production is expected to start from 2009. Suralco/Alcoa is also expected to build in three years a 400-450 mw hydroelectric plant and an aluminium smelter with an annual capacity of 275,000-300,000 tonnes. The state will retain timber rights and rights to mineral other than bauxite. Development will also continue in the existing mining area, with a separate proposal to expand the annual capacity of the Paranam alumina plant by 250,000 tonnes.

Environmentalists have expressed concern on the proposal for western Suriname, and on drilling by Suralco in the Brownsberg National Park.

Gold

A Canadian mining company, Cambior, held a formal groundbreaking for its Gross Rosebel gold mine on January 25th. The company had begun work at the site in

December 2002, and has already spent US\$ 10 Mio; About 300 staff are currently employed on site, but this is expected to rise to 700 at its peak. The total capital cost of the project is an estimated US\$ 95 Mio, with projected production of 270,000 troy oz of gold and a direct mining cost of US\$ 157/oz in 2004, the first full year of operation. The expected life of the mine will vary with the gold price, with total lifetime output of 1.7 m troy oz over eight years at US\$ 300/oz, rising by 200,000/oz for every US\$ 25 increase in the gold price. The tax rate will be 36% instead of the 45% proposed in the original 1994 agreement with Cambior's predecessor, Golden Star. Government will receive 2,25% of the gold produced. As revenue independent operators will extract the useful timber from areas to be mined within the 170-sq km bold concession.

Local populations have claimed for the recognition of their land rights and sustainable working conditions

The government has given strong signals that it will take a firmer line against the illegal gold miners in the interior. Most Brazilian gold miners are now working illegally, as the government stopped issuing them with one-year residence permits in 2000.

3.5 Ten key indicators for measuring poverty reduction

Type	Indicator	2000	*	2001	*	2002	2003	2004
Impact	1. Proportion of population below \$1/day (Estimate)	> 50%	2					
	2. Prevalence of underweight children (under five years of age)	13,3%	1					
	3. Under-five mortality rate	37/1000	1					
Outcome	4. Net enrolment ratio in primary education	77,5%	2					
	5. Primary completion rate (grade 5)	83,8%	2					
	6. Ratio of girls to boys in: - primary education	0.945	1	0.950	3			
	- secondary education							
	- tertiary education	0.914	3					
	7. Proportion of births attended by skilled health personnel	84.5%	1					
	8. Proportion of 1 year old children immunised against measles	60.2%	1					
9. HIV prevalence among 15-24 year old pregnant women (Estimate)	1,4%	2						
10. Proportion of population with sustainable access to an improved water source.		73 %	2					
		72,6%	3					

Source: *1: Algemeen Bureau voor de Statistiek (ABS) & Pan-American Health Org. (PAHO)

*2: PAHO

*3: ABS

N.B.: **Impact 1: PAHO: 63-74% - US\$ 2,50/day**

4 Overview of past and ongoing cooperation (Cfr. Annexes II to IV)

4.1 Focal sectors:

4.1.1 EDF 7 - Rural development/agricultural production and supportive infrastructure

a) East-West connection – Lot 1 - 7.ACP.SUR.011/7.ACP.SUR.012 (€ 19.7 Mio)

Results:

- A settlement was reached on 3 June 2002. between the NAO and the contractor on the contract that was terminated by the NAO 06.01.1999 (after suspension of the funding by the EC on 01.08.1997). The negotiations for a direct agreement works contract commenced in August 2002 for the small bridges in line with the conditions set out by letter DG VIII C/6 no. 048465 of 27.08.1998;
- Closure of commitment No. 2 of 7.ACP.SUR.012;
- Request of NAO for closure of 7.ACP.SUR.012.

Progress in activities:

- Draft direct agreement works contract and draft Terms of Reference for supervision Technical Assistance finalized for submission to AIDCO;
- Follow-up to AIDCO to establish of Rider No. 1 to Financing Agreement 5443/SUR to close 7.ACP.SUR.012 and facilitate direct agreement contract and supervision TA from 7.ACP.SUR.011.

Degree of integration of crosscutting themes:

The project will support the upgrading of the primary road network, thereby supporting the implementation of the Road Authority mandate, the autonomous institute for road maintenance in Suriname.

b) Rehabilitation, upgrading, expansion and institutional strengthening of the Nieuwe Haven Terminal Paramaribo - 7.ACP.SUR.045 (€ 0,495 Mio)

Results:

- Memorandum of Understanding between State and Non-State stakeholders all active in the port of Paramaribo agreeing on the future institutional setting and implementation road map signed on 17 September 2002 (*see annex XV*).
- Submission of all reports by the TA covering phase 1, the preparation of the project dossier necessary to draft the Financing Proposal.

Progress in activities:

- Preliminary discussion on the project formulation started between state and non-state actors and the EC (phase 1 of the study). The EC presented a draft Financing Proposal to facilitate these discussions in December 2002;

- Discussion on the availability of funds EDF 6, 7 and EDF 9 started in order to prepare decisions on allocation of funds in the joint project appraisal between NAO and EC.

Degree of integration of crosscutting themes:

The preparatory study reviews the legal and institutional setting, its management and organization, institutional capacity building of all actors and has an environmental impact assessment as an integral part of the study. Gender issues will be addressed in the capacity building activities.

4.1.2 EDF 8 – Infrastructure supportive to the productive sector Support to the private sector development

a) Transport Policy Sector Study - 6.ACP.SUR.046 (€ 0,5 Mio)

Results:

- Tender for the Transport Policy Sector Study launched: 01 August 2002
- Submission of tenders: 01 November 2002

Progress in activities:

- Tender evaluation in progress. Expected start-up of implementation of the contract: March 2003.
- The start of the study provides the opportunity to discuss and define the selection of indicators and to monitor the performance of the transport sector and its impact on the development.
- The Transport Policy Sector Study will provide the outlines for Suriname's national transport policy, derives coherent strategy and action plans, reflecting the co-operation objectives as laid down in the Country Support Strategy (EDF 9).

Degree of integration of crosscutting themes:

The integration on crosscutting themes is laid down in the Terms of Reference of the sector policy study, comprising the full integration of institutional, legal, environmental and social (gender and poverty) themes.

b) Environmental Impact Assessment Study - 6.ACP.SUR.038 (€ 80,000)
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Results:

- Start of implementation of the study: 08 January 2002;
- Submission of final report in March 2002 resulting in advices to:
 - (1) review the design of the road on structural and drainage aspects;
 - (2) reduce the environmental burden of road construction and road use,
 - (3) update the Terms of Reference of the supervision Technical Assistance to the project 7.ACP.SUR.048/8ACP.SUR.012 'Construction Road to the Ferry Terminal'.

Progress in activities:

- The contract has been technically, administratively and financially completed in 2002.

- The expert advices are taken aboard in the implementation of project 7.ACP.SUR.048/8ACP.SUR.012 ‘Construction Road to the Ferry Terminal

Degree on integration of crosscutting themes:

As part of the preparation of the implementation of Financing Agreement 6445/SUR, this study focused only on the environmental crosscutting theme in road construction and road use.

<p>c) Construction Road to the Ferry Terminal - 7.ACP.SUR.048/8.ACP.SUR.012 (€ 13.2 Mio)</p>

Results:

- The tender for the TA supervision was launched on 21 June 2002, thereby respecting the start-up event of Financing Agreement 6445/SUR.
- The contract award for the TA supervision services took place in December 2002. (Roughton International, UK)

Progress in activities:

- With the attraction of the TA supervision, the finalisation of the tender for works can commence.
- Tender for works tentative launching date: September 2003.

Degree of integration of crosscutting themes:

A comprehensive Environmental Impact Assessment study has been conducted. The results of this study will be incorporated in the tender for works to minimize the environmental hazards during construction and use of the road. The project will support the upgrading of the primary road network, thereby supporting the implementation of the Road Authority mandate, the autonomous institute for road maintenance in Suriname.

4.2 Projects and programmes outside focal sectors

4.2.1 EDF 7 – Non-Focal sector

<p>a) Strengthening STD/HIV Health Services among the Maroons and Indigenous People - 7.ACP.SUR.033 – (€ 0,63 Mio)</p>

Results:

- Presentation of 4th quarter report 2002 and planning Jan-June 2003
- Production of training and awareness material in Saramac and Arowac language
- A strengthened STD/HIV Health Service in the collecting of data for decision making and monitoring of the situation of increased transmission of HIV’s and other STDs in the interior of Suriname
- Trained health workers in various villages, for improved care of people tested positive and who cannot stay at a hospital in the main city Paramaribo
- The commemoration of World Aids Day in the hinterland

Progress in activities

- Presentation of Final report 2002
- Continuation of the follow-up research on Treatment and Prevention of STDs among the Maroon and Indigenous Population in the Hinterland of Suriname (to measure – among others- the impact of prevention and awareness activities of the STD/HIV Programme)
- Continuation of data collection and data analysis by the PSO-unit (Patient Surveillance and Research Unit) of the Medical Mission
- Preparation of Terms of reference for Final Evaluation of the global programme
- Final payments expected in June 2003
- Closure of project expected in July 2003
- A comprehensive evaluation is required for 2003

Degree of integration of crosscutting themes:

Gender/capacity building: The project contributes to curving down the mortality rate among the populations of the interior, especially women and adolescents by increasing the awareness on the disease and the right to protect one's own health.

b) National Environmental Programme (NIMOS) - 7 ACP SUR 047 (€ 0,59 Mio)

General information:

The objective of the Environmental Management Program is to strengthen the development of a national legislation and institutional framework to improve the environmental policy for Suriname.

Results:

- Installation of the National Environmental Council in August 2002
- Preparation of Terms of Reference for "Greenstone Belt Regional Assessment" for a specific study on mining and the potential negative impact on the people living in the mining areas
- Preparation of the draft National Environmental Legislation, in close collaboration with the relevant stakeholders and submitted to the Ministry of Arbeid, Technologische Ontwikkeling en Milieu (ATM).

Progress in activities:

- Final instalment of EUR 295,000 to be transferred to IDB
- Project to be closed by June 2003
- Development of environmental legislation and regulations, including a system for Environmental Assessment and Monitoring;
- Development of four specific environmental studies and activities (regional environmental assessments, sector environmental plans and EA reviews). These studies will allow NIMOS to urgently address needy environmental problems while gaining practical experience.

Degree on integration on crosscutting themes:

Environment and capacity building: The National Environmental Council, existing of representatives of the Government, Private Sector, Trade Unions, NGO's and Maroons and Indigenous People, allow for dialogue between government and other stakeholders

towards the decision making process for ownership of land, environmental policy and sustainable development.

4.2.2 EDF 8 - Non Focal Sector

a) Micro Projects Programme II - 8 ACP SUR 003 (€ 5 Mio) (Cfr. Annex XIV)

Results:

- After a slow start-up phase from August 2001-August 2002, the Bureau Micro Projects implemented –with the assistance of various NGO’s – micro projects which focus on the development of grass-roots organizations in 5 sectors, (education, gender, social infrastructure, interior and health) equally spread in urban, coastal and interior areas;
- The assessment by the “Commission of Good Services” in January 2002, representing the civil society in a disagreement between first Board and NAO/EC on procedures and organisational structure of the MPP-II; The installation of a new installed Board in May 2002, for a period of 2 years, allowing for a system of 6 months ruling chair;
- In July 2002 the period of 2 years’ Long-term Technical Assistance came to an end, followed by an Interim Manager up to December 2002;
- An increased involvement of NGO’s and GRO’s toward implementation of projects;
- Improved co-operation between activities of other donors (Dutch Cooperation, IDB, CIDA, UNDP,.....) and the MPP-II in the combat against poverty.

Progress in activities:

- Vacancy for Managing Director and Community Development Specialist advertised in the first week of December 2002;
- Until December 2002 a number of 218 project ideas had been received of which 38 projects have been approved for financing. Up to December 2002, 28 Projects were ongoing and 10 were already inaugurated;
- Terms of reference in preparation for technical assistance in capacity building of NGO’s to a more efficient and sustainable approach of projects.

Up to now the programme concentrates on the social infrastructure projects. The other categories of projects, namely productive and awareness are limited in scope. This can also be seen in the following percentages: social infrastructure 74%, production 11%, awareness 15%.

Foreseen: a workshop to strengthen the NGO and which must result in a future view for MPP3

Degree of integration of crosscutting themes:

The institutional strengthening of NGO’s –by active participation in defining the destination of the programme-, the strengthening and awareness building of grassroots organizations focuses on poverty and gender issues.

4.2.3 EDF 7

a) Restoration of the Cathedral of Paramaribo - 7.ACP.SUR.046 (€ 80.000)

Results:

- Request for financing the project for an estimated amount of € 2.8 Mio sent by NAO on 11 December 2002.
- Financing Proposal sent to AIDCO on 13 December 2002. To be introduced to the EDF Committee of September 2003.

Progress in activities:

- Preparation and finalisation of the financing proposal from August to December 2002.

Degree of integration of crosscutting themes:

Capacity building of artisans is addressed in the project and constitutes a component to ensure sustainability. Environmental issues are addressed with regard to the execution of the works contract.

b) Support to the Road Authority; Project 7.ACP.SUR.043 (€ 1,847 Mio)

Results:

- Implementation and conclusion in July 2002 of the Work Program^o1 which included:
 - Purchase of office equipment, training and education for the Road Authority staff, support as regards to the running costs.
- Implementation of the 1st Maintenance pilot program during the second semester 2002.
- Installation of the Road Board on August 15th 2002 after 9 months of delay.

Progress in Activities:

- Preparation by AIDCO of the Rider n^o1 to the Financing Agreement 5837/SUR/rev1 that aims at redirecting the Financing Proposal to build a new office for the Road Authority and reparation of the Work Program n^o2.
- Preparation of the second maintenance program.

The good quality of the design led to an efficient and effective implementation. Staff has been recruited and training provided.

The primary road classification and assets registration have been completed, as well as the road condition survey.

A series of pilot projects has been planned and is implemented in two phases, in rural and urban roads.

Small but perceptible improvements, like the reduction of road transport costs, have started to be noticed by users of some roads.

Degree of integration of crosscutting themes:

Institutional strengthening, capacity building and environmental principles are strongly incorporated in the policy defining the Road Authority and its current activities.

4.2.4 EDF 8

a) Integrated Tourism Development Programme (Phase 2) - 8.ACP.SUR.008 (€ 2,475 Mio)
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Results

- The contract for the long-term TA and a pool of short-term TA signed in June 2002. (Carl Bro I/S). Commencement of project 10 June 2002.
- Starting in September 2002 of the Work Program n°1 which include: Purchase of office equipment, Support to Product development initiatives, Market intelligence and marketing support, Tourism human resource development.
- Establishment of Tourism Project Steering Committee (TPSC) and Project Implementation Unit (PIU) in September 2002.
- Establishment of project office at the premises of the Suriname Tourism Foundation (Executing Agency) in September 2002.

Progress in Activities:

Legal and Institutional Framework:

- Organisation of Stakeholders' Workshop on Tourism Legislation, 2 December 2002
- Preparation of Draft and Revised Draft Tourism Legislation, December 2002
- Preparation of first Draft Tourism Licensing Regulations, December 2002
- Presentation Revised Tourism Legislation and Tourism Licensing Regulations for the Council of Ministers and Parliament Members at the National Assembly, 12 December 2002
- Preparation of the Tourism law for the establishment of the Tourism Authority

Product Development, Market Intelligence and Marketing Support:

- Preparation of Draft Tourism Product Development Strategy and Pilot Projects Scheme, December 2002
- Preparation of a strategy for improved tourism statistical information system, November 2002

Tourism Human Resource Development:

- Conduct of an updated training needs assessment
- Preparation of an Integrated Strategy for the Development of Human Resources for the Tourism Industry in Suriname – including a recommended programme of capacity building for tourism training institutions, December 2002

Degree of integration of crosscutting themes:

Institutional development and capacity building is the main project purpose and will focus on the establishment of a Tourism Authority supported by a strong private-public partnership. Environmental principles will be addressed mainly in the product development (Ecotourism). Gender issues are incorporated in the human resource development.

4.3 Utilisation of resources for Non-State Actors (NSA)

A review of 6th, 7th, 8th EDF indicates that **no direct funding** was specifically allocated to the non-State actors.

Still, increasing links with the civil society started already, to be earmarked within 7th NIP with the civil society, the NGO and the Private Sector in particular.

Project identification (€30 Mio)

Active participation of the Private Sector during the preparation phase of the Business Forum (Public/Private Partnership), the Rehabilitation of the Port of Paramaribo and the Tourism Program (phase II) took place with **the signing of the Memoranda of Understanding** (see Annex XV), the **identification of national strategies**, the **formulation of new programmes**, clearly benefiting to non-State actors.

The budget related to the three a.m. programs are estimated to € 30 Mio.

Project management and coordination (€5,75 Mio)

Within the Micro project phase II (8 ACP SUR 3: € 5 Mio), **a board of elected NGO's is supporting the program**, in order to increase civil society participation, to strengthen the capacity of stakeholders (GRO's and NGO's) **to identify and implement sustainable programs**.

It is expected to establish in 2003 a similar board within the Drug Demand Reduction Program (6 ACP SUR 60: € 0,75 Mio).

Programming (€19,1 Mio)

Active participation of the civil society in the Programming of **the Country Support Paper** (9th EDF) was achieved through seminar, workshop, consultation and lecture undertaken from 22.03 to 26.07.2001.

4.4 Other instruments (EIB, Regional Cooperation, Stabex, Sysmin, Community Budget Lines...)

4.4.1 European Investment Bank (EIB)

Suriname settled its arrears with EIB in November 2001. In March 2002, an identification mission to explore the feasibility of two new programs:

- **Staatsolie:**
 - Financing of the upgrading of the refinery and of the construction of an energy supply unit using heavy residues;
 - The results of the feasibility study should be available in 2003.
- **DFL Bank:**

Setting up of a Development Bank in Suriname, to cover Suriname and Guyana's operations. Finalisation of legal formalities with the Central Bank expected in 2003.

4.4.2 Regional cooperation

a) All-ACP Program ‘Strengthening Fishery products health conditions’ -8.ACP.TPS 137 – PTN REG 001 – 8 PTN REG 001 (€44,860,000)

The overall objective of the programme is the optimal use of ACP/OCT fishery resources to ensure improvements in production and trading capacity in relation to fisheries. The 5-year programme activities will support:

- Institutional strengthening of the Competent Authorities in organizational, legislative, financial sustainability technical aspects and anti-corruption procedures, as well as provision of means and equipment;
- Empowerment of the inspection services and testing of laboratories, as well as supporting technical institutes;
- Training and technical advice to the fish industry, including fishing vessels and processing plants;
- Assistance to small-scale fisheries through credit and investment in fisheries and social infrastructure;
- Additional technical assistance to avoid the project causing excessive pressure of the fishery resources.

Suriname can receive a limited number of modules covering basic assistance to the competent Authority, inspection services, export industry and small-scale fisheries. The project implementation started in March 2003 with the establishment of the Project Coordination Unit and the Steering Committee.

b) Caribbean Agriculture and Fisheries Programme – 7.ACP.RPR.385 (€ 22,200,000)

The programme has the following 12 components with the respective disbursements up to 31.12.2002.

	<u>Sub-programme for the Caribbean Region</u>	EC Commitment in Rider #2 to the FA	Secondary Commitments	Disbursements at 31/12/2002	Expenditure at 31/12/2002
<u>Institutional strengthening/Credit</u>					
1.	CARIFORUM Agribusiness Research & Training Fund (CARTF)	4,600,000	4,600,000	1,590,621	1,370,746
2.	Haiti: DR Rural Credit Project (PROCREBI)	2,000,000	2,000,000	1,257,541	1,584,592
3.	Strengthening Agricultural Quarantine Services (SAQS)	2,500,000	1,628,140	622,696	123,278
<u>Livestock development support</u>					
4.1	Caribbean <i>Amblyomma</i> Programme (CAP) Phase I	733,000	733,000	733,000	733,000
4.2	CAP Phase II	1,500,000	1,488,180	941,429	750,278
5.	Classical Swine Fever (CSF)	2,000,000	896,455	405,970	312,051.56

Crop development support					
6.	Caribbean Rice Industry Development Network, incl. R&T/IPM (CRIDNET)	1,200,000	1,098,091	748,730	759,740
7.	Integrated Pest Management (IPM)	1,000,000	935,422	427,159	297,229
8.	Caribbean Biotechnology Network Project (CBNP)	45,189	61,503	61,501	45,189
9.	Fisheries Institutional Development (including R&T), managed by CFU	2,585,000	2,352,309	1,817,131	1,558,309
	Programme Facilitation, Studies, Monitor. & Evaluation (PFSM&E)	1,491,811	1,468,669	1,095,397	1,078,771
	Programme Management & Coordination Unit (PMCU)	2,170,000	2,056,553	1,776,632	1,710,096
	Contingencies	102,000	0	0	0
	TOTAL	€ 22,200,000	€ 19,318,322	€ 11,476,048	€ 10,321,648

Suriname is particularly active in the CARTF-component where it passed the following applications for financing by the programme for a total amount of € 294,636:

Suriname - CARTF	
Beef export marketing study	26,289
Standardisation of products (plantain, cassava & cheese sticks)	23,000
Development and commercialization of four (4) food products	48,600
Quality and export, improvement and product and process development at NADEK Food Industries	39,000
Product and market research and development for a range of tropical fruit wines	48,000
Tropical cut flower and potted plant export marketing study	35,582
Feasibility of fattening beef cattle in feedlots on diets composed of local by product	19,254
Techno-Economic Study and Research on composting organic waste	9,096
Marketing study on export of Surinamese vegetables to the CARICOM	16,990
Feasibility study of processing of fish into frozen and ready to use products as fish snacks, stick, balls, burgers and nuggets	8,466
Execution of a marketing study in order to identify the potential for the export of vegetables and fruits to the Caribbean market, namely Aruba, Curacao, St. Lucia and St. Maarten	9,885
Conduct a feasibility study to judge the sustainability of the expansion, relocation and reorientation of a 3 hectare mixed livestock/crops farm to a 40 acre dairy farm	10,744
Total	294,906

For the other components, no specific split is made between the participating Caribbean ACP-State. Suriname can participate for all components. The CRIDNET-component is an established inter-locator for the Surinamese rice sector.

**c) Regional Aids Programme 8 ACP TPS 018 :
Strengthening the Institutional Response to HIV/AIDS/STD in the Caribbean (SIRHASC)**

(Financing Agreement REG/6054 : Caribbean component = € 6,9 Mio for a duration of 3,5 years, as from 2001)

The goal of the project is to reduce the spread and impact of HIV/AIDS/STI in the 15 ACP member countries of the Caribbean, with particular reference to the worst affected areas with special focus on institutional strengthening and capacity building.

Country needs assessments have been made for Haiti, Guyana and Jamaica.

Institutions involved are:

CARICOM Secretariat (responsible for the execution of the project), Caribbean Epidemiology Centre (CAREC), Caribbean Health Research Council (CHRC), Caribbean Regional Network of People living with HIV/AIDS (CRN+), Joint United Nations Programme on Aids (UNAIDS) University West Indies (UWI)

The existence of project 7 ACP SUR 33 (Strengthening STD/HIV Health Services among the Maroons in the Hinterland of Suriname – € 630,000), may have delayed the assessment of Suriname as a potential beneficiary of the programme.

However, through CAREC, Suriname benefits from the programme through the participation in meetings of National Aids Coordinators (last meeting held in October 2002 in Georgetown, Guyana).

4.4.3 Co-operation between the European Commission and the United Nations Population Fund in Developing countries (UNFPA)

"Joint Programme in Sexual and Reproductive Health", to be implemented by the UNFPA.

A national programme, prepared by UNFPA in co-operation with the Ministry of Health, for a total amount of € **1,9 Mio** is to be implemented from April 2003-April 2006.

4.4.4 Global Fund to fight Aids, Tuberculosis and Malaria (=GFATM)

(Initiative born at the Africa HIV/AIDS Summit in Abuja (April 2001).

(EU contribution: € 1 Bio, EC contribution: € 120 Mio)

The Fund is designed to mobilise additional resources and efforts and intends to increase partnership internationally through more public/private partnerships whereby private foundations and industries contribute to the agreed objectives.

The GFATM executive board is comprised of 18 voting and 5 non-voting members. The World Bank is the designated Trustee of the Global Fund. The Secretariat is based in Geneva.

Suriname has prepared in 2002 a National Health Programme to request funds from this Fund to fight HIV/AIDS, tuberculosis and malaria), monitored by the Pan American health Organisation (PAHO).

4.4.5 Sysmin

An indicative amount of € 29 Mio, including € 7 Mio for co-financing the harbour project was earmarked in 1997.

A study was carried out by Carl Bro International (1996) to identify potential beneficiaries for Sysmin funding. Companies proposed were: Telesur (Communication), EBS (Energy) and Staatsolie (State Oil Company). Staatsolie finally channelled its proposal to EIB, which identified and approved it in 1997 for a total amount of € 4 Mio.

Finally a total amount of € 7 Mio remained earmarked, for the rehabilitation of the harbour of Paramaribo, under the 9th EDF.

4.4.6 Budget lines

a) Special Framework of Assistance (SFA) – Budget Line B7-8710 Assistance to Traditional ACP-Banana Suppliers
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Signed Financing Agreements: B7-8710/856/07 – SFA 1999 - € 3.1 Mio
B7-8710/856/16 – SFA 2000 - € 2.7 Mio
B7-8710/856/26 – SFA 2001 - € 2.7 Mio.

Results:

- Due to the closure of the state-owned banana company Surland NV, Suriname submitted 28 August 2002 the Revised Strategic Plan to address the new challenges of the banana sub sector. The overall objectives of the Revised Strategic Plan are to sustain rural employment and income and to increase foreign exchange earnings. The redefined project purpose is a sustainable competitive banana industry in a liberalized world market, resulting in:
 - Increased productivity (banana export restarted in January 2004);
 - Institutional reforms completed (privatisation of the sector in 2004 or earlier);
 - Financial restructuring completed (repayment of creditors/ reorganization of Surland's balance sheet).
- Riders to Financing Agreement B7-8710/8656/16 and B7-8710/856/26 established and agreed to serve revised strategic plan.
- Financing Decision by the EDF on the Financing Proposal SFA 2002 in EDF-Committee of November 2002.
- The Government of Suriname established a foundation "Behoud Bacovensector Suriname" to manage the transition period up to privatisation.
- The Government of Suriname provided working capital to finance the preparation of the fields for replanting.
- Contract awarded to the TA privatisation, financed by the EDF.
Provisional acceptance of the supply contract for road- and field maintenance equipment in November 2002, financed from the SFA 1999.

Progress in activities:

- The planning of the expenditure for 2003 of the existing Financing Agreements, the annual work plans, are planned to be presented in January 2003.
- Preparations for international tenders for in-vitro plants, irrigations system, cableway system and packing station and other equipment and additional Technical Assistance have started to be implemented over the year 2003.
- Preparation of the SFA 2002.

Degree of integration of crosscutting themes:

The crosscutting themes addressed by this budget line programme are poverty reduction and institutional capacity building (privatization). Gender issues are addressed in the capacity building and large parts of the labour force in the packing stations are women. The environmental improvement is addressed by adoption of modern standards and introduction of environmentally less burden ways of production processes.

b) Budget Line – Regional CARIFORUM Rice Program

In November 2002, the final draft Financing Proposal has been submitted by the Technical Assistance for appraisal between the RAO and the Commission. The expected results of the programme for Suriname is to achieve competitiveness, efficiency and sustainability to be competitive in world markets, thereby maximizing its potential for income and employment creation (poverty reduction).

The component for Suriname from the draft FP – still to be agreed by the Commission's Services and the EU Member States - comprises the following actions:

Suriname	Total	9,514.0
(i) Drainage and Irrigation		2,250.0
(ii) National Institutional Support/Capacity Building		1,250.0
(iii) Export Credit (50% matching fund)		650.0
(iv) Innovation and Industry Integration (50% matching grant for direct investments)		2,550.0
(v) New Markets and By-Products (50% matching grants)		528.0
(vi) Human Resource Development		295.0
(vii) Quality Assurance/Management (50% matching grants)		240.0
(viii) Organisation/Management		851.0
Contingencies		900.0

5 Programming perspectives for the following years

With the entry into force of the Cotonou Agreement, on 1st April 2003, all non-allocated 6th, 7th and 8th EDF will be transferred to 9th EDF, to the sector of concentration (Transport), or in support to the strengthening of the capacity of State and non-State actors in Transport, Trade and Regional Integration.

Emphasis will be put in defining **development indicators**, conducive for the establishment of **sector policy oriented programs**, in accordance with **Government policies** and compatible with **national public accounting and forecasts**.

Coordination between development partners will be strengthened with the aim to progressively create (State and non-State actors, Donor community, ...) the conditions for **sector wide approach** and **budgetary support**. **Partnership with the civil society and the private sector** in particular will be reinforced to assure **smooth and sustainable development**.

From the past and progressively, **the EC cooperation** has moved from the support to agriculture and productive infrastructure, to the **strengthening of the Transport sector** via the rehabilitation of the Port of Paramaribo, accompanied with the **strengthening of the capacity of State and non-State actors** (Public/Private Partnership).

Strong attention is kept on **two agricultural sub sectors** (Banana, Rice) to improve **productivity and trade performance**.

More **coherence** will be sought, from 2003, to conceive **Transport, Trade and Agricultural operations** in a broad and comprehensive **Regional Integration perspective**.

During the year 2003-2004, in order to prepare the **Mid-Term Review**, it is intended to strengthen the following:

- **Transport sector:**
Based on the results of the identification study:
 - Rehabilitation of the Port of Paramaribo;*Based on the conclusions of the Transport sector policy:*
 - Transport sector action plan.

- **State and non-State actors:**
Based on 9th EDF studies:
 - Privatisation program: to be allocated to the Study for the Institutional Strengthening (Port of Paramaribo);
 - Trade and Regional Integration: Support to the export initiatives in the ports of Paramaribo – Nickerie and Albina.

- **The Investment facility (EIB):**
Based on discussions to be launched in 2003, before the Mid-Term Review 2003:
 - Support to the small and medium enterprises (DFL)
 - Support to the Energy sector.

6 2003 Annual operational reviews: specific themes

6.1 The speeding up of the use of old EDF resources

6.1.1 Projects closure (before June 2003)

Project number	Project Title	To be closed
7 ACP SUR 11	Roads rehabilitation (+7 SUR 12)	8.297.281
7 ACP SUR 12	Roads rehabilitation (+7 SUR 11)	1.971.613
7 ACP SUR 13	Rice Research & Breeding Station (+7 SUR 14)	101.381
7 ACP SUR 14	Rice Research & Breeding Station (+7 SUR 13)	454.349
7 ACP SUR 18	Suriname Tourism Development Programme I	125.948
7 ACP SUR 33	Strengthening STD/HIV health services	260.897
7 ACP SUR 41	Supervision Restoration “Duplessis Building”	20.000
7 ACP SUR 45	TA Port Rehabilitation	325.778
7 ACP SUR 47	Environmental Management Programme (NIMOS)	295.000
7 ACP SUR 49	TA Implem Privatisation Programme (Bananas)	150.000
		12.002.247

6.1.2 Recommitment of Resources to the 9th EDF

a) *Roads rehabilitation (7 ACP SUR 11-12 - €10,2 Mio)*

This project will be closed in March 2003 and the funds transferred to the sector of concentration (Transport) as follows:

- Rehabilitation of the Port of Paramaribo **€ 8,47 Mio**
- Rehabilitation of three bridges on the East Connection **€ 1,7 Mio**

b) Mineral Institute – (€1,9 Mio)

No programs were identified until now and based on the conclusions of the study, undertaken by British Geological Service in 1998 (project 7.ACP.SUR.034) and IMC Mackay & Schnellmann in 1999 (Project 8.ACP.SUR.002).

The CSP has not included this proposal, within the 9th EDF response strategy. The amount of € 1,9 Mio will be transferred to the sector of concentration: Transport – Rehabilitation of the Port of Paramaribo.

c) Business Forum (€4 Mio)

This initiative will be transferred to the 9th EDF program, under the non-focal area: Strengthening of the capacity of State and non-State actors for Trade and Regional Integration.

It is not foreseen that this initiative, at the time of the Mid-term Review (March 2004), will have committed a significant proportion of the earmarked budget (€ 4 Mio).

It is agreed to reduce the estimated budget to € 2 Mio and to transfer € 2 Mio to the rehabilitation of the Port of Paramaribo, which has an impact on all sectors of the national economy and the private sector in particular.

6.1.3 Operations at the entry into force of the Cotonou Agreement (1st April 2003) (Cfr. Annex XIII)

All on-going operations from 6th, 7th, 8th EDF, Regional programs and budget lines will be implemented in strict accordance with the CSP, lessons learned and responses as follows:

Sector of concentration: Transport - € 50,513 Mio;

- **Non-focal area: Cap. building of State & non-State actors - € 31,845 Mio.**

a) 9th EDF - € 41,526 Mio

- **Sector of concentration: Transport (€34,421 Mio)**

- Study for rehabilitation of 3 bridges -East Connection	€	80.000
- Rehabilitation of 3 bridges – East Connection	€	1.700.000
- Study for a support to the Road Authority (phase II)	€	80.000
- Road Authority (phase II)	€	1.000.000
- Privatisation programme (Transport)	€	675.000
- Port of Paramaribo - Physical rehabilitation/Institutional		
Strengthening: Works	€	29.086.000
Supervision	€	1.200.000
Audit	€	100.000
Study	€	500.000
		€ 30.886.000

▪ **Non-focal area: Reinforcement of the capacity of State and non-State actors (€7,105 Mio)**

Support to State and non-State actors (€3,47 Mio):

- Institutional strengthening of State and non-State actors in policy development	€	1.470.000
- Business Forum; Support to the Private/Public Partnership	€	2.000.000

Support to the civil society (€2,88 Mio):

- Study Micro project phase III	€	80.000
- Rehabilitation of the Cathedral of Paramaribo	€	2.800.000

Support to Trade & Regional Integration (€0,755 Mio):

- Study National negotiation machinery (EPA)	€	80.000
- Trade and Regional Integration program	€	595.000
- TA for a national rice action plan	€	80.000

b) Ongoing 7th and 8th EDF projects and other budget lines - € 40,832 Mio
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▪ ***Sector of concentration: Transport (€16,092 Mio):***

- Transport Policy Study	€	550.000
- Road Authority (Phase I)	€	1.847.000
- TA Port Rehabilitation	€	495.000
- Construction Road to the Ferry	€	13.200.000

▪ **Non-focal area: Reinforcement of the capacity of State and non-State actors (€24,74 Mio):**

Support to the civil society (€8,915 Mio):

- Drug Demand Reduction Program	€	745.000
- Strengthening STD/HIV Services	€	680.000
- Micro project phase II	€	5.000.000
- Regional Aids Programme	P.M. €	---
- Sexual & Reproductive Health Program (UNFPA)	€	1.900.000
- Global Fund – GFTAM	P.M. €	---
- Environmental Management Programme (NIMOS)	€	590.000

Support to the Private Sector (€2,625 Mio):

- TA Privatisation Banana Sector	€	150.000
- Tourism Program (Phase II)	€	2.475.000

Support to the agricultural productivity/Trade (€13,2 Mio):

- Banana: SFA 1999/2000/2001/2002/2003	€	13.200.000
- Rice:	P.M. €	---

6.2 Setting indicators and targets for measuring results in focal sectors (Cfr. Annex I)

On 22nd August 2002, the EC requested the collaboration of Suriname to define **Transport Development indicators**. A set of **performance and impact indicators** supported with a **logical framework** were proposed to the Government, based on the conclusions of a wider review of EC/EU Member States experts (14.03.2002).

Statistics on the total expenditure on transport (14,2% per family) and **traffic accidents** were sent by the General Bureau of Statistics to the Commission, representing a **partial answer** to the information requested.

Several opportunities will be taken on board, in order to strengthen the process of Transport Development Indicators definition:

- **Transport sector policy** study (to start in May 2005, for 5 months);
- **Evaluation** of the support to the **Road Authority – phase I** (to start in July 2003);
- **Identification** of a support to the **Road Authority – phase II** (to start in October 2003);
- **Coordination/facilitation of data collection** via existing programs and institutions (General Bureau of Statistics, Road Authority, Ministries of Public Works and Transport, Projects of rehabilitation of the road to the Ferry and the Port of Paramaribo, ...);
- **The restructuring and the strengthening of the national institutional capacity** for the design of development policy and financing aimed at poverty reduction. This last program resulting from the discussions of the Ministry of Planning and Development Cooperation and the Donor Community (UNDP, EC, NL, IDB, ...). EC contributions will be taken from 9th EDF (Strengthening of the capacity of State and non State actors - € 1,55 Mio).

6.3 Dialogue in the country with the NAO and the non-State actors (Cfr. Annexes XV, XVI and XVII)

6.3.1 Public/Private Partnership

As mentioned in par. 4.3 (Utilisation of resources for Non-State Actors), the partnership with the civil society was systematically strengthened through the programming of the 9th EDF (**€ 19,1 Mio**), the joint identification and appraisal of three projects (**€ 30 Mio**) or the management and coordination of programs (**€ 5,75 Mio**).

The **level of dialogue** between the State and non-State actors is considered to be **good and improving** (Memorandum of understanding, joint strategies...).

Press and media in the country are considered as **free** and often used by **the civil society as enclaves for discussion**.

Public opinion, in 2002, was clearly taken on board by the Government, when claiming **the need for the public sector to improve its performance**.

Specifically, the **dialogue with the NGO's** has provided positive results by agreeing on a major role to be played by them (Micro project – Drug Demand Reduction program), with the **NAO and the EC** keeping their mandatory control role, but appearing **towards the civil society as observers**.

The relations with the **socio-economical partners increased**, when the new strategy, aiming at **the restructuring of the banana sector**, was openly discussed in 2002.

If the **relations with the Trade Unions** (Socio-economic partners) are still **sporadic**, it clearly appears that the first needs claimed by them are related to **capacity building**, to be provided by specialised and related institutions in the Region and European Union and the need for **vocational training** for labour forces to be laid out with the recent restructuring of the economy (*See Annex XVII*).

If the **Public/Private Partnership** is functioning relatively well, notably via the Business Forum, it is admitted that **the capacity to define an action plan and related operations**, to be financed on EDF has reduced during the 2nd semester 2002.

The **Business Forum** expects to provide the elements for a **financial proposal in June 2003**.

6.3.2 Privatisation process

The State is still a major actor in Suriname's economy. Over half of the work force is on the government payroll, directly or through government-owned companies.

On 8th August 2002, **the Council of ministers decided to privatise four State owned companies** from the agriculture/forestry sector: Surland (Banana), Tropica (Fruit juice), the Foundation for Mechanized Agriculture (Rice) and the Bruynzeel Suriname Timber Company (Plywood).

6.3.3 Investment climate, legislation and Private sector development

In September 2002, the United Nations Conference on Trade and Development (**UNCTAD**) released its World Investment Report 2002¹, **placing Suriname at the end of the country list (140th position)**.

The Government passed the **new investment code** to the Parliament in the last quarter of 2001, and activated it by presidential decree in June 2002. It consists of fiscal and non-fiscal facilities, in order to stimulate economic growth and employment and to promote the Private sector and Foreign Direct Investments.

¹. The UNCTAD produced a new ranking that compared no less than 140 countries' share of global foreign investment with its share of gross domestic product for the 1998-2000 period.

An “**Institute for the Promotion of Investments in Suriname**” (Investsur) was also established by law on 3rd June 2002. The Institute has an advisory function towards the Ministry of Finance, on investment possibilities and provisions as well as guidance for interested parties in fulfilling all the requirements for speedy execution of investment decisions.

The process of dialogue **that led to its enforcement was halted** even though **the civil society and the private sector in particular had called for its continuation**. Many comments of the private sector are not reflected in the final version of the Investment Law.

7 Conclusions – an overall assessment of the country

7.1 Poverty Reduction

- **A strategy for Social Development and Poverty Eradication** was defined, with the support of UNDP, in November 2000, recommending the Government to target **the reduction of poor persons** in districts and communities, **by 75% in the coming 15 years** and **eradicate food and basic needs in 5 years**. The report calls on the need to establish a **Living Standards Measurement Survey**, in order to measure the proportion of people falling below the Food Poverty line.
- **The Country Strategy Paper** (9th EDF), signed in July 2002, **supports the Government objective to reduce poverty** (Multi-annual Development Plan), in particular the set up of **poverty-monitoring programme** measuring, yearly, the **living standards of the population**.
The CSP highlights also the needs of **statistics** clearly oriented **to define the Poverty lines**, but also to **capture economic (formal and informal) activities**.
- In November 2002, the Ministry of Planning and Development Cooperation launched a **joint discussion process** with the **Government and the donor community** (UNDP, EC, IDB, NL, VVOB) to strengthen the national capacity in defining **development policies aiming at poverty reduction**.
Technical support will be financed by the Government and the a.m. donors to **define and prioritise national development goals** (in accordance to the Millennium Development Goals, the OECD (DAC) guidelines, ...) and their related **development indicators**. These objectives will **strengthen sector policy oriented programs**, in accordance with **Government’s policies** (Multi-Annual Development Plan), and **compatible with national public accounting and forecasts**.
Appropriate **coordination** with the Development partners (State and non-State actors, donor community, ...) will contribute in **defining national and international standards SWAP’s and budgetary support possibilities**.

7.2 Main results and activities

- In general terms the **Transport sector** will absorb **61% of the funding and capacity building of State & non-State actors**, the rest or **39%** (If it is agreed that the support to the agricultural sub sectors -banana and rice- are directly related to the capacity building in Productivity and Trade).
More specifically, the fundings (grants) are allocated to the following expenses: **Works: 54%, Supplies: 14%, Capacity building and awareness: 14%, Technical assistance and studies: 14%, Audit monitoring: 1%, various: 4%**.

Still, the **negotiations of policies** (see 2001) and **capacity building activities** have **absorbed human resources with a certain detriment on program implementation**. These last figures show that **any future investments in contracting and training Human Resources** (local staff) in Government and the EC Office to assure the implementation of the SUR-EC cooperation will **be paid back** by the clear **return in investment and increased capacity building**.

Also, the recent efforts to **concentrate on the Transport Sector**, in order to **increase the impact on all sectors of the economy** (through a sound regulation of the movement of people and goods) are completed with **investments to improve agricultural productivity and Trade, and Trade** in general.

Two initiatives will reinforce the a.m. actions with a support to establish a **National Negotiating Machinery (EPA)** and a platform to define, **by State and non-State actors**, the **future options for a Regional integration policy**.

These two last initiatives will **increase the relation of Suriname with CARICOM** and improve the **implementation of Regional programs** in the country.

7.3 Key perspectives for the future

- **All projects** financed with the support of EDF or EC Budget lines **before the financial entry into force of the Cotonou Agreement** are **already translated in the terms** earmarked in the **9th EDF Country Support Paper** (Sector of concentration: **Transport - € 50,5 Mio**, and as non-focal area: **Capacity building for State and non-State actors - € 31,8 Mio**).

7.4 Speeding up of the disbursement of previous EDF

- In reference to Annex V, the **average funds spent per year** during the last 13 years (Regional Programme & EIB excluded) accounts for **€ 4,3 Mio**, with a **minimum** spending of **€ 0,85 Mio** in 1996, and **two peaks of € 8 and 10,5 Mio**, respectively in 1992 and 1997.
- Ten projects will be closed in June 2003 for a total amount of **€ 12 Mio** and unspent funds transferred to **9th EDF (Transport Sector)** for an estimated amount of **€ 10 Mio**.
The a.m. trends indicate the **sensitivity of development funding** towards **political**

events, but also the **positive impact of development negotiation (CSP)**, when **involving non-State actors in the policy dialogue** (See Disbursements 2002), and backstopped by appropriate **ACP-EU technical assistance**.

7.5 Transport Development indicators

- **Five sources of information** will be processed to define and prioritise the indicators:
 - Transport Sector policy, Road Authority evaluation, Road Authority - phase II identification, design of national development policies, facilitation of data collection via existing Institutions/programs (ABS, ...).
- **Development indicators – Socio-economic data**
 - Establishment of a statistic platform at the Ministry of Planning and Development Cooperation, in order to collect in due time socio-economic and Transport data, to refine policy agendas (and facilitate the Flex).

- **Progress indicators**

Transport policy study:

- State and non-State actor dialogue conducive for decision.
- Policy drafted in 5 months from May 2003;
- Policy agreed by Council of Ministers before December 2003 (?);
- Implementation of the policy from July 2004 (?);
- Definition and prioritisation of transport indicators by State and non-State actors before October 2003.

Road Authority (End 2004)

- Increasing participation of non-State actors in the process (Board, ...);
- Increasing contribution to the Road fund before December 2003 (US\$ 5 Mio?);
- Conclusions of the evaluation adopted before December 2003;

Port Rehabilitation

- Launching of the institutional and legislation technical assistance in October 2003;
- Financing proposal for the Rehabilitation of the port to be sent to HQ on 20th June 2003;
- Presentation of the FP to the EDF committee before December 2003;
- Launching of the work tender during the first quarter 2004.

Road to the Ferry

- Works supervision in place before February 2003;
- Works tender launched in September 2003;
- Works implementation before January 2004;

Rehabilitation of 3 bridges (East connection);

- Rehabilitation study undertaken in August 2003;
- Rehabilitation foreseen in December 2003

Intervention framework including an overview of policy measures and indicators

Transport sector

	Performance indicators	Sources of verification	Assumptions
Overall objective Accelerate growth and poverty reduction by facilitating trade and regional co-operation and integration.	<ul style="list-style-type: none"> ◆ Growth of GDP ◆ Balanced budget (in 3 years) ◆ Low inflation (< 10%) ◆ Poverty reduction ◆ Increased exports to region 	Bureau of Statistics Ministry of Planning (PLOS) Customs	Stable macro economic environment ensured Further deregulation and liberalisation for a conducive private sector environment Public sector reform programme carried out
Intervention objective Improved competitiveness of export sector through improving the efficiency of the transport sector	Volume and value of goods traded increased Reduction of cost and time to export	Ministries of TCT, Trade and Industry and Public Works, Port and airport Authority, shipping agents and private sector associations	Sufficient funding to Road Authority Effective involvement of private sector in policy formulation and implementation Positive private sector response to enhanced market opportunities New investment law accepted
Results <ul style="list-style-type: none"> ◆ Improved regulatory framework for the export and transport sector ◆ Enhanced policy preparation and implementation at relevant institutions in the export and transport sector ◆ Definitions of roles of public and private sector actors clarified ◆ Efficient management and operating procedures for the harbour/airport/roads ◆ Improved infrastructure and modern handling equipment for the harbour/airport/roads 	Number of actions to obtain licenses reduced Time to obtain licences reduced Clear legislation approved Number of trained staff at relevant institutions increased Reduction of cost/tonne and time to handle ships/aircrafts Increased tonnage/berth/passengers Infrastructure and handling equipment up to regional standards Reduced damage to ships/cars	Ministries of TCT, Trade and Industry and Public Works, Port and airport Authority, shipping agents and private sector associations	Appropriate transport sector policy adopted Capacity to implement transport policy strengthened Guaranteed financing for maintenance Clear mandate of Port Authority Sufficient means to remunerate staff Improvement of customs procedures
Identified projects: Harbour of Paramaribo: Institutional strengthening and improved infrastructure. Follow up on transport sector study			

Reinforcement and capacity building of state and non-state actors in the area of development and trade

	Performance indicators	Sources of verification	Assumptions
Overall objective Accelerate growth and poverty reduction by facilitating trade and regional co-operation and integration.	<ul style="list-style-type: none"> ◆ Growth of GDP ◆ Balanced budget (in 3 years) ◆ Low inflation (< 10%) ◆ Poverty reduction Increased exports to region	Bureau of Statistics Ministry of Planning (PLOS)	Stable macro economic environment Deregulation and liberalisation Public sector reform programme
Intervention objectives Increased trade through strengthened capacity of relevant state and non-state actors	<ul style="list-style-type: none"> ◆ Increased share of intra-regional trade ◆ Increased participation to regional trade fairs and policy meetings ◆ Increased capability to plan and monitor achievements 	PLOS Line ministries Bureau of Statistics Ministry of Finance Ministry of TCT	Private sector responsive to market opportunities in region Government committed to privatisation programme
Results <ul style="list-style-type: none"> ◆ Planning and monitoring capacity of PLOS and line ministries improved ◆ Evaluation skills and techniques for MOP and donor activities improved ◆ Improved Project Cycle Management procedures and skills ◆ Donor co-ordination capacity enhanced ◆ Capacity for rolling programming of MOP and CSS improved ◆ Consequences of REPA and regional integration initiatives understood and responsive policies for public and private sector prepared ◆ Improved trade relations with the Guyana's ◆ Privatisation programme for transport sector prepared 	<ul style="list-style-type: none"> ◆ Indicators for monitoring MOP formulated ◆ Information system with line ministries operational ◆ Evaluation and PCM procedures in place and increased number of trained staff ◆ Donor co-ordination mechanism in place ◆ Staff trained in monitoring and planning for rolling programming ◆ Implementation of EC programme to schedule ◆ Public sector policies formulated to promote trade and regional integration ◆ Private sector aware of market opportunities and threats ◆ Impediments to trade with Guyana's listed and responsive strategy formulated ◆ Negotiation strategy for REPA prepared ◆ Privatisation strategy for public enterprises in the transport sector prepared 	PLOS Line ministries Bureau of Statistics Ministry of Finance Ministry of TCT Ministry of Foreign Affairs	Legal status of role PLOS with regard to monitoring and rolling planning of MOP secured Co-operation of line ministries Sufficient qualified and motivated staff secured Public and private sector incorporate findings of studies in policies and negotiation strategies Working relation between MOF and PLOS established on integrating the development budget and the current budget Donor co-ordination procedures accepted by donors
Projects identified: <ul style="list-style-type: none"> ◆ Assist the Ministry of TCT and the Ministry of Finance in formulating a privatisation strategy for public entities in the transport sector. ◆ Studies and policy support for REPA and regional integration. ◆ Support to PLOS and relevant line ministries to monitor the MOP and to strengthen the capacity of PLOS to implement the EC programme. 			

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Sector : Transport infrastructure	Performance Indicators	2002	Targets/Estimate 2003	Target 2004	Sources of information	Assumptions
National Sector Target						
Accelerate growth and poverty reduction by facilitating trade and regional integration	<ul style="list-style-type: none"> - growth of GDP - balanced budget - low inflation (less than 10%) - increased exports to region - poverty reduction-measurement of poverty indicators * 	<ul style="list-style-type: none"> -plus 1.2% ** -minus 5.4% ** -plus 33.6 % ** - plus 6% (2001) -no measurements of indicators since 2000 	<ul style="list-style-type: none"> -plus 2.1% ** -minus 1.2% ** -plus 19.6% ** - - Assistance for data collection in preparation 	<ul style="list-style-type: none"> - - - - - system for data collection poverty indicators in place 	IMF, Bureau of Statistics, Ministry of Planning (PLOS), Customs	<ul style="list-style-type: none"> Stable macro economic environment ensured Further deregulation and liberalisation for a conducive private sector environment Public sector reform programme carried out
Intervention Objective: Improved effectiveness of exports through improved efficiency of transport sector	<ul style="list-style-type: none"> - volume and value of goods traded increased -Reduction of cost and time to export 	<ul style="list-style-type: none"> -exports plus 13.%**- -imports plus 6.7% ** -not measured 	<ul style="list-style-type: none"> -exports plus 4.7% ** -imports plus 4.5% ** - 	<ul style="list-style-type: none"> - - - 	Ministries of TCT, Trade and Industry and Public Works, Port and airport Authority, shipping agents and private sector associations	<ul style="list-style-type: none"> Sufficient funding to Road Authority Effective involvement of private sector in policy formulation and implementation Positive private sector response to enhanced market opportunities New investment law accepted

<p>Results</p> <p>Improved regulatory framework for the export and transport sector</p> <p>-Enhanced policy preparation and implementation at relevant institutions in the export and transport sector</p> <p>-Definitions of roles of public and private sector actors clarified</p> <p>-Efficient management and operating procedures for the harbour/airport/roads</p> <p>-Improved infrastructure and modern handling equipment for the harbour/airport/roads</p>	<p>-Number of actions to obtain licenses reduced</p> <p>-Time to obtain licences reduced</p> <p>-Clear legislation approved</p> <p>-Number of trained staff at relevant institutions increased</p> <p>- performance indicators in transport sector developed *</p> <p>-Reduction of cost/tonne and time to handle ships</p> <p>-Increased tonnage/berth/passengers</p> <p>-Infrastructure and handling equipment up to regional standards</p> <p>-Reduced damage to ships/cars</p> <p>- Increase in fuel levy to 10% *</p>		<p>To result from Transport Sector Policy, completed by October 2003</p> <p>Increase in levy agreed December 2003</p>	<p>Implementation of Transport Policy to start in July 2004</p> <p>Fuel levy in place</p>	<p>Ministries of TCT, Trade and Industry and Public Works, Port and airport Authority, shipping agents and private sector associations</p>	<p>Appropriate transport sector policy adopted</p> <p>Capacity to implement transport policy strengthened</p> <p>Guaranteed financing for maintenance</p> <p>Clear mandate of Port Authority</p> <p>Sufficient means to remunerate staff</p> <p>Improvement of customs procedures</p>
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* indicates new indicator/commitment undertaken during the 2002 review

** Source: IMF Article 4 Consultation - November 2002

	Allocation	Engagements primaires (temporaires inclus)	Reste à engager
FED 6	24.000.000	17.164.913	6.835.087
FED 7	27.000.000	25.918.033	1.081.967
FED 8	22.750.000	22.659.870	90.13
Total	73.750.000	65.742.816	8.007.184

Banana Budget Line			
	Allocation	Engagements primaires (temporaires inclus)	Reste à engager
B7-REG 5023 95/3	3,500,000	3,497,578	2,422
B7-8710 856/07 SFA 1999	3,100,000	2,659,007	440,993
B7-8710 856/16 SFA 2000	2,700,000	0	2,700,000
B7-8710 856/26 SFA 2001	2,700,000	0	2,700,000
B7-8710 856/28 SFA 2002	2,500,000	0	2,500,000
Estimated remainder SFA	4,000,000.00		
Total today	14,500,000	6,156,585	8,343,415
Estimated total	18,500,000.00		

** Under appraisal NAO/EC: Provisional budget Harbour Rehabilitation*

1)	EDF7 - reliquat	14.7
2)	SYSMIN-rel.	7
3)	EDF 9	8.1
TOTAL EDF		29.8 mio EURO

Overview of disbursement per year – period 1990-2002

GRANTS - NIP	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
EDF V	499,016	2,574,776	6,314,208										
EDF VI	4,233,761	3,723,302	1,625,932	1,925,732	1,396,072	2,439,108		783,189					66,391
EDF VII					358,884	2,167,101	856,406	9,532,473	2,219,042	3,919,162	402,316	928,971	1,184,869
EDF VIII											1,643,142	638,548	981,313
EDF IX													
SFA Banana Budget line 1995-2002								150,000	1,750,000	1,050,000	344,578		1,342,365
TOTALS	4,732,777	6,298,078	7,940,140	1,925,732	1,754,956	4,606,209	856,406	10,465,662	3,969,042	4,969,162	2,390,036	1,567,519	3,574,938

Indicative timetable for commitments and disbursement

ANNEX III

montants en mio €

N° Comptable	Intitulé	Total eng. prim.	situation 31/12/2002		1° semestre 2003		2° semestre 2003		Total 2003		1° semestre 2004		2° semestre 2004		Total 2004		Situation 31/12/2004		
			Total eng. sec. (A)	Total payé (B)	eng. sec. (C)	paiements (D)	eng. sec. (E)	paiements (F)	eng. sec. (C+E) (G)	paiements (D+F) (H)	eng. sec. (I)	paiements (J)	eng. sec. (K)	paiements (L)	eng. sec. (I+K) (M)	paiements (J+L) (N)	Total eng. sec. (A+G+M)	Total paiements (B+H+N)	
(6, 7 and 8 EDF)																			
6 SUR	46	Integrated Transport Policy Study	500,000			449,000	100,000		349,000		449,000						449,000	449,000	
6 SUR	60	Drugs Demand Reduction Programme	745,000					342,980	85,745	342,980	85,745	120,043	12,004		24,000	120,043	36,004	463,023	121,749
7 SUR	14	Rice Res. & Breeding Station (+7sur13)	2,115,000	1,797,733	1,660,651		10,000				10,000						1,797,733	1,670,651	
7 SUR	33	Strengthening STD/HIV Health Services	680,000	607,855	419,103		95,000		93,000		188,000						607,855	607,103	
7 SUR	43	Support to the Road Authority	1,847,000	1,038,700	416,366	313,000	200,000	300,000	350,000	613,000	550,000	114,456	350,000		100,000	114,456	450,000	1,766,156	1,416,366
7 SUR	45	TA Port Rehabilitation	495,000	495,000	169,222				325,778								495,000	169,222	
7 SUR	47	Environmental Management Program	590,000	590,000	295,000		295,000										590,000	295,000	
7 SUR	48	Construction Road to the ferry Guy/Sur	404,000																
7 SUR	49	TA Implemen.Privatis.Program (Bananas)	150,000	150,000			150,000				150,000						150,000	150,000	
8 SUR	3	Micro Projects Programme II	5,000,000	2,794,080	598,867	300,000	200,000	300,000	200,000	600,000	400,000	300,000	200,000	300,000	200,000	600,000	400,000	3,994,080	1,398,867
8 SUR	8	Integrated Tourism Dev.Programme	2,475,000	1,340,000	220,959		250,000	300,000	250,000	300,000	500,000		300,000	300,000	250,000	300,000	550,000	1,940,000	1,270,959
8 SUR	12	Construction Road to the ferry Guy/Sur	12,796,000			987,882		12,000,000	3,797,576	12,987,882	3,797,576		2,297,576		2,297,576		4,595,153	12,987,882	8,392,729
Total 6,7and 8 EDF			27,797,000	8,813,368	3,780,168	2,049,882	1,300,000	13,242,980	5,451,099	14,843,862	6,130,321	534,499	3,159,580	600,000	2,871,576	1,134,499	6,031,157	24,791,729	15,941,646

N° Comptable	Intitulé	Total eng. prim.	situation 31/12/2002		1° semestre 2003		2° semestre 2003		Total 2003		1° semestre 2004		2° semestre 2004		Total 2004		Situation 31/12/2004		
			Total eng. sec. (A)	Total payé (B)	eng. sec. (C)	paiements (D)	eng. sec. (E)	paiements (F)	eng. sec. (C+E) (G)	paiements (D+F) (H)	eng. sec. (I)	paiements (J)	eng. sec. (K)	paiements (L)	eng. sec. (I+K) (M)	paiements (J+L) (N)	Total eng. sec. (A+G+M)	Total paiements (B+H+N)	
(9th EDF)																			
		Studies & Policies Regional Integration	675,000									200,000	60,000		60,000	200,000	120,000	200,000	120,000
		Institutional Strengthening	1,550,000									542,500	54,250	0,00	108,500	542,500	162,750	542,500	162,750
		Formulation Privatisation Policies	675,000									200,000	60,000		60,000	200,000	120,000	200,000	120,000
		Rehabilitation Cathedral	2,800,000					600,000	120,000	600,000	120,000	2,200,000	800,000	0,00	800,000	2,200,000	1,600,000	2,800,000	1,720,000
		Support Private Sector	2,000,000					1,080,000	594,000	1,080,000	594,000	270,000	378,000	218,000	270,000	488,000	648,000	1,568,000	1,242,000
		Rehabilitation Bridges East Suriname	1,700,000									1,700,000	170,000		500,000	1,700,000	670,000	1,700,000	670,000
		Harbour rehabilitation (incl. EDF 6 and 7)	30,866,000									1,200,000	400,000	29,000,000	10,000,000	30,200,000	10,400,000	30,200,000	10,400,000
Total 9 EDF			40,266,000	0	0	0	0	1,680,000	714,000	1,680,000	714,000	6,312,500	1,922,250	29,218,000	11,798,500	35,530,500	13,720,750	37,210,500	14,434,750

Total 6,7,8and 9 EDF			68,063,000	8,813,368	3,780,168	2,049,882	1,300,000	14,922,980	6,165,099	16,523,862	6,844,321	6,846,999	5,081,830	29,818,000	14,670,076	36,664,999	19,751,907	62,002,229	30,376,396
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Financial situation for 6th, 7th and 8th EDFFinancial situation for 6th EDF

Project no	Title	Primary commitment	Secondary commitment May 2003	Total disbursements May 2003	Total disb. In %	State of project
		(a)	(b)	(c)	(d)=c/a	(e)
CLOSED EDF 6 PROJECTS		15,913,154.47	15,913,154.47	15,913,154.47	100%	closed
ONGOING EDF PROJECTS						
6 SUR 046	Integrated Transport Sector Study	500,000.00	0.00	0.00		on-going
6 SUR 060	Drugs Demand Reduction Programme	745,000.00	0.00	0.00		on-going
	TOTAL 8th EDF (EURO)	17,158,154.47	15,913,154.47	15,913,154.47	92.74%	

Financial situation for 7th EDF

Project no	Title	Primary commitment	Secondary commitment May 2003	Total disbursements May 2003	Total disb. In %	State of project
		(a)	(b)	(c)		
7 SUR 009	Micro Project Programme I	1,870,252.02	1,870,252.02	1,870,252.02	100.00%	closed
7 SUR 010	Prep.Proje.Dossier Cottica Bridge	28,606.69	28,606.69	28,606.69	100.00%	closed
7 SUR 011	Road Rehabilitation Programme	16,366,860.00	8,101,849.10	8,101,849.10	49.50%	to be closed May 2003
7 SUR 012	Road Rehabilitation Programme	1,361,527.25	1,361,527.25	1,361,527.25	100.00%	closed
7 SUR 013	Rice Research & Breeding Station	1,100,000.00	1,069,939.46	998,618.57	90.78%	to be closed June 2003
7 SUR 014	Rice Research & Breeding Station	2,115,000.00	1,798,661.94	1,661,580.42	78.56%	to be closed June 2003
7 SUR 015	TA Setting-up Training High Level Staff	14,140.00	14,140.00	14,140.00	100.00%	closed
7 SUR 016	Drugs Assesement Study	27,188.65	27,188.65	27,188.65	100.00%	closed
7 SUR 017	Prep. Proj.Dossier Timber Institute	54,540.02	54,540.02	54,540.02	100.00%	closed
7 SUR 018	Suriname Tourism Dev.Programme	849,000.00	746,303.60	723,652.27	85.24%	closed
7 SUR 019	Evaluation Eligibility Sysmin Request	160,331.76	160,331.76	160,331.76	100.00%	closed
7 SUR 020	TA Ministry Planning	34,000.00	34,000.00	34,000.00	100.00%	closed
7 SUR 021	TA Road Management	454,726.29	454,726.29	454,726.29	100.00%	closed
7 SUR 022	TA Micro Projects Programme I	17,660.00	17,660.00	17,660.00	100.00%	closed
7 SUR 023	Training Course EDF Financing Proced.	6,623.42	6,623.42	6,623.42	100.00%	closed
7 SUR 024	Set-up Training Progr.High Level Staff	4,938.66	4,938.66	4,938.66	100.00%	closed
7 SUR 026	TA Study Port Facilities	60,951.68	60,951.68	60,951.68	100.00%	closed
7 SUR 027	Fin.Prop.Road to the Ferry SUR-GUY	26,000.00	20,418.20	20,418.20	78.53%	closed
7 SUR 028	Participation Suriname to Panafest 97	129,495.98	129,495.98	129,495.98	100.00%	closed
7 SUR 029	Programme Management Unit (PMU)	801,743.92	801,743.92	801,743.92	100.00%	closed
7 SUR 030	Mission Preparation 8th EDF	11,433.69	11,433.69	11,433.69	100.00%	closed
7 SUR 031	Study EBS Sysmin Proposal	21,026.11	21,026.11	21,026.11	100.00%	closed
7 SUR 032	Renovation "Neve Shalom" Synagoge	79,398.77	79,398.77	79,398.77	100.00%	closed
7 SUR 033	STD Health Services in the exterior	680,000.00	607,855.34	410,740.49	60.40%	on-going
7 SUR 034	Minerals Institute Study	140,055.20	140,055.20	140,055.20	100.00%	closed
7 SUR 035	Regional Medical Skills Center	22,870.72	22,870.72	22,870.72	100.00%	closed
7 SUR 037	Pre Feas. Dev.Industrial Sector	36,499.26	36,499.26	36,499.26	100.00%	closed
7 SUR 038	Establ. Regional Medical Skillslab	42,271.43	42,271.43	42,721.43	101.06%	closed
7 SUR 040	Updating Tender doc.Dupless.Building	13,445.11	13,445.11	13,445.11	100.00%	closed
7 SUR 041	Supervision Restoration Dupless.Bld.	60,000.00	40,000.00	25,185.61	41.98%	to be closed May 2003
7 SUR 042	Formulation Strategic Plan Banana	68,201.68	68,201.68	68,201.68	100.00%	closed
7 SUR 043	Support Road Authority	1,847,000.00	1,359,854.00	664,602.04	35.98%	on-going
7 SUR 044	TA Formulation Drugs Demand Progr.	44,883.28	44,883.28	44,883.28	100.00%	closed
7 SUR 045	Engineering & Consult.Paramaribo Port	495,000.00	495,000.00	169,222.40	34.19%	on-going
7 SUR 046	Preparation Doss.Restoration Cathedral	80,000.00	80,000.00	45,361.80	56.70%	to be closed June 2003
7 SUR 047	Environmental Management Programme	590,000.00	590,000.00	295,000.00	50.00%	on-going
7 SUR 048	Construction Road to the Ferry Guyana	404,000.00	404,000.00	0.00	0.00%	on-going
7 SUR 049	TA for preparation of Privatisation	80,000.00	0.00	0.00	0.00%	on-going
	TOTAL 7th EDF (EUR)	30,199,671.59	20,820,693.23	18,623,492.49	61.67%	

Financial situation for 8th EDF

Project no	Title	Primary commitment	Secondary commitment May 2003	Total disbursements May 2003	Total disb. In %	State of project
		(a)	(b)	(c)	(d)=c/a	(e)
8 SUR 002	TA Mining Sector Policy Programme	77,427.30	77,427.30	77,427.30	100.00%	closed
8 SUR 003	Micro Projects Programme	5,000,000.00	2,794,080.00	917,405.48	18.35%	on-going
8 SUR 004	Formulation Mission Support Election Progr	24,452.24	24,452.24	24,452.24	100.00%	closed
8 SUR 005	Formulation Mission Tourism Development	48,510.32	48,510.32	48,510.32	100.00%	closed
8 SUR 006	Support to the Democratic Process	1,725,186.00	1,725,186.00	1,725,186.00	100.00%	closed
8 SUR 007	Support to the Business Forum	0.00	0.00	0.00	0.00%	cancelled
8 SUR 008	Integrated Tourism Development	2,475,000.00	1,340,000.00	293,213.34	11.85%	on-going
8 SUR 009	TA Formulation CSS 9EDF Suriname	80,000.00	72,430.02	72,430.02	90.54%	to be closed
8 SUR 010	Study management Cultural Buit Heritage	76,912.72	76,912.72	76,912.72	100.00%	closed
8 SUR 011	Cotonou Agreement Awareness Programme	8,480.43	8,480.43	8,480.43	100.00%	closed
8 SUR 012	Construction Road to the Ferry Guyana	12,796,000.00	1,119,000.00	0.00	0.00%	on-going
	TOTAL 8th EDF (EURO)	22,311,969.01	7,286,479.03	3,244,017.85	14.54%	

Regional projects

ANNEX V

ACCOUNT NO.	TITLE OF PROJECT	DATE OF DECISION FA	FINANCING AGREEMENT (MN Euro)	COMMITTED By 31-DEC-01	DISBURSED by 1-JAN-01	DISBURSED by 31-5-02	STATUS/ COMMENTS
8 ACP TPS 018	Support to Regional Cooperation in the field of HIV/AIDS	7/17/2000	6.92	1,661,188.64	447,038.26	1,296,943.53	On-going
8 ACP TPS 125	Integrated Development Programme for the Caribbean Rum Sector	1/26/2002	70.0	*Programme to commence 30/06/2002 12.38 M EURO will be spent in Guyana			*
7 ACP RPR 203	Guyana-Suriname Ferry	05/13/1986 Rider # 1 4/23/1997	8.70	8,200,000.00	6,620,000.00	7,440,000.00	Works completed. The final invoice & report are expected before the end of 2nd quarter 2002; then Secondary Commitment No. 9 can be closed.
7 ACP RPR 441	Regional Airports Programme	4/12/1995	2.20	1,700,000.00	1,700,000.00	1,800,000.00	Secondary Commitments Nos. 7 & 8 are still on-going.

EIB projects

		Project	Project number	Commitment (€)	Payments (€)
EDF IV	1.	1 st credit line to Landbouwbank	42.030.59.010	4,000,000	4,000,000
	2.	2 nd credit-line to Landbouwbank	42.030.59.013	7,494,000	7,494,000
	3.	Credit-line National Development Bank	42.010.59.012	2,000,000	2,000,000
EDF V	4.	Global Loan (1) Development Bank	5.SUR.009/5.SUR.010	4,250,000	4,250,000
	5.	Global Loan (2) Development Bank	5.SUR.007	2,700,000	2,700,000
EDF VIII	6.	Staatsolie Company	8.SUR.001	300,000	203,619.16
	7.	Staatsolie Company	EIB own funds	4,000,000	4,000,000

Special Framework of Assistance (SFA – Banana)

		Year	Allocation (millions €)	Commitments (millions €)	Disbursements (millions €)
1	Budget line B5023-95-3	1995	3.5	3.5	3.5
2	Budget line B7-8710	1999	3.1	2.659	1.129
3	Budget line B7-8710	2000	2.7	0	0
4	Budget line B7-8710	2001	2.7	0	0
5	Budget line B7-8710	2002	2.5	-	-
6	Budget line B7-8710	2003	Provisionally 2.2	-	-
	Estimated total allocation		18.5		

The policy agenda of Suriname

Good Governance and Democracy

The Government of Suriname supports the creation of a modern and efficient public sector founded on accountability, predictability, transparency and integrity. Guaranteeing the principles of democracy has high priority. Measures to be taken include: improving the operational capacity of Parliament, strengthening regional democratic structures, strengthening the independence of the judiciary, introduction of legislation on the openness of governance, strengthening of key institutions, such as the Central Bank and the Office of the Auditor General.

Moreover, implementation of public sector reform to improve the transparency and effectiveness of government, increase consultation of groups of civil society, and withdrawal from involvement in productive activities. The participation of women and the involvement of youth will be actively promoted.

Justice and Human Rights

The government will strengthen the position of the judiciary by guaranteeing its independent position by law. The fight against crime and drug trafficking is a priority for the government. Anti-corruption laws will be prepared and corruption will be actively prosecuted. Freedom of speech will be guaranteed and violations of human rights will be researched and prosecuted.

Macro economic programme

The main objectives of the **macroeconomic programme** to be pursued in the medium-term are achieving a balanced budget (within 3 years), low inflation (below 10 percent), a stable and competitive exchange rate, and increasing international reserves (at least 3 months of imports). The Central Bank will continue its tight **monetary policy** to further stabilise the economy. Budget deficits will therefore be financed without net money creation. The **exchange rate policy** will rely on market forces to ensure competitiveness of exports.

The **fiscal policy** will focus on improvements in revenue-generation to be driven by improving the efficiency and effectiveness of tax administration, broadening the tax base with a special emphasis on formalising the informal economy and improving revenue collection through greater compliance. The management of expenditure will focus on a reduction of subsidies and the implementation of a public sector reform programme. Other macro economic policies aim at rebuilding foreign reserves and conversion of the external public debt.

Regional integration and trade policies

Suriname's international trade policy aims at participating actively in regional integration initiatives and at integration in the world economy. Economic and trade co-operation through the Economic Partnership Agreements (EPA) under the Cotonou Agreement envisages progressively removing barriers to trade and enhancing co-operation in all areas related to trade. Suriname has been a full member of the WTO since its establishment in 1994 but the WTO compatibility of its policies has not yet been examined through the Trade Policy Review Mechanism. Suriname is pursuing regional integration as a member of CARICOM since 1995 and will become part of the CARICOM single market and economy in 2002. It is participating in the negotiations to establish the Free Trade Area of the Americas by 2006. Suriname's commitment to regional integration and liberalisation of trade was confirmed in its signature of the Declaration of the Quebec Summit of the Americas in May 2001. Suriname is enhancing co-operation with its direct neighbours in the context of the Guiana Shield.

Private sector development

The government will promote, private sector development through the following measures:

- Macroeconomic stabilisation and the reform of the financial sector;

- Improve the legal framework (amongst others: new investment law) and further deregulation and provision of fiscal and non-fiscal incentives;
- Improvement of the efficiency of the transport sector to enhance the competitiveness of the private sector;
- Establishing an active co-operation with the private sector through creation of the business support forum;
- Improvement of infrastructure including roads and the port and opening up infrastructure for private investment;
- Restructuring the rice and banana sector and supporting non-traditional agriculture, e.g. fruit and horticulture;
- Facilitation of foreign investment.

In supporting private sector development priority will be given to export industries. Promising export industries include several resource-based industries (bauxite, oil, gold, timber, selected agricultural products, fisheries), as well as tourism. A tripartite Social and Economic Commission (SER) will be established to ensure co-operation between social parties in promoting economic development.

Environment

The government is committed to improve environmental quality and sustainable development. The government is setting up an institutional framework to develop and implement a national environmental policy and to develop appropriate legislation, incorporating the obligations of international agreements. The government is signatory to international agreements on the environment, including the Montreal Protocol, the Rio Declaration and Agenda 21. Also the FTAA Quebec Declaration of 2001 contains a strong commitment to addressing environmental issues. Specific measures to be taken by the government include modernisation of legislation with respect to protection of the environment, improvement of solid waste collection and disposal, coastal protection, creation of a forestry authority, establishment of nature parks and stock taking of eco-systems in the Guiana shield area. An important part of Central Suriname Nature Reserve has been put on the UNESCO World Heritage list (16.000 km²).

Poverty

The government is committed to pursuing a sustainable poverty reduction programme through private sector development and regional integration. In addition, social safety programmes will be targeted at the poorest, including the elderly, the disabled and single women with young children. Those groups will be addressed through direct income transfers, food programmes and access to health care. The improvements of housing and basic education are additional elements of the social programme. In order to evaluate and monitor the effects of the above policies, the government will regularly execute a Living Standards Measurement Survey and set up a poverty-monitoring programme.

Education and health

In **education and training** the government aims at restructuring the system to offer good quality and affordable education and training which will equip the population to meet economic, social and cultural challenges. Programmes will address improvement of curricula, quality of teachers (strengthening of the teacher-training institute), and decentralisation of decision making to schools. The government will encourage training initiatives by the private sector. Through community programmes support will be provided to educate youth in low-income areas.

In **health** the government of Suriname will continue to pursue the vision of "health for all". Measures will be taken to improve the effectiveness of preventive health care, in particular with respect to illnesses such as dengue, leptospirosis and malaria. Furthermore, improving prenatal, maternal, child and adolescent care, training of public health personnel, improving waste and sewage disposal through inter-ministerial collaboration, and investigating the mercury problem in gold mining areas. Programmes will be implemented to improve public awareness about health risks, particularly for young adults, addressing drug problems, and HIV/AIDS. Improvements will be introduced in financing health care through increased cost recovery. Better facilities will be provided for mental health care.

In **culture**, government policy aims at intensifying cultural co-operation with neighbouring countries. Measures have been taken to protect the country's cultural heritage, including implementing recommendations of UNESCO, which permitted to put the built heritage of the Inner City of Paramaribo on the World Heritage List.

Transport and communication

As a central element in its strategy to private sector development and regional integration, the government will improve air, sea and land transport as well as communications. In air transport the focus is on modernisation of legislation and increased cost effectiveness and enforcement of competition. In water transport the aim is to ensure the efficiency of shipping and of port operations through renovation of the ports. A Road Authority has been established, to facilitate more sustainable and effective road maintenance. In telecommunications investments will be made to modernise and expand the network, especially in the Interior, and legislation will be introduced to liberalise the sector. The private sector will be involved in the development of infrastructural works.

Political structure

<i>Official name</i>	<i>Republic of Suriname</i>
<i>Form of government</i>	<i>Presidential, based on the 1987 Constitution</i>
<i>The Executive</i>	<i>Cabinet of Ministers appointed and headed by the President</i>
<i>National legislature</i>	<i>Unicameral 51-seat National Assembly elected for a five-year term by direct universal suffrage</i>
<i>Legal system</i>	<i>Three cantonal courts headed by a Court of Justice, the six members of which are appointed for life</i>
<i>National elections</i>	<i>May 25th 2000; next national election due in May 2005</i>
<i>National government</i>	<i>The NF coalition holds 33 of the 51 seats in the National Assembly</i>

Suriname's political institutions are defined by the 1987 constitution. The legislature is a 51-seat National Assembly elected every five years by proportional representation. Executive power is wielded by the President, who is elected either by a two-third majority in the National Assembly or, failing that, by the Volksvergadering. The President appoints a cabinet; government Ministers are not members of the National Assembly. The Vice-President acts as the leader of the cabinet and the Prime Minister. Key decisions, such as amendments to the constitution, the right to call a plebiscite, and the election of the President and Vice-President, must be approved by at least two-thirds of the National Assembly.

The Council of State is a supervisory body comprising the President and representatives from the major political forces, including the unions, business, the legislature and the military. It has the power to veto legislation it deems to be in violation of the constitution, The final power of veto rests with the President, who has one month in which to rule for or against the council's judgement.

ANNEX X

Election results, May 2000

Party	No. of votes	% of votes	Seats allocated
Nieuw Front (NF) alliance	85287	47	33
Millenium Combinatie (MC) coalition	27149	15	10
Democratisch Nationaal Platform (DNP 2000)	18027	10	3
Democratisch Alternatief 1991 (DA91)	11037	6	2
Politieke Vleugel van de Federatie van Arme Landbouwers (PVF)	7979	4	2
Progressieve Albeiders en Landbouwers Unie (PALU)	1299	1	1
Basispatij voor Vernieuwing en Democratie (BVD)	5740	3	0
Hernieuwde Progressieve Partij (HPP)	4468	3	0
Partij voor Democratie en Ontwikkeling in Eenheid (DOE)	4473	3	0
Naya Kadam	4241	2	0
Algemene Bevrijdings en Ontwikkeling Partij (ABOP)	3093	2	0
Nationale Partij voor Leiderschap en Ontwikkeling (NPLO)	1816	1	0
Demokraten van de 21ste Eeuw (D21)	2310	1	0
Pendawa Lima	1742	1	0
Others	1578	1	0
Total	180239	97	51
Distribution of votes:			
Valid votes	180239	68	-
Invalid votes	4825	2	-
Absent voters	79897	30	-
Total voters registered	264961	100	-

Source: De Ware Tijd newspaper.

ANNEX XI

Economic Indicators 2001-2002 *¹**Suriname: inflation**
(%)

	2002											2003
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Monthly	0.7	0.6	1.7	1.9	4.3	6.0	4.5	4.8	0.6	1.0	-0.7	0.8
Year to year	0.5	1.1	2.8	8.6	12.5	16.7	21.0	26.9	28.0	29.2	28.3	0.8
Year on year	2.2	3.8	6.0	4.9	9.5	16.0	21.8	27.8	27.7	28.1	28.3	30.8

Main economic indicators, 2001

Real GDP growth (%)	1.9
Consumer price inflation (av; %)	43.2
Current-account balance (US\$ m)	-35.7
External public debt (% of GDP)	42.5
Population ('000) ^a	434
Official exchange rate (end-period; SG:US\$)	2.191

Mid-2000 estimate.

Comparative economic indicators, 2001

	Suriname	Guyana	Trinidad and Tobago
GDP (US\$ m)	753	600	8900
GDP per head (US\$)	1735	n/a	6490
Consumer price inflation (av; %)	43.2	1.6	5.5
Current-account balance (US\$ m)	-35.7	-129	0.1
Current-account balance (% of GDP)	-4.7	-21.5	1.5
Exports of goods (US\$ m)	437	490	4.1
Imports of goods (US\$ m)	297.2	584	3.6
External debt (US\$ m)	320.2	1193	2.7
Debt-service ratio, paid (%)	13.4	n/a	7.2

Central government finance, 2001

(% of GDP)

Current revenue	32.7
Tax revenue	28.9
Current expenditure	31.3
Current savings	1.4
Capital expenditure	2.0
Overall balance	-1.4

Rice production

	1997	1998	1999	2000	2001
Area planted (ha)	53495	50135	48460	41995	50780
Exports (tonnes)	87076	65454	53238	47778	52541
Export (US\$ m)	28.9	19.6	14.2	11.2	11.0
Export price cargo rice (US\$/tonne)	339	287	260	234	197

Bauxite production and exports

	1999	2000	2001
Bauxite production ('000 tonnes)	3715	3610	4394
Alumina exports ('000 tonnes)	1825	1906	1893
Alumina exports (US\$ m)	296.9	341.8	330.4
Price per tonne (US\$)	160	183	173
Aluminium exports (US\$ m)	8.3	-	-

***1 Sources:**

Central Bank of Suriname, Algemeen Bureau voor de Statistiek, Hakrinbank Suriname annual report, Ministry of agriculture (LVV), IMF, Economist Intelligence Unit, Central Bank of Trinidad and Tobago, Bank of Guyana

Social indicators, 2000

Crude birth rate (rate per 1000 population)	21.0
Crude death rate (rate per 1000 population)	6.0
Total fertility (rate per woman)	2.5
Infant mortality (rate per 1000 live births)	25.0
Life expectancy at birth (years)	71.4
Men	68.5
Women	73.7
Population aged 0-14 (% of population)	32.1
Population aged over 60 (% of population)	8.2
Access to improved drinking water (% of total population)	95.0
Access to improved sanitation facilities (% of total population)	83.0

Source: US Census Bureau, International Data Base, United Nation, social Indicators Database.

Financial enforcement of the CSP – 01.04.2003

	Amount in Euro	Works	Supplies	Functioning	Contingencies	Strengthening of capacity of s actors	
						Strengthening Awareness	TA - Studies
TRANSPORT							
TA Port Rehabilitation	495,000						495,000
Rehabilitation Port of Paramaribo	30,886,000	29,086,000				500,000	1,200,000
Privatisation programme (Transport)	675,000						675,000
Construction Road to the Ferry	13,200,000	11,300,000		100,000	612,118		987,882
Study - Rehabilitation 3 bridges -East Connection	80,000						80,000
Rehabilitation 3 bridges – East Connection	1,700,000	1,500,000					200,000
Road Authority (phase I)	1,847,000	300,000	286,401	281,715		216,068	662,816
Study for a support to the Road Authority (phase II)	80,000						80,000
Study Road Authority (phase II)	1,000,000						1,000,000
Transport Policy Study	550,000						550,000
TRANSPORT TOTAL	50,513,000	42,186,000	286,401	381,715	612,118	716,068	5,930,698
TRANSPORT Percentage	100%	84%	1%	1%	1%	1%	12%
CAPACITY BUILDING STATE & NON-STATE ACTORS							
Institutional strengthening of State - non-State actors in policy development	1,470,000					1,470,000	
Business Forum: Private/Public Partnership	2,000,000					2,000,000	
Study - Micro project phase III	80,000						80,000
Rehabilitation of the Cathedral of Paramaribo	2,800,000	2,000,000			200,000		500,000
Study - National negotiation machinery (EPA)	80,000						80,000
Trade and Regional Integration program	595,000					595,000	
TA for a national rice action plan	80,000						80,000
Drug Demand Reduction Program	745,000		83,000		30,000	337,000	265,000
Strengthening STD/HIV Services	680,000	30,000	170,000	230,000	25,000	185,000	30,000
Micro project phase II	5,000,000		69,400	649,500	286,100	3,500,000	435,000
Regional Aids Programme							
Sexual & Reproductive Health (UNFPA)	1,900,000					1,900,000	
Global Fund – GFTAM							
Environmental Management Prog (NIMOS)	590,000		120,000				470,000
TA Privatisation Banana Sector	150,000						150,000
Tourism Program (phase II)	2,475,000		190,000		200,000	670,000	1,315,000
Banana: SFA 1999/2000/2001/2002	13,200,000		11,001,673		240,087		1,958,240
Rice							
CAPACITY BUILDING TOTAL	31,845,000	2,030,000	11,634,073	879,500	981,187	10,657,000	5,363,240
CAPACITY BUILDING Percentage	100%	6%	37%	3%	3%	33%	17%
GRAND TOTAL	82,358,000	44,216,000	11,920,474	1,261,215	1,593,305	11,373,068	11,293,938
GRAND TOTAL Percentage	100%	54%	14%	2%	2%	14%	14%

ANNEX XIV

Overview of on-going Micro Projects in Suriname (Amounts in SRG) – updated 29.04.3003

Geographical areas	Rehabilitation of schools	Rehabilitation of Community centres	Awareness projects	Production / Income generating projects	Supply of Water or Electricity	Number of projects	Total amount per geographical area	%
Paramaribo	366,682,680	232,094,689	12,888,250	41,280,800		15	652,946,419	36%
Nickerie	148,184,840	151,688,070				6	299,872,910	17%
Saramacca				15,373,835		1	15,373,835	0.9%
Coronie		29,181,083				1	29,181,083	1.6%
Commewijne		46,203,000				1	46,203,000	2.5%
Para	35,810,302					1	35,810,302	1.9%
Wanica	49,945,913	86,856,715			217,196,334	7	353,998,962	20.0%
Sipaliwini	50,000,000	51,851,509	52,015,000			3	153,866,509	9.5%
Brokopondo	55,370,236					1	55,370,236	0.8%
Marowijne	143,660,290			51,950,991		4	195,611,281	10%
Number of projects	17	13	2	4	4	40	1,838,234,537	100%
Total amount (SRG)	849,654,261	597,875,066	64,903,250	108,605,626	217,196,334			
%	46%	33%	4%	6%	11%			
Amount in EUR	372,389.00	262,038.00	28,446.00	47,600	95,193			
(Average rate: 1 EUR =)	2,281.63							
Grand Total amount:	1,838,234,537 (SRG)							
	805,666 (EUR)							

Micro Projects – phase II

Project number	Project title	Sector	Geographical Location	Target Group	Total project amount	EC Contribution	%
003	Introduction of Bee/ Honey production	Production Education	Saramacca	20 Bee-farmers & families in Saramacca & Students of 2 primary schools	20,514,000.00	15,373,835.00 (Training and Equipm.)	75%
005	Construction of Comm. Centre Longmay	Comm.Development/ Social Infrastructure	Nickerie	People of Longmay, women & children of social organisations & schools	62,768,187.00	39,600,687.00 (Materials)	63%
006	Construction Boarding School SARON	Education Social Infrastructure	Paramaribo	100 Pupils of 6-18 yr from districts & interior	83,412,000.00	45,000,000.00 (Labour/ Material)	54%
008	Renovation YWCA Building Nickerie	Community Development Social Infrastructure	Nickerie	Community of Nickerie in general & single young mothers in particular	60,257,591.00	45,453,233 (Materials, Labour for building)	75%
012	Renovation Public School 'Paradise'	Education/ Social Infrastructure	Nickerie	Pupils of public school in Paradise and neighbouring communities	67,412,480.00	50,412,480 (Labour/ Materials)	75%
015	Renovation Mgr Wulfing- school	Education/ Social Infrastructure	Paramaribo	368 students (12-18 yr) from the school	89,283,705.00	63,483,705 (Labour/Materials)	71%
021	Water supply Lachmising- weg	Watersupply Social Infrastructure	Distr.Wanica	300 Families (± 1200 people) of different ethnic groups and religion origins	238,835,209.00	45,585,209 (Material)	19%
025	Construction Multi-purp. hall childrens home Sanathan Dharm	Children Social Infrastructure	Paramaribo	77 Children (orphans or children put for adoption)	71,950,000.00	54,000,000 (Labour/ Material)	75%
029	Educational Programmes for Children in the interior	Education/ Awareness	Siplaiwini	5000 school children in the interior and southern parts of the districts	68,813,500.00	52,015,000 (Training/Equipm./ Computer/printer Teaching mater.)	76%
TOTAL AMOUNT SRG:					763,246,672.00	410,924,149.00	54%
COUNTERVALUE IN EUR						214,918.00	

1 EUR = 1,912.00 (Aug.2001)

Project finalised

From each micro project, a maximum amount of EUR 25,000 is available, with an own contribution of 25%

Micro Projects – phase II

Project number	Project title	Sector	Geographical Location	Target Group	Total project amount	EC Contribution	(%)
010	Renovation L. Schutzschool	Education Social Infrastructure	Paramaribo	275 Students of the L. Schutzschool & students of 2 primary schools	66,746,519.00	49,718,614.00 (Labour/Material)	74%
018	Contruction School Gosutu	Education Social Infrastructure	Marowijne	300 children of 2-14 yr from villages in Marowijne/Sipaliwini	73,199,700.00	51,052,575.00 (Labour/Material)	70%
024	Set-up Cassave mills Gakaba	Production Gender	Marowijne	Direct: 600 women/Indirect 1800 people of Gakaba/Marowijne	92,088,533.00	51,950,991.00 (Labour/Material)	56%
030	Rehabilitation Meerzorg Sport Centrum	Community Development Social Infrastructure	Commewijne	300 pupils of Public School Meerzorg & Meerzorg community	60,883,000.00	46,203,000.00 (Material/Labour)	76%
033	Training & Upgrading Werkers Lotjeshuis	Education Children	:Paramaribo	Training for nurses working at Lotjes Huis with 30 handicapped children	17,360,350.00	12,888,250.00 (Training/Material)	
036	Renovation Community Centre Helena Christina	Community Development Social Infrastructure	Wanica	Accommodation for social activities 500 people of surrounding communities	51,415,193.00	37,607,693.00 (Labour/Material)	73%
040	Renovation Emanuel Mortuarium Coronie	Community Development Social Infrastructure	Coronie	Citizens of District Coronie (3000 people)	39,988,435.00	29,181,083.00 (Labour/Material)	73%
041	Rehabilitation Siergardschool -Moengo	Education Social Infrastructure	Marowijne	90 pupils of 4-14 yr in Moengo city	58,636,641.00	39,994,534.00	68%
TOTAL AMOUNT IN SRG:					460,318,371.00	318,596,740.00	69%
COUNTER VALUE IN EUR						162,177.00	

EUR/INFO JAN 2002: 1 EUR = SRG 1,964.50

Project finalised

Joint Annual Review 2003 (Calendar year 2002)

Micro Projects – phase II

Project number	Project title	Sector	Geographical Location	Target Group	Total project amount	EC Contribution	%
2001-014	Construction of 4 class-rooms school in NASON	Education/ Social Infrastructure	Sipaliwini	200 pupils from Paramaccan villages Bada Tabiki; Nason;Tabiki;Boni-doro	67,247,827.00	50,000,000.00 (Labour/Materials)	74%
2001-016	Construction of sport accomm. Rambharan Mishreschool	Comm.Development/ Social Infrastructure	Nickerie	300 Pupils from the Mishreschool	66,229,350.00	49,743,100.00 (Materials)	75%
2001-017	Rehabilitation and extension Annie Creche (daily school for handicapped children)	Children Social Infrastructure	Paramaribo	Day care facility for 40-50 children between 0-8 years with mental and/or physical disabilities * Foundation received donation from Dutch NGO's: Stichting Katholieke Noden/Lianen Fonds/ Stichting Calopse : Total SRG 63,715,530 (56%)	113,715,530.00	50,010,470.00 (Labour/Materials)	44%
2001-020	Infrastructure Housing project van PETTENPOLDER	Comm.Development/ Social Infrastructure	Nickerie	60 Families in and around van petten polder will benefit from this project	85,720,250.00	66,634,150.00 (Labour/Material)	78%
2001-027	Rehabilitation STIZONA Vocational school for handicaped children	Children Social Infrastructure	Paramaribo	Youngsters between 16-23 yrs (Former-pupils from Grietjebieschool with learning disabilities	93,278,054.00	53,076,846.00 (Labour/Materials)	57%
2001-043	Constnution of fense of the BARRON SCHOOL at Moengo and supply of brick machine	Education Social Infrastructure	Marowijne	425 students (14-21 yr) from the school from various neighbourhoods in Moengo	71,149,831.00	52,613,181.00 (Labour/ Materials)	74%
2001-056	Rehabilitation Building MELATIE	Women shelter Social Infrastructure	Paramaribo	150 Young women from various districts who live and work in Paramaribo	81,937,790.00	61,037,790.00 (Labour/Material)	74%
2001-063	Construction of tribune sport complex INSANIET Tout-Lui Faut Kanaal	Community Development Social Infrastructure	Wanica	Community of Tout Lui Faut (youth and women and senior citizens (± 2000 peop)	81,953,372.00	49,249,022.00 (Materials, Labour for sport complex)	60%
	TOTAL AMOUNT :				661,232,004.00	432,364,559.00	65%
	EUR					175,865.19	

1 EUR = SRG 2,458.50 (Sept/.2001)

Project finalised

Micro Projects – phase II

Project title	Sector	Geographical Location	Target Group	Total project amount	EC Contribution	%
Rehabilitation Public School Zanderij	Education Social Infrastructure	Para	Children of the district Para in the age between 4-19 years. The new facility will accommodate 120 pupils from the neighbouring villages	48,460,302.00	35,810,302.00 (Labour/Materials)	74%
Rehabilitation Public School Groot Henar	Education Social Infrastructure	Nickerie	430 people between 4-60 years who are living in Groot Henar in the district Nickerie	64,973,110.00	48,029,260.00 (Materials)	74%
Rehabilitation Frans Pryorschool at Tapoeripa	Education Social Infrastructure	Brokopondo	250 children between 4-15 years who are living in Tapoeripa, Drepada, Boslanti, Compagnie Kreek and the centre of Brokopondo district	82,144,236.00	55,370,236.00 (Labour/Materials)	67%
Rehabilitation St. Wilhelmus School Wanica	Education Social Infrastructure	Wanica	Pupils, teachers, parents of students, total number of approx. 680 persons	66,782,663.00	49,945,913.00 (Labour/Materials)	75%
Water supply community Gummelsproject at Boxel	Water supply Social Infrastructure	Wanica	Approx. 200 residents of the Gummels project of which 60% female	130,031,121.00	68,000,000.00 (Labour/Materials)	52%
Construction of a multi-purpose sporthall Elisabethshof boarding school	Youth Social Infrastructure	Paramaribo	Main target group: 50 districts pupils from the boardingschool; Second target group: youth, women and local employees in the community, who have	57,842,162.00	41,958,512.00 (Labour/Materials)	73%
Rehabilitation left wing of the Zinzendorf Herberg (Women shelter)	Women shelter Social Infrastructure	Paramaribo	Women & children (50) in a crisis situation, sheltered in the Zinzendorf Herberg	136,356,321.00	67,156,197.00 (Labour/ Materials)	49%
Watersupply Tuit Lui Fautkanaal	Water supply Social Infrastructure	Wanica	Community of Tuit Lui Faut (youth and women and senior citizens (± 2000 peop) Other donations: SRG 155,935,000 from State Oil Company, Canada Fund and the Suriname Water company	312,482,998.00	68,000,000.00 (Labour/Materials)	22%
Strengthening of the economic position of Marron women	Production Women	Paramaribo	Producers of embroidery in Paramaribo from the interior, organised by a women group "Mafondo"	60,112,800.00	41,280,800.00 (Training & Material)	69%

Micro Projects – phase II

Rehabilitation Buchnerschool	Education	Paramaribo	The main target group are the children of Saron	83,341,426.00	51,393,045.00	62%
	Social Infrastructure		They are in the age of 4-14 years. 251 Pupils,		(Labour/Materials)	
			15 teachers and cleaning persons and 3 guards			
			will benefit from the renovation of the school.			
Rehabilitation Children Centre	Education	Paramaribo	Youngsters between 4 and 15 years in the	22,765,678.00	16,294,378.00	72%
Youth Centre	Community Development		neighbourhood of Kwatta-Gemenelandsweg		(Labour/Materials)	
Electricity supply	Electricity supply	Wanica	20 Families in the Weg naar Zee area, among	47,481,500.00	35,611,125.00	75%
Boletriehee Community	Social Infrastructure		which many school children		(Labour/Materials)	
Construction of Women centre	Women	Sipaliwini	Members of the women's organisation 'Me sa Wei'	67,955,542.00	51,851,509.00	76%
Kajapati	Community Development		and other inhabitants of the village		(Labour/Materials)	
Rehabilitation Children shelter	Children	Paramaribo	Shelter for 150 children who will make use of the	82,987,592.00	45,647,812.00	55%
Pikin Sekrepatu Creche	Social Infrastructure		facilities at different times of the day, while the		(Labour/Materials)	
			mothers are at work			
TOTAL AMOUNT :	Total amount in SRG			1,263,717,451.00	676,349,089.00	54%
EUR	Counter value in EUR				242,288.77	

(1 EUR = SRG 2,791.50)

Project finalised

MEMORANDUM OF UNDERSTANDING
- Tourism –

On the 10th of May 2001 the Republic of Suriname, represented by the Ministers of Planning and Development Co-operation, M Sc. K. Raghoebarsing and of Transportation, Communication and Tourism, M Sc. G. Castelen, signed an agreement with the European Union, EU, represented by Ambassador V. De Visscher, for the financing of the project “Integrated Tourism Development Programme”.

The Republic of Suriname is a party to the Cotonou Agreement between the European Union and the group of African, Caribbean and Pacific countries, ACP, and within this agreement, this national project will be financed.

Within the EU-ACP Lomé Conventions that were the precursors of the Cotonou Agreement, a 1st phase of a Tourism Development Programme was financed in 1996. After evaluation of the 1st phase, one decided to finance a 2nd phase.

Within the new, more efficient objectives framework of the Cotonou Agreement, contrary to that of the Lomé Convention, one considers it necessary to create a co-operation platform for the execution of the “Integrated Tourism Development Programme”, which should be as broad as possible and at which a national strategy is implemented in consultation with the Government, Trade and Industry and other actors in the tourism sector.

In view of the aforementioned, it is desired to, within the framework of a just implementation of this project, sign a Memorandum of Understanding between the Ministry of Transportation, Communication and Tourism, the Ministry of Planning and Development Co-operation, the Suriname Tourism Foundation, the Chamber of Commerce and Industry, the Surinamese Association of Trade and Industry and the Tourism Union of the Republic of Suriname in formation.

Parties that were identified earlier as important stakeholders for the execution of the project, will commit themselves to the obligations allotted to them, like included in the project file and complemented with proposals which are the result of this workshop.

Anticipating the formalising of the TOURS in formation, the intention for co-operation is stressed by means of the signing of this MOU between the TOURS in formation and the other parties.

The Government, represented by the Ministry of Transportation, Communication and Tourism and the Ministry of Planning and Development Co-operation, the trade and industry organisations namely the Chamber of Commerce and Industry and the Surinamese Association of Trade and Industry and the TOURS in formation and the Suriname Tourism Foundation, agree to:

- Formulate an action plan together in the short, medium and long term which is based on the formulated Government Policy with regard to the tourism sector;

- Execute the programme that was elaborated in the Financing Agreement and Annexes;
- Discuss possible adaptations with regard to the project file together with the consultant and to carry them through;
- Give all support to the development and promotion of tourism from, to and in Suriname;
- Agree that the Project Steering Committee (PSC), represented in the Financing Agreement, will exist out of representatives of the 6 partners who will jointly formulate a profile for these representatives;
- Agree that the representatives who will be seated in the PSC will be chosen in such a way that there will be no conflict of interest.

The parties commit themselves to the co-operation within the EU-programme that was agreed in this MOU and will also consult each other on a regular basis afterwards and will keep on discussing disagreements, for a fruitful and further promotion of tourism in Suriname.

Thus drawn up in Paramaribo, today the 9th of April 2002, and signed six fold.

The Ministry of Transport,
Communication and Tourism

(signed)
Mrs. Mr. M.L.M. Harris,
Acting Director

The Chamber of Commerce

(signed)
Mrs. R. Ramdat,
Secretary

Tourism Association Suriname

(signed)
Mrs. Drs. L.Th.F. Smith
Assistant Director

Association of the Surinamese
Business Community

(signed)
Ir. E. Isselt,
Assistant Director

Ministry of Planning and
Development Cooperation

(signed)
Ir. J.R. Consen,
Acting Director

Tours i.o.

(signed)
Drs. J. van Charante,
Chairman

MEMORANDUM OF UNDERSTANDING

- Port Rehabilitation -

Between the Government of Suriname, the Port Management Plc, the Surinamese Association of Trade and Industry (VSB), the Association of Surinamese Producers (ASFA), the Chamber of Commerce and Industry (KKF), the Inspection of Import and Excise Duties and the Surinamese Shipping Association (SSA),

CONSIDERING:

- That the parties who have the national interest in mind and the common interest that is connected with that, acknowledge the urgent execution of the rehabilitation, the upgrading and institutional strengthening of the New Harbour Terminal.
- That within the framework of the development co-operation with the European Union under the new Cotonou Agreement in the Country Strategy Paper and the National Indicative Programme that was deducted from it, the financing of the transportation sector was agreed. The rehabilitation, the upgrading and the institutional strengthening of the new harbour terminal is the most important activity in this.
- That the aim of the project is to develop a harbour that will be capable of maintaining itself in a sustainable way and of fulfilling the needs of the society in order to support the economy.
- That, like was already indicated in the Government Declaration 2000-2005 and in October 2001 confirmed as well by the President of the Republic, His Excellency R.R. Venetiaan, in his annual address, at the execution of projects and programmes, these are prepared and implemented on the basis of close co-operation between the state and non-state actors involved.
- That the realisation of the aforementioned project should happen in a Public Private Partnership, that will finally end in a modern body in which the private sector will participate optimally.
- That by now the Cotonou Strategy Paper – CSP, signed at the end of July 2002 and the Cotonou Agreement that was signed by all states of the EU and ACP in June 2000, have already been approved by the National Assembly so that the ratification will happen in the short term.
- That all stakeholders have been involved in discussions regarding the carrying-out of the studies.
- That a feasibility study has been carried out on the basis of which a financing proposal was formulated by Port and Maritime Consultants, which documents were presented for a joint assessment to the National Authorising Officer and the delegate of the European Union in Suriname.
- That in order to commence with the assessment, it is necessary to come to uniform standpoints with regard to the realisation of the project by the stakeholders who also commit themselves to the realisation of the project.
- That in compliance with the Shipping Act and relevant laws and regulation in force, this MOU is coming about and will be carried out.

DECLARE:

With regard to the laying-down of their commission in order to realise the project in conformity with the basic principles of Cotonou, the Parties explicitly declare the following:

- That they agree with the findings, conclusions and recommendations of the studies that were carried out, like elaborated in the Feasibility Study and the Financing Proposal of PMC;
- That they would like to carry out the project in conformity with the recommendations indicated in the aforementioned file. It should be noted that the quay should be tackled immediately given the deplorable state of it, in conformity with the proposals that are in the study report of the PMC.
- That the project will be carried out in conformity with the implementation scheme on page 24 of the CSP.
- That they agree with the Common Users Berth scenario with Port Management as landlord as worded in the PMC Feasibility Study and Financing Proposal. The harbour facilities like quay premises, road infrastructure and the underlying infrastructure (sewer system and utilities) are the property of HBS; HBS rents parts of the harbour premises to private companies that in their capacity of Port Operators are involved in the port business, for the transshipment of goods and transportation operations like horizontal and vertical transportation, storage, delivery, unloading, sorting out, dealing with etc. Like was indicated in the report, the duration of the rental period should be acceptable for the parties, in order to make it possible for private companies to do investments in sheds, sanitary facilities and other matters. One and another should be agreed with the interested parties by means of leasing agreements. The port operators will have to purchase all the superstructure which they need themselves or build it in compliance with the requirements with regard to safety, environment and fire prevention that are valid on international level. The infrastructure like quay and platform of the New Harbour, is and will remain the property of HBS. The quay and the strip of thirty metres are not rented but remain under the daily management of HBS since the aforementioned strip is intended for general use, for the mooring and loading and unloading of ships by various port operators. With regard to the mooring sequence, HBS will comply with the international procedures that are valid for that. The port operators will only use this so-called Common Users Berth for the unloading of ships and for the shipping-in and transportation of the load in question. For this use they will pay HBS per metre quay length that they occupy and per ton or unity unloaded and shipped-in cargo. The aforementioned income of the HBS exclusively serves in order to cover the expenses for the exploitation of the quay and the platform.
- That the Institutional Reform and the development of the Port Management Plc. into a modern Landlord, will take place in accordance with the recommendations that are included in the feasibility study about that. The facilities for one and another, will be elaborated for implementation in the first phase of execution already and will be carried out, even before the physical rehabilitation and upgrading will have been completed. During the implementation period of the project, technical assistance is needed for the

support of HBS at the preparation of all required changes like indicated in the CUB-landlord scenario, among which also is included the participation of the private sector. That a Harbour Council will be instituted by the Government, as soon as possible and preferably before the 31st of December 2002, which will serve as a consultative body in which all parties who are directly involved in the port business, and other stakeholders, will consult each other according to a fixed frequency, about all matters that could be important for optimal and efficient functioning of the harbour. The task of a committee that will be instituted by the Minister of TCT before the 15th of October 2002, will be the preparing of the institution of the Harbour Council. In this council the parties who signed this MOU, will be represented among others. The port operators should explicitly be represented in this body. The tasks of the Harbour Council are among others things to:

- Facilitate and support the process of institutional meetings during the implementation of the project;
- Advise the Port Management Plc about the policy that has to be formulated or help with the formulation of the policy;
- Give advice for the solving of bottlenecks in the port operations and other matters that relate to the port;
- Participate in activities for the monitoring and evaluation of the project implementation and port policy.

ANNEX XVI

BUSINESS COMMUNITY ORGANIZATIONS (VSB AND ASFA) VISIT PRESIDENT R.R. VENETIAAN FOR DISCUSSIONS ON IMPORTANT CURRENT AFFAIRS REGARDING THE BUSINESS COMMUNITY, ON 3 MARCH 2003

At the invitation of the President of the Republic of Suriname, H.E. Drs. R.R. Venetiaan, a meeting was held on Monday 3 March 2003 with the Boards of the ASFA (Suriname Manufacturers Association) and the VSB (the Suriname Trade and Industry Association). Other participants in this meeting included the Minister of Finance, the Minister of Labour, Technological Development and Environment, the Minister of Trade and Industry, as well as the Director of Political Affairs of the Cabinet of the President.

For some time now the VSB and ASFA have been under the impression that the President, *casu quo* the Government, cut off communications with these organizations, which was gathered from the fact that no response followed on important recommendations made from the side of the organized Business Community. The procedure followed in the completion of the matter regarding "Wage Tax Increase" and "Income tax for Persons and Corporate Bodies" is a striking example hereof.

Based on the Policy Plan of the VSB for the year 2003 it was made clear to the President to what degree this Employers/Private Sector Organization contributes to the Surinamese nation by means of employment, taxes, the Gross Domestic Product, its participation in Government committees and the preparation for international economic integration.

At the General Members' Meeting of the VSB held on 24 February 2003 the dissatisfaction of the members was displayed and held in sharp contrast to the situation at the time of the "Structured Cooperation" in the nineties. The VSB members gave the Board and elected management of the Association the mandate to see to it that the VSB is, once again, involved optimally in the preparation, outlining and implementation of the National Development Policy.

The President and his delegation were briefed candidly on the position of the Board with regard to the members, as well as on the fact that the Business Community and a large part of society were concerned and fearful of the possibility that our country may, once again, fall in the hands of undemocratic powers.

In illustration of the above the Business Community mentioned a large number of cases and they were of the opinion that, with the support of the VSB, better results might have been achieved.

The important issues were included in a memorandum and handed to the Government delegation together with a copy of the VSB Policy Plan 2003.

Suffice it to mention the following:

- drafting a new Constitution;
- corruption control and settling matters with former administrators of the last regime;
- regulations with regard to public tender and awarding (including semi-governmental companies);
- the red tape, which is very frustrating to the Business Community;
- the lack of incentives for national entrepreneurs;
- the non-participation of the VSB in the Road Authority and other important national bodies.

The VSB listed a large number of issues in which it could have contributed to avoid the current impasse as a consequence of which the Business Community and society now face increasing hardship.

Being an organized Business Community the ASFA and VSB would be able to find proper solutions together in formulating and implementing the Government Policy with regard to:

- a) the exchange rate issue;
- b) settling the national debt;

- c) Government tender. Re-introduction of transparent rules and supervision on the compliance with all Government tender in works, deliveries and services {Central Tender Board};
- d) tax measures, casu quo national income in relation to economic growth;
- e) care of the environment and monuments;
- f) international economic integration.

With regard to all these issues the VSB, together with other parties, could make a contribution so that Public Private Partnership (PPP) could truly be put into practice. It follows that the roles must be more clearly defined and the Government must apply international standards as to the determination of the representativeness and definition of the Business Community as well as the determination of the representation of various sectors and organizations in consultative structures.

The VSB made an urgent appeal to the President, on a national level, to involve the Business Community in the most flexible and structured manner in the implementation of the policy regarding the national production, the rendering of services and the growth of our economy.

In addition, the Government could be assisted by experts from the Business Community in current negotiations on the international economic integration of our country.

In this regard, a better understanding must be shown for the position and role of the two largest Employers' Organizations in the integration of Suriname in CSME (Caricom Single Market and Economy), the ACS (Association of Caribbean States), the FTAA (Free Trade Area of the Americas), the EPA's of the EU-ACP (Economic Partnership Agreements EU-ACP) and the WTO (World Trade Organization). Laborious and complex negotiations lie ahead and, nationally, a permanent negotiating body must be visible that may be advised more effectively, a National Negotiating Machinery (NNM).

The structures of the CRNM (Caribbean Regional Negotiating Machinery) will have to be watched closely and Suriname must strive towards incorporation in these bodies.

The President and Ministers covered in detail the issues pointed out by the VSB (and ASFA) sharing with the Business Community the problems that the Government faces and the possible causes that might have led to the improper handling of matters with regard to the Business Community. An important factor was that of the time available for the statutory realization of matters, such as the tax increase.

With reference to the existing consultative bodies, such as the Tripartite consultations (TO), the socio-economic Council (SER), the Business Forum and direct consultation with the Minister, it was agreed, from both sides, to reach long-lasting and permanent methods of consultation and input so that a close Public Private Partnership (PPP) on various levels may become possible.

By shortening the lines of communication the Business Community will be involved earlier, more efficiently and more effectively in matters concerning the socio-economic development enabling a joint approach towards large reforms to be launched in the near future.

Neither the Government nor the Business Community alone can take the development of Suriname in hand and, at present, the following issues demand attention:

- .Public Sector Reform
- .Skills Development
- .Improvement of the Investment Climate
- Accommodation and re-education of labourers as a consequence of CSME and FTAA
- .Private Sector Development
- .Improvement of the Investment Climate for Foreign Direct Investment and Domestic Direct Investment. Setting up Investsur .
- .Long overdue reform of our legislation.

The President and three attending Ministers all pointed out that they highly appreciated the candid manner in which issues had been highlighted and discussed, which constituted a great incentive for further co-operation with the organized Business Community.

Paramaribo, March 3, 2003

Suriname Trade and Industry Association

POSITION VSB/ASFA TOWARDS THE TRIPARTITE CONSULTATIONS

The Tripartite Consultations started on 31 May 2002. The expectations of the parties were high. In this consultative body the representatives of the three social partners, namely the government, the business world and the trade unions come together. The thought that one had was that the institution of the Tripartite Consultative Body would be a precursor of the Socioeconomic Council that has to be instituted and that after the institution of this Council, the Tripartite Consultative Body would cease to exist.

The Tripartite Consultations did not fulfill the expectations that several participants had at its institution. Because of the fact among other things, that the members took different views among themselves on crucial points. The most urgent matters would be discussed already furthermore, in expectation of the Socioeconomic Council, within the Tripartite Consultative Body, although this body does not have a legal basis. Up till now, this consultative body has, in our opinion, limited itself to the procedural matters and to the making of an inventory of possible items on the agenda. Many urgent issues like the increase of the taxes and the petrol price that should be discussed within the Tripartite Consultative Body, stayed beyond it.

That is why the business community which is represented here by the employer's organisations of VSB and ASFA, is thinking the position and the functioning of the Tripartite Consultative Body in the past ten months, over.

The continuation of the Tripartite Consultations in its current form is not advisable according to the VSB/ASFA, now that the Socioeconomic Council will be instituted within the foreseeable future. Proposals in order to come to the institution of the Socioeconomic Council are already under discussion.

VSB/ASFA are therefore recommending the following:

That the social partners will do everything possible to successfully install the SEC. That the structure of the current Tripartite Consultations will be used to, in advance of the installation of the Socioeconomic Council, inform each other about the upcoming hot issues (three at the most).

That definitively will be determined what the status of the Tripartite Consultative Body will be at the installation of the Socioeconomic Council. The business community supports the fact that the Tripartite Consultative Body will change into the Socioeconomic Council and will therefore cease to exist at the establishment of this institution. Beside it, there could be possible incidental Tripartite Consultations, strongly simplified in order to inform each other on ad hoc basis.

Paramaribo, 4 April 2003

(signature)
The Chairman of the VSB
Mr Engineer M. Meyer
(seal of the VSB)

(signature)
The Chairwoman of the ASFA
Mrs K. Lieuw Kie Song
(seal of the ASFA)

Letter from the Trade Unions of October 2002 to the National Authorising Officer

To: The National Authorizing
Officer (NAO) for the EDF
Attn. Mr. Drs. K. Raghoebarsing,
Minister of Planning and Ontwikkelingssamenwerking
Dr. S. Redmondstraat 118
Paramaribo

No. :

Subject: Participation of Social Partners in the COTONOU- Programme

Paramaribo, October 2002

Dear Mr. Raghoebarsing,

With reference to the formal signing of the ACP-EU PARTNERSHIP AGREEMENT on the 23rd of June 2000 in COTONOU, the Trade Unions of Suriname under the umbrella of "Raad van Vakcentrales in Suriname"² (RAVAKSUR) would like to inform you on their views on the expected role in the preparation and the implementation of the above-mentioned important Partnership Agreement.

The ACP States and the European Community have emphasized in the Partnership Agreement the complementary roles and contributions of State (national and local levels) and Non-State-Actors in the development process. The agreement to consider poverty reduction as a central objective of co-operation and development strategies makes it essential to ensure the widest possible participation of all sectors of society in order to provide the conditions for greater equity and inclusion of the poor in the benefits of economic growth. Democratisation processes and increased demand for participatory approaches have also led to opening the ACP-EU partnership to a wide range of none-state-actors as well as local governments.

The purpose of extending partnership to Non-State-Actors is to contribute to the consolidation of a stable and democratic political environment, to increase the ownership of development processes, to promote new public-private partnerships and to ensure greater sustainability of co-operation programmes.

Non-State-Actors are defined in Title I, chapter 2, article 6 of the COTONOU-Agreement as comprising private sector economic and social partners (such as trade unions) and civil society "in all its forms according to national characteristics": this includes human rights groups and agencies, grassroots organizations, women's associations, youth organizations, child-protection organizations, indigenous peoples' representatives, environmental movements, farmers' organizations, consumer associations, religious' organizations, development support structures (NGOs, teaching and research establishments), cultural associations and the media.

We, the organised trade unions, are identified in article 6 as one of the economic and social partners, who have contributed for many decades to democratization processes through participatory approaches in Suriname.

By fulfilling this role –we, the Trade Unions, -undertook activities for many years already, which merit to be supported in the spirit of the COTONOU-Agreement, in order to gain sustainability and to encourage a wide involvement of Non-State-Actors in the public debate on setting national development objectives and reinforcing good governance and the rule of law.

The wide-ranging role foreseen for Non-State-Actors is laid down in Title I, Chapter 2, article 4 of the said Agreement, which indicates in particular that they are to be:

² RAVAKSUR gathers six trade unions: C.L.O., C-47, MOEDERBOND (A.V.V.S.), F.A.L, P.W.O., O.S.A.V.)

- Informed and consulted on co-operation policies and strategies, on priorities for co-operation, especially in areas that concern or directly affect them, and on the political dialogue;
- Provided with financial resources in appropriate circumstances;
- Involved in the implementation of co-operation projects and programmes in areas that concern them or where they have a comparative advantage;
- Provided with capacity building support in critical areas to reinforce their capabilities, particularly as regards organization and representation, the establishment of consultation mechanisms, including channels of communication and dialogue and to promote strategic alliances.

In the spirit of the COTONOU Agreement, the involvement of non-state-actors is not limited to a support to local project implementation. Participation has to begin at the level of the dialogue on national development strategy and sectoral policies and programming. Non-State-Actors are to be involved in the process leading to the definition of ACP-EU country strategies according to each country's individual circumstances. This implies that Non-State-Actors must be involved upstream, very early on in the programming process.

From different publications³ we were able to identify 3 ways of accessing financial resources both from the NIP (National Indicative Programme) as well as from the RIP (Regional Indicative Programme) i.c.:

i) Directly-accessed EDF resources (capacity building)

The resources directly available to Non-State-Actors will form part of the indicative country allocation, but will not be separately specified at the outset. The share of the allocation to be assigned to Non-State-Actors will emerge as part of the programming dialogue, and this implies that non-state-actors must be involved "up-stream", very early on in the programming process. As a rule of thumb it is envisaged that up to a maximum of 15% of the initial indicative resource allocation could be directly allocated in this way to Non-State-Actors.

ii) Other EDF resources (Projects/Programmes)

Other resources will be made available from the indicative resource (NIP/RIP) allocation for programmes and projects proposed by or involving both Non-State-Actors and local government actors in the context of the priority sectors agreed within the Country Support Strategy and according to the procedures referred to in Article 81 and Annex IV Article 15 of the Agreement.

iii) Resources for the EU Budget

As all of our Trade-Unions are without doubt eligible and prepared to participate in the consultation and implementation of projects and programmes, we would like to find out – by writing you this letter – what resources are indicated in the recently signed Country Support Paper (CSP) to the economic and social partners from Suriname such as:

- **Sub i : Capacity building (NIP/RIP)**
- **Sub ii : Other EDF-resources from NIP/RIP (see for issues article 25.1)**
- **Sub iii : EU-budget-lines**

We are of the opinion that need for the capacity building and other projects and programmes for the Trade Unions must also be incorporated in the dialogue that is being stages with the Public Private Partnership, the Business Forum.

By means of this letter we would like to ask for a clear and formal support of the EDF-Funds to the social & economic partners, asset as earmarked in article 25 of the Agreement and in particular in capacity building and vocational training.

With this letter, the Trade Unions from Suriname, would like to emphasize the need to cooperate more closely in the national social and economic issues related to: Industrial Relations, Skills Training and Productivity, in order to contribute in a sustainable way to the economy of Suriname.

³ ACP/85/020/02 (EOG/dn): Operationalising the Cotonou Partnership Agreement for the Private Sector.

By thanking you in advance for your kind co-operation while awaiting your prompt reply.

The Representatives of RaVakSur in Suriname:

(Raad van Vakcentrales in Suriname)

1) CLO (Vice-President)

2) C-47

3) Moederbond

4) F.A.L.

5) OSAV, Voozitter

6) P.W.O.