

11th EDF

National Indicative Programme

(2014 – 2020)

for co-operation between

the Republic of Suriname

and

the European Union

GENERAL CLAUSES

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

- (1) The Government of the Republic of Suriname and the European Commission, hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2014-2020.

These orientations which are included in the National Indicative Programme, concern the European Union Aid in favour of the Republic of Suriname and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, revised and signed in Luxemburg on 25 June 2005 and revised and signed in Ouagadougou on 22 June 2010.

The National Indicative Programme is annexed to the present document.

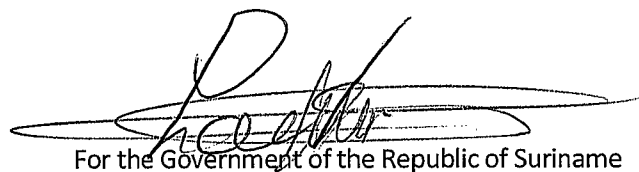
- (2) As regards the indicative programmable financial resources which the European Union envisages to make available to the Republic of Suriname for the period 2014-2020, an amount of EUR 13.8 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects. The National Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which the Republic of Suriname benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation shall be established according to specific mechanisms and procedures and does therefore not constitute a part of the programming.

- (5) Pending the entry into force of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council on the financing of European Union Aid under the multiannual financial framework for the period 2014 to 2020, financing decisions for projects and programmes can be taken by the Commission at the request of the Government of the Republic of Suriname within the limits of the A- and B-allocations referred to in this document under the condition that sufficient financial resources are available in the transitional measures ("Bridging Facility") composed of uncommitted balances from the previous EDFs and from funds decommitted from projects or programmes under those EDFs. The respective projects and programmes shall be implemented according to the rules and procedures of the 10th EDF until the entry into force of the 11th EDF implementing rules and financial regulation.
- (6) The European Investment Bank may contribute to the implementation of the present National Indicative Programme by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2c and 3 of the 11th EDF multi-annual financial framework for the period 2014-2020.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Indicative Programme as well as the A-and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

Done in Nairobi on 19 June 2014 in two originals in English language.



For the European Commission



For the Government of the Republic of Suriname

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LIST OF ACRONYMS

ACP – Africa, Caribbean, Pacific

CARIFORUM – Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States

CELAC - Comunidad de Estados Latinoamericanos y Caribeños

EDF – European Development Fund

EIB – European Investment Bank

EPA – Economic Partnership Agreement

EU – European Union

FAO – Food and Agriculture Organization

IDB – Inter-American Development Bank

ILO – International Labour Organization

NAO – National Authorizing Officer

REDD - Reducing Emissions from Deforestation and Forest Degradation

SICA – Sistema de Integración CentroAmericana

SMEs – Small and Medium Enterprises

1. THE OVERALL LINES FOR THE EU RESPONSE

1.1. Strategic objectives of the EU's relationship with Suriname

EU relations and cooperation with Suriname are carried out both on bilateral and regional bases, the latter within the framework of the on-going EU-CELAC and EU-CARIFORUM dialogues. Suriname is party to the "Cotonou Agreement", the partnership agreement between the members of the African, Caribbean and Pacific Group of States and the European Union.

The EU-Suriname cooperation strategy for the period 2008-2013 (10th European Development Fund, EDF) focused on the transport sector. Other focal areas include micro projects, the rice sector, the banana sector (Special Framework of Assistance), the private sector, environmental management, good governance and democracy.

The EU continues to be an active partner in supporting regional integration and cooperation, based on its own experience. At the regional level, in October 2008 the Caribbean signed the Economic Partnership Agreement (EPA) between the Caribbean Forum (CARIFORUM) countries and the EU. Guyana is a signatory to the EPA and ratified the agreement on 19 May 2012.

The CARIFORUM-EU EPA builds a trade partnership for increased competitiveness, economic growth and development and participation in the world trading system. The EU is firmly committed to implementing its obligations stemming from the EPA and to assist Guyana to implement its obligations."

Suriname and the EU have a long-standing trade relationship, and the EU is the primary destination for Suriname's exports, receiving almost 25% of exports. After the USA, the EU is the main origin of imports. The main exported products are aluminum, gold, oil, and agricultural products such as rice, fruits and vegetables, shrimp and fish.

In November 2012, the Member States of the EU and the Caribbean adopted the new Joint Caribbean-European Union Partnership Strategy. This Strategy will enhance Caribbean-European Union relations and broaden engagement by adding a political pillar to the traditional cooperation relationship based on development and trade. The strategy focuses on Regional Integration, Haiti Reconstruction, Climate Change and Natural Disasters, Crime and Security, and Joint Action in Multilateral Fora.

Resilience building is an overarching goal as outlined in the European Commission's Communication on Resilience¹. Resilience strategies should contribute to different policies, in particular Food Security, Climate Change Adaptation and Disaster Risk Reduction (DRR). In this context, the EU has consistently supported prevention and preparedness for crises in the most vulnerable countries and identified the need to integrate DRR and Adaptation to Climate Change, notably into both development cooperation and humanitarian response.

¹ COM(2012)586 final and SWD(2013)227 final

The first Political Dialogue under the Art. 8 of the EU-ACP Cotonou Agreement took place in Suriname in May 2012. The second round took place in April 2013, and a third round is due to take place in March 2014.

1.2. Choice of sectors

The choice of sector is derived from its priority for the Surinamese government, its priority for the EU in its development agenda, its link to past EU interventions (in bananas) in the country, its strong potential in terms of inclusive growth and its importance in terms of cross cutting issues such as climate change.

The Government of Suriname's priorities include diversifying the Surinamese economy which is currently heavily dependent on mining and other extractive industries, and to increase agricultural sector production while adapting to climate change. Suriname has significant potential in agricultural production, however, several climate change challenges must be addressed which include water management, excessive sun irradiation of production, introducing new varieties which better adapt to changing conditions, while requiring less chemical inputs and pest control and protecting biodiversity and key ecosystems.

The choice of sectors complements EU interventions through thematic budget lines (governance, human rights) as well as interventions on the regional level (regional integration, climate change and security). Past EU interventions focused on; infrastructure projects including the coastal East – West corridor; the Paramaribo deep water harbor; the Banana support program; the Reducing Emissions from Deforestation and Forest Degradation (REDD) programme; and fostering business climate and civil society organizations. Lessons learned from past cooperation have been taken into account during the programming phase. Furthermore, several Water Facility and Caribbean Investment Facility (CIF) support actions on water management and energy in Suriname's rural areas. The experience in the banana sector shows that agriculture has the potential to increase revenue while creating inclusive growth. Currently, banana exports represent approximately 60% of Paramaribo harbor goods and the coastal corridor has decreased its transport costs. This transport link and facilities can be used for other agricultural sub-sectors.

Agriculture is one of the strategic priorities of the Government of Suriname. The “National Development Plan 2012-2016 (Ontwikkelingsplan), Suriname in Transition” identifies 6 main policy areas which are outlined in task-oriented action programs and which focus on 15 main core themes, agriculture being one of them. The government statement 2010-2015, “Cross Road, Together to Better Times” called for the preparation of an agricultural sector policy document and the preparation of sub-sectoral and agricultural sector white papers. In 2011, the Ministry of Agriculture presented its policy document 2010-2015 (BeleidsNota). It will remain without doubt a strategic priority for the country, beyond 2016.

In collaboration with the Food and Agriculture Organization (FAO), Suriname developed a series of white papers which form the basis of policy direction and implementation. These policy papers include the following topics: rice, bananas, fisheries, agribusiness in horticulture, livestock, agricultural health and food safety, aquaculture and sustainable agriculture in the interior.

Agriculture is also in line with the Agenda for Change. In Suriname, interventions in the sector of Agriculture are expected to achieve meaningful impact, even with a decreased allocation. Besides, proposed interventions shall produce multiplier effect through effective linkages and synergies with relevant actions envisaged within the programs under the Bananas Accompanying Measures and regional programs on Sanitary and Phytosanitary (SPS) measures, as well as fisheries. The signed EPA will allow for an increase in the agricultural exchanges with EU private actors and the Caribbean tourism-based island economies.

Both consultations with civil society and the Ministry of Regional Development, representing the Local Authorities, confirmed the importance of agriculture, in view of balancing the economic model which is heavily dependent on the extractive industry, as well as in view of poverty-alleviating effects and environmental considerations. The Surinamese Business Forum representatives welcomed the initiative as a way to improve competitiveness in a high potential sector while promoting small and medium enterprises.

Suriname has well established trade links with the Netherlands. In the agricultural field these are dominated by banana exports. Building up these links for an enlarged agri-export portfolio is an opportunity, especially targeting in an initial phase the Surinamese diaspora market segment. The inter-Caribbean markets are another opportunity to be seized, with strong synergy potential with several markets which are currently undergoing regional initiatives. Several initiatives implemented by the Inter-American Institute for Cooperation in Agriculture (IICA), and the establishment of the Caribbean Agricultural & Food Safety Agency (CAFSA, based in Suriname) have been funded by the ACP intra-ACP and regional program for the Caribbean. The recently-commenced Regional IICA implemented Programs on Agriculture Policy Program and the Sanitary Phytosanitary Program (SPP) have strong synergy potential. Challenges include high costs of logistics, irregular and unreliable transportation within the Caribbean market, nontariff barriers and burdensome administrative requirements for exports.

Market entry for fresh products also requires compliance with basic food safety. Some of the challenges in the area of food safety are the lack of a specific health and food safety legislation, a shortage of qualified staff, inadequate monitoring systems for pests and diseases, the absence of adequate facilities, and limited consumer awareness about food safety issues. The EU intervention will address the lack of adequate management of pesticides, including best practices and rationalization of their use while improving the organic production sector. These activities have the potential to have a positive impact on the national environment while preserving valuable water resources in the coastland.

The Government has undertaken efforts to strengthen entrepreneurship, value chains, and innovation opportunities in potential high growth sectors such as agribusiness. The Government encourages product diversification and penetration of new export markets. The Government is in the process of engaging in a development partnership with the private sector on agriculture. While traditional crops such as bananas are dominated by one large state company, which is in the process of privatisation, the area of horticulture is largely dominated by small farmers. This intervention will try strongly involving the private sector at various steps of the value chain. The state owned agricultural bank provides concessional loans for farmers, while private banks could

be involved with a sound business environment for investments in the sector. Currently, the system is undergoing reform to ease conditions particularly for small farmers.

Suriname has invested in the development of the Port of Paramaribo, the largest port in the area, to become a regional cargo hub. With assistance from the EU, France, and China, port facilities have been upgraded, and the road corridors along the northern coast are being broadened and asphalted to accommodate heavy trucks travelling to neighboring countries, an important condition for facilitated agro trade. Experiences from EU-funded projects such as the Banana program and the support to the Suriname Business Forum can be built upon for the intervention on agriculture. Additionally, aspects of the mangroves project for adapting shore zones to climate changes in Guyana can, considering the local needs, be easily replicated in Suriname with positive effects for the agriculture and aquaculture sectors. The Inter-American Development Bank (IDB) proposal to the Caribbean Investment Facility (CIF) on energy, which includes funds from the EDF, Agence Francaise de Development, (Afd) and IDB, aims to promote renewable energy sources and grid connections to several rural areas. Those areas have the potential to become sources of fresh vegetables and fruits, while more affordable energy access can improve sector productivity. Ensuring synergies and complementarity to successful existing global programs supported by the EU such as EDES (Strengthening Food Safety Systems through SPS measures), PIP (Programme in Pesticides) and BTSF (Better Training for Safer Food) will be crucial. Concerning the latter, specific training courses are planned in the Caribbean region on animal health, animal welfare, plant health, pesticides and food safety for which Suriname authorities are invited to participate.

The economy is dominated by the extractive industry and exports of minerals such as bauxite, oil and gold. The agricultural sector and fisheries contribute a relatively small share of gross domestic product, averaging at around 5-7 % annually. Much of this contribution comes from rice and banana production as well as shrimp and fish exports. A bigger diversification into high value horticulture products is fully in line with government priorities. In addition, improving productivity in agriculture per land unit, through fresh vegetables and fruits production relying on new technologies, is in line with REDD+ initiatives. It can promote sustainable agriculture activities in the coastal corridors, in the Paramaribo peri-urban area and certain areas in the hinterland, decreasing shifting cultivations in the hinterland while decreasing deforestation and pressure on rainforests.

While Suriname puts food security as one of its priorities, according to international recognized indicators like the Global Hunger Index, Suriname is not currently affected by serious food insecurity. Since year 2000, rates of undernourishment in the population, underweight and mortality rate in children under five years have steadily decreased. The aggregate of these three indicators, the Global Hunger Index has positively progressed from a value of 11.1, in 2000, to 6.7 in 2013. According to this index, the current status of hunger level in Suriname is moderate, values range from 5 to 10. The action will ensure this trend continues improving the national production of staple food while reducing agriculture food imports.

2. FINANCIAL OVERVIEW (INDICATIVE AMOUNTS)

Sector 1, Sustainable Agriculture

EUR 13 million, 94 % of total

Support measures (Technical Cooperation Facility): EUR 0.8 million 6 % of total

The EU response and National Indicative Programme may be complemented by operations financed by the EIB from the Cotonou Investment Facility and/or its Own Resources."

3. EU SUPPORT PER SECTOR

3.1 Sustainable Agriculture (indicative amount EUR 13 million)

3.1.1 The following overall and specific **objectives** will be pursued:

The overall objective is to enhance sustainable agricultural development in Suriname to alleviate poverty and contribute to inclusive, resilient and low-emission growth and employment.

The specific objective is to strengthen the capacities of the ministry of agriculture and related agencies as well as the private sector to enable safer, more sustainable and competitive production of selected agricultural products.

In line with the Agenda for Change and its recommendations for the agriculture sector, the program will pay special attention to the safeguarding of ecosystem services, giving priority to locally-developed practices and focusing on smallholder agriculture and rural livelihoods, formation of producer groups, the supply and marketing chains, and government efforts to facilitate responsible private investment.

The above objectives will also contribute to increase resilience against extreme climatic events and ensure that environmental impact is limited. Based on an ecosystem-based approach on agriculture special attention will be given to the protection of soil, water resources and biodiversity.

3.1.2. For each of the specific objectives the main expected **results** are:

Expected result 1

- Increased capacity of the private sector to produce marketable non-traditional products in a sustainable manner

The emphasis will be on specific niches in the horticulture sector, building on experiences gained in the field of bananas. Both the local market (import substitution), increasing food security, as well as the regional and international markets through exports will be targeted.

Expected result 2

- Strengthened capacity of the private and public sector to ensure food safety and compliance with international sanitary and phytosanitary requirements

A multilayer approach will be followed: Support to ensure an internationally compliant legislative framework, support to the institutions tasked to ensure compliance with the framework and support to the private sector to meet these requirements. This expected result is not only relevant in terms of helping to seize export opportunities but also increase food safety for the local consumers.

3.1.3. The main indicators for measuring the Specific objective are contained in the sector intervention framework in Attachment 3.

Expected result 1

Increased capacity of the private sector to produce marketable non-traditional products in a sustainable manner

The activities in this area will be based on value chain analysis. Most of the activities will be based on providing high level technical capacity and a limited number of work and supply interventions. They will include capacity building activities for farmers with an emphasis on small and medium size farmers, to ensure poverty alleviating effects. Mainstreaming of environmental and social issues will be a priority.

Expected result 2

Strengthened capacity of the private and public sector to ensure food safety and compliance with international sanitary and phytosanitary requirements

All targets are indicative and to be confirmed/adjusted during the programming formulation phase.

These indicators will be achieved with specific technical assistance. Indicative capacity building activities will include provision of technical and legislative expertise, training, mentoring and provision of some key equipment. Activities will include disease monitoring systems in place for animal and plant health, etc. These activities will be complemented by a permanent sector policy dialogue.

3.1.4. Donor coordination and policy dialogue are:

Currently, no formalized government led donor coordination exists. The main donor in agriculture is the Inter American Development Bank (IDB), while the Food and Agriculture Organization (FAO) has contributed with technical assistance and some own resources (approximate budget of EUR 500 000 /year). Some technical assistance is also provided by

China and Brazil. Efforts for a more formalized and strengthened donor coordination, ideally led by the government/sector ministry need to be made.

The FAO's key priorities as spelt out in its Country Programming Framework 2012-2015 contain the following three priorities: i) Modernization and development of Food Production Systems, ii) Food and Income Security for Vulnerable Livelihoods and Communities in environmentally sensitive areas, iii) Enhanced Food security policy, legislation and information systems. However, the framework relies not only on the Government of Suriname's contribution but also on other donor contributions.

The IDB has agriculture as one of its seven priorities in its country strategy with Suriname 2011-2015. The main focus of the interventions in this sector is to increase agricultural competitiveness by tackling market concentration and low productivity. The specific interventions will include: (i) reforming sector policies (ii) modernizing public agricultural services, which include improving the quality of agricultural health, agricultural R&D and extension systems; and (iii) capital investments in infrastructure in rural areas, especially in drainage and irrigation systems. A USD 15 million policy loan is already in the final stages for programming and includes activities in 5 subsectors: i) agriculture information system, ii) agriculture and food safety, iii) innovation and modernisation, iv) fisheries management and v) drainage and irrigation. The EDF funded program will coordinate and foster synergies with the IDB program, concentrating the grant funds on technical assistance and soft infrastructure. The Inter-American Institute for Agricultural Cooperation also provides technical assistance in the area of agricultural health and food safety, with potential synergies with a future EU intervention.

At the regional level, the European Union has supported Regional States Organization CARICOM on several initiatives in the agriculture sector, including food Safety control with CAFSA, technical assistance to agriculture sector regulation and legislation and research thorough ICCA and Caribbean Agriculture Research Institute (CARDI). The on-going Agriculture Policy Program funded by 10th EDF is going to build the conditions for enhancing cooperation between national institutions and increased trade of agriculture produce throughout the Caribbean.

3.1.5. The Government's **financial and policy commitments** are:

The policy note of the Ministry of Agriculture 2010-2015 (Beleidsnota) sets the priorities of the Surinamese government. The document outlines broad goals and seven main objectives, namely:

- (1) To achieve and ensure food security for the entire population of Suriname
- (2) To guarantee agricultural health and food safety
- (3) To develop a sustainable agricultural sector
- (4) To develop the agricultural sector to be the food producer and food supplier of the Caribbean
- (5) To increase agricultural sector contribution to the national economy
- (6) To establish the institutional and infrastructural conditions for the sustainable development of the agricultural sector
- (7) To manage the preconditions and risks in implementing the agricultural policy framework.

The white papers, developed by the government with the assistance of the FAO were endorsed by the executive and give more details including policy intentions and financial needs in each subsector.

In the area of food safety a harmonized food safety law in compliance with international standards is foreseen, as well as accreditation of laboratories, institutional strengthening and enhanced disease diagnosis and inspection services. Interventions in this area are estimated at EUR 7 million, however, to be sourced both through government and donor resources. In the area of agribusiness/horticulture, the white paper puts forward the objectives to improve research and extension for horticulture, improve national plant health, strengthen the horticulture chain and improve entrepreneurship in the sector. Specific projects in this area amount to EUR 7.5 million for the period 2012-2016.

3.1.6. Environmental Assessment

Suriname has retained most of its forest resource, with pristine tropical rainforest of the Amazon still covering over 90% of the country. On account of the low historical deforestation path and high levels of biodiversity, Suriname is now in an extraordinary position to benefit from payments for ecosystem services schemes, such as REDD+. Concurrently it is poised to develop a sustainable agricultural sector by, for example, improving the use of existing lands, investing in higher value crops and markets (such as organic products), reducing environmentally harmful practices, and conserving ecosystem services through forest protection.

However, decline of freshwater resources and expected sea level rise represent a threat to the population and socio-economic activities including agriculture, for example rice cultivation.

In order to address these and other specific concerns an appropriate type of **environmental assessment** (Strategic Environmental

Assessment or Environmental Impact Assessment) could be carried out: *See guidelines (<http://capacity4dev.ec.europa.eu/public-environment-climate/documents>)*

3.1.7. The overall **risk assessment** of the sector intervention:

One risk is the lack of labour in particular for labour intensive horticulture. However, the Surinamese Government has started a program of temporary labour migration from Haiti and Guyana. In addition, support to publicity campaigns promoting agriculture can be explored.

The lack of private sector involvement in particular of lead companies is another risk. Close involvement of private sector at all stages of project cycle will be needed to mitigate this risk. Direct consultation with potential lead companies is also foreseen.

Risk of overlap among donors and regional EU programmes needs to be mitigated by enhanced internal and inter-donor coordination.

Climate change trends will need to be taken into account in the choice of crop and techniques to be prioritised, and potential impacts on forest ecosystems. Sustainable, low-emission intensification (i.e. managing water and soil fertility through agro-ecologic practices) and agroforestry should be encouraged as far as possible. The risk of agricultural expansion at the expense of pristine/natural forests needs to be mitigated by Good Agricultural Practices making best use of existing agricultural lands and use of sustainable farming methods. Use of pesticides and mineral fertilisers will also have to follow good practice to avoid emissions, health and environmental hazards.

The program will support the increased productivity of already-cultivated lands in the coastal zone and in specific areas in the hinterland, while preserving pristine and secondary forests - in close coordination with the Global Environmental Fund (GEF) funded REDD program.

The Ministry of Agriculture has recently elaborated a new agriculture census that will be a key tool for establishing baselines and monitoring the program. Capacity reinforcement on agriculture statistics would be foreseen.

For a successful implementation, political and national support to the sector policy and an overall stable political and economic climate is assumed.

These risks (including risks from natural disasters) will be integrated in a risk informed investment approach.

4. MEASURES IN FAVOUR OF CIVIL SOCIETY

No measures in favour of civil society are foreseen under the NIP. Civil society support will be done through thematic budget lines (Civil Society Organisation and Local Authorities – CSO-LA). The civil society sector expressed preference for this mode of implementation.

A request for an increased budget for this area was made for the period 2014-2017 with the aim of support civil society in their active role on key governance, legislative and advocacy issues. Strong involvement of civil society players will also be programmed in the main intervention itself. Involvement of civil society stakeholders will also be crucial for an effective sector policy dialogue.

5. B-ALLOCATION

This allocation is at EUR 0 until a need arises. In case of necessity, a Financing Decision to meet an unforeseen or urgent need can always be taken notwithstanding the status of the indicative B-allocation mentioned in the MIP.

6. SUPPORT MEASURES (INDICATIVE AMOUNT OF EUR 800 000)

6.1. Measures to support or accompany the programming, preparation or implementation of actions

Most of the specific technical assistance will be done based on the focal sector financial allocation. Additionally, a support facility (i.e. the Technical Cooperation Facility - TCF) is foreseen to support and accompany the programming, preparation or implementation of actions, evaluations and audits. Activities supporting a European Entrepreneurship Association may be foreseen.

Attachments

1. Country at a glance
2. Donor matrix
3. Sector intervention framework and performance indicators
4. Indicative timetable for commitment of funds

Attachment 1: Country at a glance

Key selected indicators (source: Bureau of Statistics)

Population	560,157 (July 2012 est.) country comparison to the world: 170
Age structure	0-14 years: 27.5 15-24 years: 17.4% 47,766 25-54 years: 43.5% 55-64 years: 6% 65 years and over: 5.6%
Median age	total: 27.6 years male: 27.3 years female: 28 years (2012 est.)
Population growth rate	1.22% (2012 est.)
Birth rate	17.44 births/1,000 population (2012 est.)
Life expectancy	total population: 71.12 years country comparison to the world: 143 male: 68.78 years female: 73.58 years (2012 est.)
Maternal mortality rate	130 deaths/100,000 live births (2010)
HIV prevalence	1% (2009 est.)
Literacy	(age 15 and over can read and write) total population: 89.6% male: 92% female: 87.2% (2004 census)
Sanitation facility access	urban: 90% of population rural: 66% of population total: 84% of population

Suriname's economy is dominated by the mineral and energy sectors (gold, oil, and alumina) which account for approximately 30% of GDP. Agriculture and manufacturing, though relatively small, remain important goods producing sectors.

The service sector, 45% of GDP, is driven primarily by trade and transport activities, while personal services and transport and communications have been the fastest growing sectors. In 2001, financial services overtook trade, restaurants and hotels as the single most important service activity in the country. The tourism sector is 15% of GDP. The informal sector is also significant and may increase current estimates of GDP by up to 16%, according to the Bureau of Statistics. In 2012, the economy expanded by 4.7%, broadly in line with the outturn in 2011. The economy continues to benefit from buoyant commodity export prices (gold, petroleum, and alumina), elevated government spending, and large capital investments in the mineral and energy sectors. Growth is expected to average around 4-5 % over the medium-term. A key challenge for the economy is the containment of fiscal pressures in the face of recent increases in wages and capital expenditure. The fiscal balance fell by 5 percentage points to a deficit of 4 % of GDP in 2012. The economy is also susceptible to commodity price fluctuations, particularly gold which

accounts for 67 %of exports and 13 % of fiscal revenues. Expected growth in 2013 shall reach 4.5%.

Suriname's levels of poverty and inequality remain worrisome. The country ranked 105 out of 187 countries in the UNDP's 2012 Human Development Index. The Food and Agriculture Organization (FAO) estimates that 15-20% of its population is undernourished. There are also significant inequalities between coastal areas, generally more affluent, and the rural interior. Suriname is on track to meet some of the Millennium Development Goals (MDGs) according to Suriname's last progress report towards MDGs' achievement dates in 2009. An update is currently taking place, and results will be issued later this year. Globally, between 2005 and 2009, the trend has been positive, even if quantitative results remain below expectations for some indicators. Clear improvement has been made in matter of primary education (46% of pupils starting grade 1 and reaching last grade of primary in 2009, vs 42% in 2005), Health and reduction of child mortality (by 4%), notably through better immunization against measles (more than 85% of 1-year old children vaccinated in 2009 vs 71% in 2005) and the fight against malaria (use of insecticide-treated bed nets). Access to affordable essential drugs (86% of the population in 2009 vs 54% in 2005) has also permitted the significant improvement of health conditions. Progress was also made in the matter of water sanitation (access to safe water), as 92% of the Surinamese population uses improved drinking water source in 2009 vs 72% in 2005. Besides these positive trends, some indicators show little or even no progress: this is the case for the fight against AIDS (prevalence remaining very high among pregnant women aged 15-24), and disseminating contraceptive practices (still under target at 45% in 2009). Other concerns may be raised regarding environment issues (no real progress made in implementing sustainable policies aimed at reversing the loss of natural resources –fish and forest) and youth employment. Indicators for the latter sectors show that 2015 targets will not be achieved. In general, it can thus be considered that Suriname is on a steady trend towards MDG objectives.

According to Standards & Poor's, the recent increase in Suriname's rating (BB-/B) reflects the expectation that large investment in the mining and oil sectors could lead to higher growth prospects as well as higher levels of exports and government revenues. Tax reform and the creation of a sovereign wealth fund could also improve fiscal flexibility. Suriname benefits from improving macroeconomic fundamentals, robust medium-term growth prospects, a low debt position, and solid external indicators, which however are offset by its narrow economic base and institutional capacity. Political consensus on the need to maintain macroeconomic stability is growing. Alumina, gold, and oil constituted more than 80 % of current account receipts at the end of 2012. Concerns exist regarding institutional capacity constraints which hinder debt management, public investment, and a more forceful advancement of structural reforms. Nonetheless, progress has been achieved in overhauling the banking sector regulatory framework and strengthening Anti-Money-Laundering mechanisms.

REPETITION Key macroeconomic figures (source: IMF, 2013)

Suriname: Selected Economic Indicators						
				Est.	Projections	
	2009	2010	2011	2012	2013	2014

(Annual %age change, unless otherwise indicated)						
Real sector						
GDP at 2007 prices	3.0	4.1	4.7	4.8	4.7	4.0
GDP at current market prices	9.7	12.7	17.3	11.6	5.3	7.5
Consumer prices (end of period)	1.3	10.3	15.3	4.4	3.0	4.0
Consumer prices (period average)	0.0	6.9	17.7	5.0	2.8	4.7
Money and credit 1/						
Banking system net foreign assets	11.4	3.1	19.3	17.5	-7.7	5.6
Broad money	26.6	11.2	11.7	19.6	11.5	7.7
Private sector credit	12.2	10.9	12.0	16.7	14.2	11.4
(In %age of GDP, unless otherwise indicated)						
Savings and investment						
Private sector balance (savings-investment)	2.7	9.6	4.9	8.2	-0.6	-2.0
Public sector balance	-2.4	-3.1	0.9	-4.0	-2.9	-4.0
Foreign savings	-0.3	-6.4	-5.8	-4.2	3.5	6.1
Central government						
Revenue and grants	25.3	22.7	27.8	25.9	25.7	24.8
Total expenditure	27.7	25.9	26.9	29.9	28.6	28.8
<i>Of which: noninterest current expenditure</i>	20.1	20.0	19.8	23.2	23.4	23.3
Overall balance	-2.4	-3.1	0.9	-4.0	-2.9	-4.0
Net domestic financing	2.1	1.9	-3.7	1.8	0.9	2.4
Net external financing	0.3	1.2	2.8	2.1	2.0	1.6
Central government debt 2/	15.6	18.5	20.4	22.0	37.1	39.6
Domestic	8.6	10.8	9.6	10.1	11.9	14.6
External	6.9	7.7	10.8	11.8	25.2	25.0
External sector						
Current account balance	0.3	6.4	5.8	4.2	-3.5	-6.1
Capital and financial account	1.0	-6.3	0.2	5.2	0.4	6.6
Change in reserves (US\$ millions, - increase)	-97	-22	-142	-138	155	-31.1
Gross international reserves (US\$ millions)	763	785	927	1,065	910	941.1
In months of imports	5.2	4.9	5.0	5.3	4.3	4.5
Terms of trade (%age change)	3.1	-3.8	-2.5	0.8	0.7	1.1
Exchange rate (SRD per US\$, end of period)	2.75	2.75	3.30	3.30	3.30	...
Sources: Suriname authorities; and IMF staff estimates and projections.						
1/ Data for 2011 are at a constant exchange rate of SRD 2.75 per US\$ 1.						
2/ Includes central government and government-guaranteed public debt.						

Attachment 2: Donor Matrix with indicative amounts per sector 2014-2020

This matrix summarises the known interventions of other donors, including the Member States and multilateral donors. To the extent that information is available it highlights the division of labour and/or complementarity.

Donor	Economic & productive	Social	Infrastructure	Governance	Thematic/Cross cutting issues	Type
European Commission	BAM (9.2 M€) Energy CIF (5 M€) Agriculture (13.8 M€)		Road Meerzog Albina (17M €)	CSO & LA (1.8 M€)		Grant
AID (France)	Energy CIF (20 M€)		Road Meerzog Albina (25M €)			Loan
World Bank		(0.11 M€)				Loan
IDB	Energy (22.2M€ + 7.4 M€) MIF (1.3M €) Agriculture (26M€ + 40M€) Financial markets (74 M€)	Skill trainings (0.7 M€) Health (0.4 M€)	Road Meerzog Albina (76M€)	Administration reform (15M €)		Loan
United Nations	FAO Agriculture (2 M€)	Health and Childs (1 M€)			GEF (2.6M€)	Grant
IICA	Agriculture (0.2 M€)					
China	Agriculture (0.5 M€)	Health (11.1M€)				Loan
Brazil	Agriculture (0.5 M€)	Health (0.2 M€)		Security (0.4 M€)		Grant
CDB					Environment (1.03M€)	Loan
India	22.2 M€					Credit line

Source of data: Discussions with the Dutch Embassy, French Embassy, IDB, UN, CDB and Afd

Exchange rate used: 1 USD is equal to 0.73871611398 EUR

(Source http://ec.europa.eu/budget/contracts_grants/info_contracts/infoforeuro/infoforeuro_en.cfm)

Attachment 3: Sector intervention framework

Sector 1: Sustainable Agriculture		
Overall Objective: To enhance sustainable agricultural development in Suriname to alleviate poverty and contribute to inclusive growth and employment.		
Specific Objective	Indicators (All targets are indicative and will be confirmed/adjusted during the programming formulation phase, including the baseline data).	Means of verification
To strengthen the capacities of the ministry of agriculture and related agencies as well as the private sector to enable safer and more competitive selected agricultural products.	<p>Agriculture Exports: Target (2020): increase volume by 10%</p> <p>Status of Food safety legislation: Target (2020) Adopted and in conformity with international standards</p>	<p>General Bureau of Statistics of Suriname (ABS)</p> <p>Surinamese Agricultural Information System (SAIS)</p> <p>Ministry of Agriculture, Husbandry and Fisheries (LVV)</p> <p>Project reporting</p>
Expected Results		
a) Increased capacity of the private sector to produce marketable nontraditional products in a sustainable manner	<p>Exports (volume) of non-traditional fruits and vegetables: Target (2020) increase from baseline by 30%</p> <p>Exports (volume) of fruits and vegetables to the Caribbean market: Target (2020) increase by 50%</p> <p>Variation in bio-diversity (for measuring impact of agriculture activities on the environment) does not decrease</p> <p>Fruits and vegetable imports (volume): Target (2020) reduction from baseline</p> <p>The number of professional fruits and vegetable producers: Target (2020) increase from baseline</p>	<p>General Bureau of Statistics of Suriname (ABS)</p> <p>Surinamese Agricultural Information System (SAIS)</p> <p>Ministry of Agriculture, Husbandry and Fisheries (LVV)</p> <p>Project reporting</p>
b) Strengthened capacity of the private and public sector to	Number of ISO accredited lab facilities: Target (2020) increase	Ministry of Agriculture, Husbandry and Fisheries (LVV)

<p>ensure food safety and compliance with international sanitary and phytosanitary requirements</p>	<p>of two from baseline</p> <p>Number of registered farms certified to internationally recognized standards (e.g. GAP, including social and environmental aspects). Target (2020) increased by 10% from baseline.</p> <p>Status of Food safety legislation: Target (2020) Adopted and in conformity with international standards</p> <p>Status of disease monitoring system for animal and plant health: Target (2020) system in place.</p> <p>Number of target farmers (workers) trained on sustainable crop and land management practices: Target (2020) over 100.</p>	<p>WTO reports</p> <p>FAO reports</p> <p>Project reporting</p>
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The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.

Attachment 4: Indicative timetable for commitments

	Indicative allocation	2014	2015	2016	2017	2018	2019	2020
Sector Sustainable Agriculture	M€ 13	0	0	3	3	3	4	
Other measures (support to civil society)	M€ 0	0	0	0	0	0	0	0
B-allocation	M€ 0	0	0	0	0	0	0	0
Measures to support or accompany the programming, preparation or implementation of actions	M€ 0.6	0	0	0	0.2	0.2	0.2	0
Support to the National Authorising Officer	M€ 0.2	0	0.1	0.1	0	0	0	0
Total commitments	13.8	0	0.1	3.1	3.2	3.2	4.2	0