1. **IS YOUR TRADE STRATEGY MAINSTREAMED?**

**Q1.1 Does your country have a national development plan or strategy?**

- [ ] Yes
- [ ] No

If YES, does this development plan include trade as a lever for growth and poverty reduction? *(please tick the most accurate description below)*

- [ ] Trade is a key priority and the plan includes well developed trade-related priorities and implementation actions *(please attach).*
- [x] Trade is mentioned but the plan does not include operational objectives and action plans.
- [ ] No.
- [ ] Other, please describe:

If your Government does NOT have an articulated national development plan or strategy, or if trade is not strongly present in it, are there other separate strategies/plans addressing trade-related objectives? *(feel free to tick more than one box)*

- [ ] Government priority areas are not systematically subject to a documented strategy.
- [ ] In the annual government budget.
- [x] In various sectoral strategies (e.g. one per relevant ministry, or per sector). Please describe and attach:
Currently there are 3 main policy documents concerned with Trade and a number of ongoing projects:

The Multi-Annual Development Program 2006-2011, which mentions Trade as a development engine;

The National Trade Strategy, which clearly outlines what needs to be done to effectively participate in the trade liberalization process, specifically regarding information and organisation;

The Agricultural Sector Plan, which focuses on development and self regulation in the face of ongoing process of standardisation.

Apart from the above, there are a number of projects focused directly/indirectly on trade:

The Trade Sector Support Program partly financed by the Inter-American Development Bank (IDB);

The Public Sector Reform Program partly financed by the IDB;

Developments of the Private Sector such as Tourism and improvement of the private sector-public sector dialogue.

Improvement of transport (roads and bridges) and sea port and airport infrastructure.

Other relevant documents will be emailed, need to be translated from Dutch to English.

☐ In one single trade development/competitiveness strategy document encompassing all trade-related priorities across different government departments (please attach).

☐ Other, please describe:

---

**For Least-Developed Countries participating in the Enhanced Integrated Framework (EIF), former Integrated Framework (IF):**

**Do the Diagnostic Trade Integration Study (DTIS) and Action Matrix reflect your Government trade strategy? (please tick the most accurate description below)**

☐ The DTIS and accompanying action matrix reflect well my country's trade-related needs and my Government's priorities.

☐ The DTIS and accompanying action matrix partly reflect my Government's analysis of trade needs and priority areas.

☐ The DTIS and accompanying action matrix are not (or are no longer) a good indication of my country's trade-related needs and priorities.

☐ The DTIS and accompanying action matrix are not currently a good indication of my country's trade-related needs/priorities, but they are in the process of being updated.

☐ Other, please describe: Suriname is not an LDC participating in EIF.
Q1.2 What are your Government’s priority areas of intervention to improve your country’s capacity to benefit from trade expansion and integration into the world economy? (Below are listed the most common areas grouped according to broad aid category – please rank the top 3 priority areas among the 12 listed)

<table>
<thead>
<tr>
<th>Trade Policy and Regulations</th>
<th>Economic Infrastructure</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Policy Analysis, Negotiation and Implementation</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>WTO Accession costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Facilitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network infrastructure (power, water, telecom)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other transport</td>
<td></td>
<td></td>
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<tr>
<td>Cross-border Infrastructure</td>
<td></td>
<td></td>
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</tbody>
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<table>
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<tr>
<th>Building Productive Capacity</th>
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<tr>
<td>Competitiveness</td>
<td></td>
<td></td>
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<tr>
<td>Value Chains</td>
<td></td>
<td></td>
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<tr>
<td>Export Diversification</td>
<td></td>
<td></td>
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<tr>
<td>Adjustment costs</td>
<td></td>
<td></td>
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<tr>
<td>Regional Integration</td>
<td></td>
<td></td>
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<tr>
<td>Other, please describe:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q1.3 Does your Government have an operational strategy (with action plans, timelines and budgets) for its priority areas?

<table>
<thead>
<tr>
<th>Priority 1: Trade Policy Analysis, Negotiation and Implementation</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Yes or Being formulated, please describe</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority 2: Regional Integration</th>
<th>Yes</th>
<th>No</th>
</tr>
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<tbody>
<tr>
<td>If Yes or Being formulated, please describe</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Priority 3: Network Infrastructure</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Yes or Being formulated, please describe</td>
<td></td>
<td></td>
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<tr>
<td>Ministry of Public Works, public energy company, public water company and private communication companies have action plans, timelines and budgets</td>
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</tbody>
</table>

Q1.4 Are the financing needs of these trade-related priorities included in your national dialogue with donors?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
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</table>

If YES, which structures do you use to discuss the financing needs of your trade-related priorities with your donors? (feel free to tick more than one box)
With respect to UN agencies, financing needs are based on the system the UN uses, namely UNDAF and CCAP.
With respect to the IDB: bilateral dialogues;
With respect to EU: bilateral but also feasibility studies
With respect to Dutch Aid Assistance: existing agreement from independence, bilateral and feasibility studies.

Please describe the type of dialogue or alternative method, its level, its frequency, and its specificity to trade matters:

In Suriname the project/donor portfolio is shared by a number of ministries, that sometimes overlap. The Ministry of Planning and Development Cooperation is the main coordinating agency for most donor aid such as the Dutch, EU, UN, IDB, OAS, FAO and some smaller funds. However, not in all cases do they really monitor the aid flows, since other ministries use their own systems. For instance, the IDB has a direct link with the Ministry of Trade and Industry regarding the Trade Sector Support Program and with the Ministry of Finance regarding the Public Sector Support Program. General agreements are reached on the ministerial level, where broad lines of assistance are agreed upon. Indicated activities are then detailed into projects with clearer goals and timelines, and allotted budgets. Most dialogues are bilateral and its initial level is ministerial, but actual project preparation is on the level of working groups to workout details. The coordination of implementation is either tied to the permanent secretary or a formal coordinating unit linked to the permanent secretary. Depending on the donor agency, periodic audits and evaluations are carried out. The specificity of trade matters differs. In the Trade Sector Support Program it is broad; from technical assistance and equipment to specific subjects such as trade facilitation etc., development of export sectors etc. Some projects, such as the EU deal with infrastructure such as a road to a ferry connecting Suriname to Guyana and rehabilitation of the main port. IDB is also concerned with road rehabilitation. The Ministry of Justice and Police has the Intellectual Property portfolio. The Ministry of Trade and Industry is the focal point in all trade related matters and tries to coordinate, but does not always has a say in all matters.

If NO, do you have plans to include trade-related priorities in your dialogue with donors in the next two to three years?

☐ Yes  ☐ No  ☐ Not sure

- End of Section 1 -

Please feel free to provide additional information about your trade strategy
## HOW IS YOUR TRADE STRATEGY FINANCED?

**Q2.1** Does the attached CRS\(^1\) profile accurately quantify the Aid for Trade you received in 2006 and 2007?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not sure/ NA</th>
</tr>
</thead>
</table>

If NO, please provide details of the Aid for Trade you received in 2006 and 2007.

*Please describe with figures, and include any activities that may fall under 'other trade-related needs'*

The indicated CRS profile has not been received.

---

\(^1\) The CRS profile summarises the commitments and disbursements reported by donors to the OECD Creditor Reporting System on the aid categories most closely associated with Aid for Trade as defined by the WTO Task Force, specifically support for trade policy and regulations, trade development, trade-related infrastructure, building productive capacity and trade-related adjustment (available from 2008 only).
### Ownership

**Q3.1** Who is responsible for overseeing and coordinating the implementation of your trade strategies including activities funded by ODA?

- [ ] A national committee is responsible for coordination and implementation.
- [x] The Trade Department has a coordinating role but implementation is overseen by each relevant department separately.
- [ ] The national aid agency has the main coordinating role but implementation is overseen by each relevant department separately.
- [ ] There is no central coordination department. Each relevant department is separately responsible for implementation.
- [ ] Other, please describe:

If you have (or are in the process of establishing) a national committee, please describe its main functions, its membership (e.g. ministries, private sector), frequency of its meetings and to whom the committee reports. *Please describe and exemplify below.*

[ ..... ]

**Q3.2** Do you engage in dialogue with the private sector and other key domestic stakeholders about the formulation and implementation of your trade strategy?

- [ ] Nearly always
- [x] Regularly
- [ ] Rarely
- [ ] Not sure/ NA

If you do, please describe your main stakeholders and the focus and frequency of your dialogue. *Please describe and exemplify below.*

The Suriname Trade and Industry Association, The Association of Surinamese Manufacturors, the Association of SMEs in Suriname, the Chamber of Commerce, the Suriname Business Forum/Center, a selected body of NGOs. Concerning the overall trade strategy as formulated in the broader policy documents such as the Multi-Annual Plan, broad participation of the private sector is minimal. When it concerns issues regarding trade agreements such as preparations for trade negotiations, trade facilitation etc., the entire body of the private sector and concerned parties are invited to voice interests, needs and concerns. Based on this input, policies regarding respective issues are crafted.
For Least-Developed Countries participating in the Enhanced Integrated Framework (EIF):

Q3.3 Is your EIF focal point and committee responsible for overseeing and coordinating all your trade agenda?

- [ ] Yes  - [ ] No  - [ ] Not sure/ NA

If no, please describe the different arrangements:

Working with external partners: harmonisation and alignment

Q3.4 In your Aid for Trade programs, how often do donors co-ordinate and align through:

<table>
<thead>
<tr>
<th></th>
<th>Regularly</th>
<th>Sometimes</th>
<th>Rarely or Never</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint needs assessments</td>
<td></td>
<td></td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Co-financing</td>
<td></td>
<td></td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Sector-wide approaches</td>
<td></td>
<td>[x]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Implementation</td>
<td></td>
<td></td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Joint Monitoring and Evaluation</td>
<td></td>
<td></td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Other, please describe:</td>
<td></td>
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</tbody>
</table>

Monitoring and evaluation

Q3.5 Do you monitor or evaluate your donor supported trade-related programmes?

- [ ] Nearly always  - [x] Regularly  - [ ] Rarely or Never  - [ ] Not Sure

If you monitor and evaluate your donor supported trade-related programmes, do you use:

<table>
<thead>
<tr>
<th></th>
<th>Regularly</th>
<th>Sometimes</th>
<th>Rarely or Never</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donors' monitoring and evaluation results</td>
<td>[x]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint monitoring and evaluation arrangements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own monitoring and evaluation arrangements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own monitoring but joint/donor evaluation</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
If you use nearly always or frequently your own monitoring and/or evaluation arrangements, can you please provide examples of your methodology and results? [Please describe and exemplify below.]

In general, donors indicate how the monitoring/evaluation should take place, mostly in the form of questionnaires that need to be filled in. They evaluate whether activities indicated in projects have been implemented and if equipment purchased is still available. Some donors, such as the UN and the IDB periodically send auditors to take stock of what has been implemented and procured. The country itself formerly had a central monitoring system for which the National Planning Office was responsible. That responsibility is now carried by the Ministry of Planning and Development Cooperation, but since this shift not everything is monitored in a centralized manner.

### Mutual Accountability

#### Q3.6 Have you established mechanisms/procedures to discuss with the relevant donors the outcome and impact of your trade-related programmes?

- [ ] Yes
- [x] No
- [ ] Not sure/ NA

If yes, please can you describe and exemplify them?

### Priorities for improvement

#### Q3.7 What are your government’s priorities to improve the implementation and effectiveness of the aid for trade it receives? Please rank the top three in order of importance.

- Greater say in the design of aid for trade interventions:
- [ ]
- Stronger donor focus on capacity development:
- [x]
- Better predictability of aid for trade funding:
- [x]
- More extensive use of Budget Support (or Trade Sectoral Wide Approaches):
- [ ]
- More regular joint-donor implementation actions:
- [ ]
- More harmonised reporting requirements:
- [x]
- More frequent joint donor-partner implementation efforts:
- [ ]
- More systematic use of joint donor-partner monitoring and evaluation:
- [ ]
- Other, please describe:
- [ ]
Please, describe in detail the improvements needed in your top priority area
Q3.8 Please identify and rank three areas of interventions (see Question 1.2 for a list of examples) where aid for trade has been most effective at raising trade capacity in your country. (Please explain your choice)

Area 1 Trade Policy Analysis, Negotiation and Implementation

Area 2 Regional Integration

Area 3 Network Infrastructure

Q3.9 Are there any particular examples of your aid-for-trade processes, programmes or projects that have obtained good results that you think could contribute to the development of good practices? [If so, please describe them below and attach any relevant documents.]

- End of Section 3 -

Please feel free to provide additional information on the implementation of your donor supported trade-related programmes and projects, i.e. aid for trade.
### 4 ADDRESSING TRADE CAPACITY CONSTRAINTS AT THE REGIONAL LEVEL

**Q4.1** Do your trade strategies specifically address regional trade capacity challenges?

- [ ] Yes
- [ ] No
- [ ] Not sure/ NA

If YES, please describe them:

- data/information collection, processing, analysis and dissemination,
- negotiating capacity,
- legislative capacity,
- fiscal impact capacity,
- market analysis and productive competitiveness.

**Q4.2** Do you participate in regional dialogues, programmes or activities aimed at promoting regional integration?

- [ ] Yes
- [ ] No
- [ ] Not sure/ NA

If YES, can you tell us in how many of these you participate in and describe the most important ones to you? *(Please describe below.)*

At least 1 per month per institution mentioned below. Suriname participates in almost all meetings regarding CARICOM agencies, the CARIFORUM-EU EPA negotiations, the CARICOM external trade negotiations. Many ministries take place (trade, finance, agriculture, justice and police, foreign affairs, kabinet of the president.

**Q4.3** Do you know if these regional dialogues, programs, and/or institutions receive aid for trade?

- [ ] Yes, they do
- [ ] No, they don’t
- [ ] I don’t know/ NA

If YES, are you an active participant in the regional dialogues, programs and/or institutions?

- [ ] Yes
- [ ] No
- [ ] Not sure/ NA

**Q4.4** Do you participate in or benefit from aid-for-trade programmes implemented at the regional level?

- [ ] Yes
- [ ] No
- [ ] Not sure/ NA

If YES, please describe the main benefits. *(Please describe and quantify whenever possible.)*

- capacity building
- awareness
- negotiations
- research

- 11 -
Please feel free to provide any additional information concerning the regional dimension of your trade strategies:

-- Thank you --
TRANSLATION

Final Draft

AGRICULTURAL SECTOR PLAN

PROJECTTEAM ASP
4 March 2004
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STUDIES CARRIED OUT DURING THE PREPARATORY PHASE OF THE AGRICULTURAL SECTOR PLAN. THE RESULTING REPORTS WERE USED FOR COMPILING THE AGRICULTURAL SECTOR PLAN

EU-Bananas (80 pages)
Institutional organization (78 pages)
Agriculture and the hinterland (88 pages)
Agriculture and gender
Agriculture and processing
Agriculture and credit issues (72 pages)
Agricultural Research (51 pages)
Agricultural Statistics (34 pages)
Agricultural Extension and Education (83 pages)
Rice (133 pages)
Water boards (83 pages)
Suriname Marketing Bureau (64 pages)
Horticulture and Marketing (25 pages)
Livestock Monitoring
Fisheries
1 SUMMARY

To ascertain that all stakeholders in the agricultural sector would support the newly proposed agricultural policy widely, for about two and a half years there have been extensive consultations with all stakeholders in the sector. The essence of this new policy is expressed in chapter 7, paragraph 2, “Institutional framework of the agricultural sector”. In this paragraph it is mentioned that many of the current problems in the agricultural sector, that caused a decline in agricultural production over the past decennium, are related to the structure of the agricultural sector and the coupled institutional intertwine between Government and the private sector.

The sector plan puts much emphasis on the preferred roles of the Government and that of private parties. The main view of the ASP is to strengthen private enterprises on one hand and the strengthening of specific Government responsibilities, particularly with regard to education, research and extension, on the other hand. In the Plan of Action a proposal is made with which, in the first instance, a beginning can be made, given the prevailing political and financial preconditions as well as the constraints regarding personnel required. The basic idea is to initiate a process in which the Government will gradually pull out from production activities (for instance privatisation of state-owned companies), and will focus more on specific Government duties, whereby the private entrepreneurs in agriculture will independently, organized and cooperative work on renewal (chain organizations). The urge to address all matters simultaneously should be resisted, since this task is enormous and no one will be able to precisely predict the hurdles to overcome. The following chapters are a synopsis of the reports prepared in the context of the ASP.

Chapter 3. The Macro-economic situation in Suriname

The contribution of the agricultural sector to the GDP over the last five (5) years was about 7%. In spite of the fact that large-scale agriculture has strongly declined the contribution of agriculture to foreign exchange earnings is still about 15%. During the past decennium there has been a downward trend in both contribution to the in GDP and foreign currency income. It is stressed that the agricultural sector is the only renewable sector of significance in the economy and that the other pillars of the economy as bauxite and alumina, although important foreign exchange earners, will be exhausted some day.

The Government directly or indirectly employs almost 60% of the labour force, which impacts on the supply of labour for the agricultural sector. The Government structure should be made more efficient and should not form an obstacle for economic recovery. Another serious constraint to investments in the agricultural sector is the high interest rate for credit.

Since 2003 the economy is back on track in terms of growth; the inflation rate has declined, the foreign exchange rates have stabilized and the perspectives for further growth of the economy are promising. Some investments in large-scale projects, that have been in the pipeline for quite a while, commenced in 2003 (expansion of alumina production, gold (Cambior), Patamacca oil palm, investments in expansion of the petrol industry, bauxite exploration in West Suriname). This inclines a possible growth of the economy. The main Government task remains, in spite of the promising developments, the design and implementation of a restructuring programme of the public sector and a further restructuring of Government finance.

Within the narrow political margins, allowed by the precarious social cultural balance in Suriname, the Government has committed itself to address this problem with care to minimize the social implications, which may arise. A modern agricultural sector, based on
modern technology in production and processing, chain approach and know-how could provide the necessary employment for a reduced public labour force.

Chapter 4. Current situation in the Agricultural Sector

The dramatic decline in agricultural production is explained in this chapter. It also outlines what the current position is of the main agricultural sub sectors and their perspectives.

Rice

In recent years the rice sector has been confronted with increasing cost of production and declining yields. Production shows a downward trend and world market price also declined. The Rice Research Centre, ADRON, has demonstrated that even at a lower market price the Suriname rice industry could still be profitable, when cost of production decreases and the yield per unit of production (hectare) is improved. Even at a low market price of 220 US $/ton a profit of US $ 83 per ha could be attained. According to ADRON this is technically and management-wise feasible. Over the next 3 years the European Union (EU) will provide the Suriname rice sector Euro 9.2 million in financial aid and technical assistance.

Bananas

The banana sector used to be in rank the third important agricultural export sector of Suriname. The share to the total export value from bananas was on average 3%. Due to managerial problems in the Surland state-owned banana company and unfavourable macro-economic conditions (inconsistent foreign exchange rate), high production cost and low productivity banana production was no longer profitable. This resulted in cease of production. Currently the Government, with support from the EU is embarking in a restructuring programme to rehabilitate the banana sector. In this ASP critical remarks are made concerning this program.

Oil palm

Cost of production for palm oil production in Suriname is high in comparison to that of Malaysia and Indonesia. Furthermore the yields of the state-owned (parastatal) companies (Victoria, Phedra and Patamaca) were not very encouraging. By the beginning of the year 2004 the Government signed an agreement with the Chinese Company, China Zhong Heng Tai Investment Company Limited, to convert 40,000 hectares of forest into an oil palm plantation with four palm oil processing units.

Fisheries

The development of the sub-sector Fisheries has been successful and is at present the most important foreign exchange earner and became the main pillar of the agricultural sector in terms of foreign exchange earnings. The sub-sector employs more than 5,000 persons and contributes 5% to the GDP. The bulk of production, seabob and marine shrimps, are processed and exported by four companies (SAIL, SUJAFI, SIS and Guyana Seafoods). To ensure improved efficiency and efficacy, privatisation of the parastatal company SAIL is currently being studied.

Animal Production

Beef production meets the local demand, although in recent years the cattle herd declined. Local dairy production satisfies about 30% of local milk consumption. For years the dairy industry has been unprofitable as prices for milk were determined by Government and were below cost price. In recent years the farm gate price increased considerably. This encouraged local dairy production.
Egg production is sufficient to meet the local demand. In the past local broiler production met local demands. Due to competition from imported, cheap chicken parts the market share of local production in poultry consumption decreased. In relation to the CARICOM region Surinamese poultry production is reasonably efficient. The cost price, on the basis of whole (undivided) slaughtered chicken, is comparable to those of efficient producers in the United States of America.

Local production of pork meets consumption needs.

The fact that Suriname is free of animal diseases is not sufficient to allow for exports to countries in the region. This has to be proven according to international guidelines. Export requires fulfilment of international regulations and processes. In the ASP the necessary investments as to this goal have been computed.

Horticulture

This sub sector has been analysed in detail because of great interest at present for non-traditional crops. For this sub sector a SWOT analysis was performed, including:

**Strengths**: favourable climatic conditions (short dry season that coincides with European winter season); favourable soil conditions; experience with cultivation of many horticultural crops.

**Weaknesses**: limited co-operation; inadequate logistic organisation; inconsistent patron of supply, causing extreme price fluctuations; small and fragmented scale of operation; poor physical infrastructure; lack of up-to-date knowledge and skills of cultivation practices and chain management.

**Opportunities**: growing markets (expansion EU); availability of new cultivation techniques; private initiatives in non-traditional crops; practical training session opportunities in cultivation methods, processing and marketing; interest from foreign buyers; current Government policy on food safety and quality control; Government’s intention to revitalise water-boards.

**Threats**: more stringent quality requirements in export markets purchasers (Eurepgap); competition from low-income countries.

Chapter 5. Analysis of the agricultural sector

The problems are characterized as follows:
- inefficient production of the sector at relatively high cost of production;
- limited or no cooperation in and between the production chains. As a result there are hardly innovations and effects on economy of scales;
- high degree of Government involvement and policies in the sector; namely in the primary production chain and management of infrastructure. This causes distortion of the market and leads to further inefficiency;
- lack of a destination plan, the tedious process for obtaining crown land, under or non-utilization of obtained land, inadequate zoning, town and country planning form a constraint for the development of the sector;
- less favourable pre-conditions for production and poor image of the agricultural sector des-encourage young entrepreneurs to enter the sector.

The objective analysis is focused on the desired development of the sector. Formulating the goals aims primarily at solving the above-mentioned constraints and reversing the downward trend in which the sector seems to be confined. What emerges is the importance to encourage cooperation, knowledge and entrepreneurship in the sector in order to break through the existing vicious circle.
Chapter 6. Conceptual view on the development of the agricultural sector

In the proposed new agricultural policy the key issue will be the self-regulating principle of the sector. Important features of this policy are: human resource development; added value, establishment of food safety policy, integration of international legislation with emphasis on phyto-sanitary and veterinary conditions.
The Government, in particular the Ministry of Agriculture, Animal Husbandry and Fisheries (MAAHF), focuses on activities of common interest that cannot be carried out by the private sector. Such a shift in functioning and organization of the Government will be time- and energy consuming, but is definitely the precondition for obtaining the desired transition. The Government will often have to take the lead, in close consultation with the private sector.

Chapter 7. Intervention Logic

The core of the Agricultural Sector Plan is the changing role of Government and other stakeholders in the development of the agricultural. This is elaborated in chapter 7.2 “Institutional framework”. The structure of chapter 7 moves from general to specific facets. For this reason the subject of Gender is the first aspect dealt with, since this is a general prerequisite with regard to agricultural policy.

Gender

Gender will be placed more substantially on the agricultural agenda, and by implementing the described operational program this goal will be embodied. In the first instance the emphasis will be on the role of the Government, but during the implementation phase the social middle class will become increasingly important. The most important prerequisite during the initial phase is accomplishing greater gender awareness.

Institutional framework in the agricultural sector

In line with the core point of view of the Agricultural Sector Plan, the intervention will focus on strengthening private agricultural enterprises development (independent from the Government, organization according to the chain approach, cooperation and market orientated) and further more on strengthening of the specific Government responsibilities regarding aspects like: legislation and enforcement, food safety, phyto-sanitary and veterinary issues, environment, land-use policy, gender awareness, poverty alleviation, education, research and extension. It is proposed to commence with the following programmes: commodity board for rice, water boards, National Food Authority, National Board for Agricultural Research, food safety, plant- and animal health, agricultural census, land policy, stimulating the private sector; gender policy.

Reactivating and establishing water boards

The core of the proposed intervention focuses on decentralization of water management. The main instrument to achieve this is revitalizing the instrument of water boards. This instrument used to be functional in Suriname in the past but stopped functioning over time. The proposal is to start with a pilot phase. This will mean simultaneous implementation of three stages, with as result two adequately operating experimental water boards that will serve as an example and a catalyst for re-establishing water boards in Suriname. The three stages encompass: legislation, management and physical infrastructure for experimental polders and capacity building at administrative and technical level for District administrators and future technical managers. The prerequisite is the reactivation of the Multi-Purpose Corantijn Kanaal Project (MCP) as an umbrella water board. This will ensure maintenance of the primary system and as such of water supply.

Food safety, plant- and animal health

The suggested intervention consists of two parts:
1. establishment of a National Food Authority (National Food Control System);

The Food Control System is an independent inspection service for monitoring/inspecting the quality of food products and the manufacturing practices of food items. In addition, strengthening and expanding the Food Safety, Plant- and Animal Health Division of the MAAHF can more actively involve Suriname in the international circuit of Codex, WTO and OIE and will enable Suriname to deal more intensively with fulfilment of the regulations regarding plant- and animal health at international level.

**Area analysis and planning**

Main goal of the intervention is efficient use of information in policy development and execution in agriculture. Through a coordinated interdepartmental cooperation it will become possible to increase efficiency and control of policy execution over a multi-annual period of time. Decision-making will become better instituted and more transparent. With the assistance of the cadastre project that is being executed this will result in better land-use planning and land use for agricultural purposes. Based on the Agro-ecological zoning system that was developed by Brazilian consultants, it appears that Suriname and Brazil have many similarities.

**Attaining knowledge and dissemination of knowledge**

The essence of the proposal for agricultural research is a financial incentive for agricultural research coupled with improved collaboration on (applied) agricultural research and directing of a multi-annual research programme by the parties involved.

The Anton de Kom University of Suriname should also be involved.
Important aspects regarding extension are strengthening of the capacity for self-organizing of the sector, among other things in the form of study clubs, an intensive “train the trainers” programme with focus on modern principles like chain approach in horticulture, sustainable production systems, a market oriented production strategy, generate aspects of added-value, cost-efficiency and gender issues. The basis is execution of the restructuring program in several phases, linked to the pilot project on chain development, in which almost all aspects concur.

For restructuring of agricultural education facilities the focus should be on:

1. Modernizing of methodology, shape and content of the education programme;
2. Upgrading and increase in efficiency through (international) cooperation;
3. Improving the reputation of the sector and education to increase interest for the sector.

Stimulating the private sector

The proposed intervention comprises of a number of components, viz: improve the investment climate and the business-to-business cooperation, development of entrepreneurship in the sector and actively stimulate the desired private initiatives. To this end specific measures need to be detailed.

Chain development

It is suggested to establish on a small scale a chain organization for selected horticultural products. In case this pilot program will be successful this approach
can be extended to sub-sectoral chain structures. When this approach adopted particular attention is paid to quality aspects in small-scale processing/cottage-industry. In this integrated programme it is required that simultaneously several activities and training programmes are activated: the necessary legislation, training of producers and traders in food safety and other quality aspects, establishing a quality inspection bureau, establishing cool storage facilities.

Agricultural census and statistics

The aim here is to create a sound basis for the future multi-annual policy, by making available reliable statistical data for the benefit of the Department of Planning of the MAAHF. This will provide opportunities for an adequate policy analysis and sound planning. The first step is to organize a pilot census in the District of Commewijne, which will form the basis for the preparation of a national agricultural census.

Agriculture credit

Proposed is here: extra credits to stimulate innovative investments in the agricultural sector. For instance, implementation of the chain approach in processing and production.
Agricultural development of the interior (the hinterland)

The identified problems in the hinterland namely, food insecurity, poor alternatives for income generation and increased workload for women, should be addressed within the framework of the ongoing transition towards a modern society. It comes down to accommodating the irreversible process of transition (to the city and the Western culture). The proposed interventions are linked, as much as possible, to successful activities of existing NGO’s. The goals are: safeguard food security, reduce the degradation of forestland and deforestation, support private initiatives on sustainable agricultural production, and develop a long-term agricultural policy for the hinterland.

Animal husbandry

The goal is to transform the current veterinary inspection into a quality assurance organ for monitoring of animal diseases and control; this supported by company-registration and an identification and registration system (I&R) for agriculture animals. In the year 2004 the establishment of an I&R system for Bovine husbandry in the District of Commewijne could commence. This could also be the case, nationally, for the poultry industry. The authors recommend the District of Commewijne for this study because of the natural boundaries and other feasibility factors (number of enterprises, willingness to participate). The advantage of such a partial approach would be that export of beef could be realized at an earlier stage. The number of poultry businesses in Suriname is
easily overseen and there is a great need in other CARICOM Countries for breeding eggs.

Fisheries

Primary goal of the intervention is the development of an economic and ecological sustainable fishery sector. To this end the following activities are proposed: stock assessment; catch inspection, coast guarding, decreasing by-catch, training in quality control and food safety, processing, value adding and chain production.

Horticulture

Through the above-mentioned pilot project on chain development an attempt is made to upgrade the horticultural sector on small scale from the bottom up towards a high level export market oriented modern sub sector.

Logical framework ASP

Starting point in the logical framework are the activities (1 to 12), which lead to results that contribute to the specific project objectives, which from part of the overall/general objective.
Chapter 8. Plan of Action ASP

The plan of action aims particularly at elucidating the institutional frictions between Government and agricultural production sector through strengthening of the specific Government responsibilities (education, extension, research, food safety etc.) and support of the private sectors.

Plan of Action ASP

The total lifespan of the programme is five years and the projected budget is Euro 46 million. Strengthening of the Government requires:

Gender (Euro 90,000), capacity building Ministry of Agriculture, Animal Husbandry and Fishery (Euro 1,050,000), National Food Authority (Euro 615,000), Infra-structural Planning (1,012,000), Privatisation of parastatal companies (Euro 2,200,000), Rice authority (Euro 370,000), Water authority (Euro 18,858,800), Knowledge building (Euros 942,000), Agricultural census (Euro 1,336,545), Interior (Euro 1,075,000), Animal husbandry (Euro 3,252,00), Fishery (Euro 4,350,000), total (Euro 36,267,345).

Agricultural Production companies (private sector) will be supported with: investment credits IBO (Euro 9,060,000), pilot chain production (Euro 885,000), total (Euro 9,945,000).
Monitoring and evaluation

By yearly evaluation of agreement (contract): in addition the quality aspects e.g. gender effect reports, poverty alleviation, pesticide use and other goals.
2 INTRODUCTION

In Suriname about mid 2001 activities with respect to analyses of the agricultural sector commenced. A sectoral analysis is characterized by a comprehensive approach, contrary to the traditional project assistance whereby Government and donors try to further development through several projects that are not linked together. In November 2001 the first stakeholders meeting was convened and in February 2002 an agreement was reached on the Terms of Reference (TOR). In this TOR the objectives of the agricultural sector study and the plan of action to follow were defined. These objectives concerned the desired long-term results in terms of: increasing revenue, generating foreign currency, poverty alleviation, employment, strengthening of the position of women, a reform programme for the agricultural sector, food security, food safety and improving the environment. On the other hand the objectives concerned the long-term approach to attain the above-mentioned results such as: institutional strengthening of the Ministry of Agriculture, Animal Husbandry and Fisheries [MAAHF(LVV)], updating regulations and legislation, infrastructure, supporting services for research, extension and agricultural education, increased possibilities to be able to compete on the international market and improving the level of organisation of the sub-sectors.

For the drafted strategic objectives there were intersections in results and methods. About mid 2002, based on the bilateral agreement on cooperation, the decision was taken to form a project team comprising of representatives from the Ministry of Agriculture, Animal Husbandry and Fisheries [MAAHF(LVV)] and the Ministry of Agriculture, Nature and Food Quality (LNV) and to charge this team with the responsibility with the coordination of and compiling of the sector study. In order to accelerate the process the sector study was subdivided in two phases, whereby during the first phase only material already available would be utilized. The main objective for the first phase was to attain concerted policy choices (strategic and horizontal) at national, sectoral- and sub-sectoral level. The major purpose was to arrive at clarity on the method according to which the desired results, ascribed in the existing TOR, (regarding which consensus was already reached) should be achieved and the role of the Government in this respect. This would also enable the team to determine what studies were needed to fill the (strategic) gaps in the material obtained. For the agricultural sector study the larger agricultural sub-sectors, rice and bananas, were not included, since for these sectors already studies were being undertaken under the cooperation between Suriname and the European Union and project were already implemented. Also upcoming possible private initiatives in the oil palm sector were left out of the scope of the study.

In September 2002 the project team concluded the first phase and the results were recorded in a so-called inception report (initial report). After concluding this, the actual sector analysis could commence. In October 2002 the inception report was discussed in the second stakeholders meeting. This meeting took place in a plenary form and in working groups. The working groups were formed based on the sub-sectors: e.g. fisheries, livestock, and traditional and non-traditional crops. Although the discussions took place at several abstraction levels, it was not possible to come to a consensus on an important number of strategic policy choices. The Government of Suriname confirmed through the Minister of Agriculture, Animal Husbandry and Fisheries that she would like to see the role of Government in the agricultural sector to be a different role than has been the case thus far; namely: providing for important conditions and not participating actively in agricultural production. The agricultural state-owned companies needed to be privatised, taking into consideration that in order for this process to be successful, first the necessary studies had to be carried out.

In brief: the two key points of the consensus regarding the direction of development of the agricultural sector were: stimulating (trade and industry) enterprises and knowledge.
Suriname’s agricultural enterprises could become, with the support of practical training sessions, available knowledge and collaboration with foreign enterprises, the engine of the development.

At the level of primary production special attention needed to be given to good agricultural practices in view of food safety and sustainability and also the requirements of international trade. Also emphasis had to be placed on added value and chain approach regarding processing and preservation of agricultural produce in an attempt to improve export possibilities and incomes. This implies: training in HACCP, quality assurance standards, organisation and cooperation of the links in the chain, regulations, etc. Training, practical and vocational education could also be utilized to attain improved quality of small-scale cottage industry like fruit processing. Research on crop diversification is needed in the framework of possibilities offered by new crops like cashew, gherkin, ginger and new ornaminals as well as for risk spreading pertaining to the cultivation of the more traditional crops. For a number of sub-sectors e.g. fisheries a united spokes group was lacking resulting in difficulties for Government in collaboration with stakeholders to implement policy. Extension and training could cater for a change regarding this aspect. Eventually, in this framework attention should be paid to the introduction of new agricultural products.

Characteristic for this approach was that the Government would not aim in the first instance on specific sub-sectors. Private initiatives, independent market research and intensive interaction with entrepreneurs will be focussed on certain sub-sectors, along the development of the process. These sub-sectors will then receive special attention in connection to research and desired promotion.

For the second phase the organization of the Agricultural Sector Plan improved remarkably. The supervisory committee was installed. This committee held meetings on a weekly basis. Also, two experienced professionals were added to the project team. The three gaps that existed during the first phase (gender, hinterland and institutional framework, including the MAAH) and the subjects that were identified during stakeholders’ consultations to be studied more in-depth were elaborated during the second phase of the ASP, with the assistance of locally contracted experts. The complete texts of these partial studies are offered as annexes to the ASP document. In order to sustain the involvement of stakeholders, apart from drafting the ASP, it was intended to also carry out five tangible projects, namely:

1. Revitalizing water boards; establishing a pilot polder;
2. Identification and registration of cattle farms and other, to enable export of meat;
3. Analysis of the agricultural credit structure;
4. Agricultural census;
5. Horticulture.

In the Agricultural Sector Plan the approach that was described above was taken on board. Chapters 3 through 5 present a detailed analysis of the current situation. In chapter 6 the view on the development of the agricultural sector in Suriname is summarized. In chapter 7 the subjects for an action plan that were identified by the stakeholders are described. Chapter 8 presents the action programme with the selected programmes and projects. In chapter 9 agreements between donors involved in the implementation of the ASP is portrayed. A number of partial studies, that deals in-depth with specific subjects, are attached.
Literature

- PROPLAN – Verslag stakeholders bijeenkomst Agrarische Sector Analyse (Report of stakeholders meeting Agricultural Sector Analysis), October 2002
- MAAHF Project Team – Inception Report Agricultural Sector Analysis, May 2003
- MAAHF Project Team – Plan van Aanpak Fase 2 Agrarisch Sector Plan (Plan of Action Phase 2 Agricultural Sector Plan), May 2003.
3 MACRO-ECONOMIC SITUATION IN SURINAME

For an assessment of the agricultural sector an evaluation of the macro-economic context is indispensable. After all, in Suriname the agricultural sector is an important element of the economy. The contribution of the Gross Domestic Product comprised about 7% over the past five years. In spite of the fact that large-scale agriculture has declined, the contribution of the agricultural sector to foreign currency generation still amounted to about 15%. Over the past decennia a declining trend can be observed in the contribution to the GDP as well as to generation of foreign currency. The more important factor is that many households depend on the income from their agricultural activities to provide for food and other needs. A sound agricultural sector is not only important for the financial economy, but in particular for food supply and for the regional, social and cultural balance. Besides, the agricultural sector in itself depends strongly on the general economic situation. The development of the other economic sectors and the monetary and budgetary policy influence directly, among other things, the cost level and profitability of agricultural producers. An effective agricultural policy should thus be seen in coherence with the other sectors of the economy.

3.1 Profile of the Surinamese economy

An economic characterisation of a country often starts with information on the Gross Domestic Product (GDP). The GDP comprises of the reward in the form of salaries, wages, compensations and profits (deprecations included) of all produced goods and services (reduced with the goods and services that were utilized for this purpose). A clear first impression of the economy can be derived from the composition of the GDP. In other words, which sectors contributed most to the GDP? By dividing the GDP by the number of inhabitant an indication is obtained of the well being of society in comparison to that of countries abroad. For Suriname the GDP per capita is estimated at 2201,- USD (IMF, 2003). This is less than one tenth of this index number for Western European countries. In the table below the GDP is presented for the years 1982 – 2002, divided according to the contributions of different sectors.

<table>
<thead>
<tr>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBP in market prices, in mill. Sf. in 1990 constant prices for:</td>
<td>4,193</td>
<td>4,157</td>
<td>4,154</td>
<td>4,343</td>
</tr>
<tr>
<td>Agriculture</td>
<td>276</td>
<td>287</td>
<td>306</td>
<td>339</td>
</tr>
<tr>
<td>Mining</td>
<td>191</td>
<td>202</td>
<td>185</td>
<td>224</td>
</tr>
<tr>
<td>Industry</td>
<td>281</td>
<td>256</td>
<td>288</td>
<td>302</td>
</tr>
<tr>
<td>Electricity, water en gas</td>
<td>208</td>
<td>196</td>
<td>177</td>
<td>185</td>
</tr>
<tr>
<td>Building and construction</td>
<td>206</td>
<td>176</td>
<td>155</td>
<td>162</td>
</tr>
<tr>
<td>Trade, restaurants en hotels</td>
<td>638</td>
<td>602</td>
<td>577</td>
<td>504</td>
</tr>
<tr>
<td>Transport, storage en communication</td>
<td>273</td>
<td>278</td>
<td>349</td>
<td>442</td>
</tr>
<tr>
<td>Financial institutes</td>
<td>686</td>
<td>675</td>
<td>676</td>
<td>674</td>
</tr>
<tr>
<td>Government Services</td>
<td>458</td>
<td>457</td>
<td>467</td>
<td>476</td>
</tr>
<tr>
<td>Community Services</td>
<td>68</td>
<td>69</td>
<td>70</td>
<td>71</td>
</tr>
<tr>
<td>Informal sector</td>
<td>889</td>
<td>926</td>
<td>872</td>
<td>925</td>
</tr>
</tbody>
</table>

Table Gross Domestic Product according to contribution of sectors at constant prices 1990
(Source: ABS, IMF estimates 2003)

For statistical data over extended periods of time, in relation to developments of the macro-economy of Suriname, reference is made to annex 1. The relative low contributions of the agro-sector and the mining sector are striking. The informal sector is responsible for the
main contribution. The first two sectors that were mentioned are also responsible for the declining growth of the GDP from 4.5 % in 2001 to 3 % in 2002. The bauxite industry suffered from the decline of world market prices for aluminium. The agro-sector had to deal with decreased paddy production and no banana production, due to the fact that the Banana Company, Surland N.V., had to close down because of financial problems and problems with labourers. From the table it can be noted that growth of the GDP mainly occurred from as a result of activities from the industry, services, transport, communication and electricity and because of the informal sector.

According to IMF experts de outlook in connection with the development of the GDP are promising. It may be expected that the growth will increase again and that the current deficit on the balance of payment will fall. It is expected that the actual growth of the GDP will increase again to the level of 5.6% in 2003. This mainly as a result of investments from a private foreign investor of over USD 100 million dollars in a gold mining project, and investments in expanding the alumina processing industry. Because of this the deficit to the current account of the balance of payments will somewhat increase; this as a consequence of necessary imports for the benefit of the above-mentioned investments. In view of the developments over the past months with regard to inflation it is estimated that in 2003 this will amount to about 20 % and that this figure will decrease next year to the level of 3 %. With a re-activation of banana production, an increase in the production of gold, and the planned investments in the bauxite industry, the growth of the GDP will also during the year 2004 be maintained above 5 %.

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumina</td>
<td>298.1</td>
<td>296.9</td>
<td>341.9</td>
<td>330.0</td>
<td>289.9</td>
</tr>
<tr>
<td>Aluminum</td>
<td>37.7</td>
<td>8.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Rice</td>
<td>19.5</td>
<td>13.2</td>
<td>11.2</td>
<td>11.0</td>
<td>14.2</td>
</tr>
<tr>
<td>Fish and shrimps</td>
<td>31.7</td>
<td>37.2</td>
<td>41.4</td>
<td>39.7</td>
<td>50.6</td>
</tr>
<tr>
<td>Wood / timber</td>
<td>3.8</td>
<td>2.4</td>
<td>2.9</td>
<td>4.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Crude</td>
<td>15.6</td>
<td>41.8</td>
<td>27.7</td>
<td>19.4</td>
<td>42.5</td>
</tr>
</tbody>
</table>

In the table presented above the comparative importance of the agro-sector for generation of foreign currency is shown (in 2002 about 16 %). It also becomes clear that without agricultural exports the economic foundation would be placed too strongly on non-renewable raw materials. After all; the agricultural sector is the only renewable sector in the Surinamese economy. Summarizing: De macro-economic environment factors are currently not conducive for the agro-sector. A larger domestic demand and lower inflation rate normally gives rise to favourable effects on the profitability of the sector.

3.2 Macro-economic policy

In 2000 a new Government, led by President Ronald Venetiaan, was inaugurated. From an economic and governing point of view at the change of Government a very chaotic situation existed and a clearly deteriorating economic development, with a high inflation rate and a considerable discrepancy between the official and parallel exchange rate, whereby for the country it became progressively more difficult to get a loan from the international capital market. On 3 October 2000 a devaluation of 88% of the Surinamese guilder was set in to SF 2.2000 for the US dollar. Also a number of monetary and budgetary measures followed, such as doing away with special exchange rates for imports, a maximum bound range, decided upon by the Government, for deviating from the official exchange rate and so on, with the objective to get the economy back on the track of growth. In February 2004 the
official exchange rate for the US dollar was about 2.7 Surinamese dollars (SRD) for one US dollar. This exchange rate remained stable for over one year now. Throughout the ten years before this period the economy, which was based on the mining sector, suffered from a fairly mediocre macro-economic policy (IMF 2003) and the poor collection of taxes also contributed to the fact that the overall Government household ran into problems.

In particular at sectoral level (meso- and macro economic prerequisites for the agricultural sector) the economical policy during the nineties was inadequate. Involvement of the Government in production, ineffective policy regarding allocation of crown land, lack of a adequate legislation on investments, high transaction costs for the import of agricultural inputs and for the export of agricultural produce (red tape, difficult and non-transparent procedures), lack of export credit facilities, lack of an information network regarding foreign markets and prerequisites for trade, poor institutional and physical infrastructure, and the high to exorbitant interest rates collectively and interaction with one another formed the main reasons for the deterioration of the sector.

For example: a dramatic fall in the total acreage planted; from 65,343 ha in 1995 to 43,784 ha in 2000.

After a strong resuscitation in 2001 (on account of a loan to the amount of US $ 110 million from the warranty trust as a result of an agreement with the Dutch Government, that was used for the major part for rescheduling loans and depths and for securing the Surinamese guilder) in 2002 the Government was confronted with declining incomes and increasing expenses. Problems with employers at the Ministry of Finance led to reduced tax collection. Furthermore incomes from the bauxite sector decreased.

The Government directly or indirectly employs almost 60% of the labour force. Official data reveal that over 36,000 individuals are employed by the Central Government. When then 15,000 to 20,000 employees from the parastatal (semi-government) sector are added to this figure, this comes to almost 60% of the labour force. This number represents 25% of the economically active segment of the population and 12% of the entire population (IMF 2003). In comparison, in the whole of Latin America and the Caribbean the figures are respectively 10% of the economically active share of the population and 4% of the entire population. Of course, these numbers strongly depend on the definition of what is being considered to be a civil servant. Nevertheless these data may be considered alarming for Suriname. The Government structure should be efficient and should not form an obstacle for economic recovery. In the table on contributions of the sectors to the GDP it may also be observed that during the period 2000 – 2002 Government’s share in the GDP was 13%; the highest figure in Latin America, where the average number is 5%. This high percentage is mainly due to the large number of civil servants and not as such to high salaries. To illustrate this it may be noted that the salary of a professional (graduate), employed by the Government, is not that much lower than a professional with employment in the private sector. Because of this it is currently difficult for the Government to appeal to cadre.

The raise of public servant salaries in 2002 resulted, among other things, in an increase of the inflation rate and a devaluation of the Surinamese guilder. By the beginning of the year 2003 there was a positive shift and a structural reform programme was executed, because of a solid fiscal and monetary policy, with the intention of attaining a less vulnerable economy. The pressure on the market for foreign currency became less and the inflation rate decreased. Taxes were raised and expenses were kept under control, because of rigorous regulating measures (cuts in already approved Government budgets). Production and productivity came under pressure, as a consequence of these internal measures, and also due to external international developments. Increasing Government reserves is necessary to help finance the needed infrastructural investments. In addition, the Ministry of Finance is in the process of structurally improving tax-collecting procedures and management of
Government finances. Measures were also taken to reduce the significance of the informal sector, what will bring about increased tax-collection.

Since 2003 the economy is back on track in terms of growth; the inflation rate has declined, the foreign exchange rates have stabilized and the perspectives for further growth of the economy are promising. Some investments in large-scale projects, that have been in the pipeline for quite a while, commenced in 2003 (expansion of alumina production, gold (Cambior), Patamacca oil palm, investments in expansion of the petrol industry, bauxite exploration in West Suriname). This inclines a possible growth of the economy.

The main Government task remains, in spite of the promising developments, the design and implementation of a restructuring programme of the public sector and a further restructuring of Government finance. Within the narrow political margins, allowed by the precarious social cultural balance in Suriname, the Government has committed itself to address this problem with utmost care to minimize the social implications, which may arise. A modern agricultural sector, based on modern technology in production and processing, chain approach and know-how could provide the necessary employment for a reduced public labour force.

Literature

- IMF – Suriname: Staff Report for the 2003 Article IV Consultation; September 2003
4. CURRENT SITUATION OF THE AGRICULTURAL SECTOR

Physical characteristics of Suriname

Suriname covers 16 million ha of land (163,820 km²). 1.5 million ha of this area is suitable for agricultural purposes. Of the area, suitable for agricultural purposes, about 85% is situated in the coastal area and about 15% along riverbanks in the interior. The major part of the land in the coastal area comprises of fertile, heavy alluvial clays with swamp characteristics, through which at certain location sand and shell belts cut through. The chemical fertility of the clay soils is immense, but the physical state of the soil, with their low permeability forms a limiting factor. The crucial feature of these soils lies in the water supply during dry seasons and the drainage of water during the rainy seasons. This often requires reclamation (the establishment of polders) in the coastal. The number of different cultivation activities on the level tropical agricultural soils is limited in comparison to other countries in the region with a more mountainous nature (soil type, light intensity, climatic variations). In relation to the population and in relation to the region (CARICOM), based on the soil, water and climatic potential, it may be noted that the agricultural possibilities are under-utilised.

Typology of agricultural land use and companies

The main form of agricultural land use in Suriname comprises permanent agriculture, shifting cultivation and grassland. Unfortunately Suriname lacks a land destination (geographical zoning) plan. This results in considerable under-utilisation of agricultural land, since it often happens that too large areas are requested (from speculative view). The agricultural sector comprises about 12,000 small enterprises, of which the majority is situated in the coastal area. Many of these concern mixed enterprises where some cattle, fruit and other perennial crops are present and in many instances part-time farmers are involved. Small-scale agriculture tends towards part-time agriculture causing a decline in the numbers of farmers registered in Suriname. The decrease in the number of farmers is to some extent the result of reduced interest for the agricultural sector, because of the low profits and the weak dynamics in the sector, and partially because the farmers’ population is turning grey. Based on the agricultural purpose and the period of issue of agricultural land, within the category of small-scale farming quite a variety in sizes of enterprises may be noted. Apart from the small-scale agricultural enterprises tens of large-scale enterprises exist, including a number of parastatal enterprises. These companies produce rice, beef cattle, bananas, shrimps and fish.

Rice is the main agricultural crop. For the typology of the paddy companies’ data are available. Based on information obtained from ADRON, based on the area, rice companies can be classified as listed below.

<table>
<thead>
<tr>
<th>Area in ha</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1-12</td>
<td>4300</td>
</tr>
<tr>
<td>13-24</td>
<td>110</td>
</tr>
<tr>
<td>25-75</td>
<td>17</td>
</tr>
<tr>
<td>76-250</td>
<td>28</td>
</tr>
<tr>
<td>251-750</td>
<td>19</td>
</tr>
<tr>
<td>&gt;750</td>
<td>8</td>
</tr>
</tbody>
</table>

In the category of small-scale rice companies (0.1 – 12 ha) a development can be observed of mutual land lease, causing that the number of rice farmers or rice producers is less then the number of registered companies. From economic point of view it may be concluded that the very small rice companies are hardly sustainable, as independent units, provided the current costs and price levels. Agriculture in the Interior is classified as shifting cultivation. It is estimated that over the years a total area of 246,700 ha of forestland was used for cultivation parcels; mainly along the banks of important rivers: Upper Suriname, Upper...
Saramacca, down the Marowijne and the Tapanahony. The area used for crop cultivation comprises maximum 10% of this area corresponding to a hinterland population of about 42,000 inhabitants. The size of an individual parcel of land in the shifting cultivation system varies between 500 and 10,000 m². It is for reasons of food security, income generation, erosion and maintenance of virgin forest an important challenge to try to improve the cultivation practices of the interior.

Production data
In the table below production data of agriculture and livestock are presented. Paddy, bananas, peanuts and other food crops show a remarkable decrease in production. It may be considered a positive fact that the sowing index has maintained relatively stable for the smaller paddy farmers.

<table>
<thead>
<tr>
<th>(Yields in 1000 kg)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>180,296</td>
<td>163,655</td>
<td>191,370</td>
<td>157,105</td>
</tr>
<tr>
<td>Bananas</td>
<td>54,710</td>
<td>48,706</td>
<td>43,139</td>
<td>8,071</td>
</tr>
<tr>
<td>Plantain</td>
<td>10,874</td>
<td>10,782</td>
<td>12,481</td>
<td>11,449</td>
</tr>
<tr>
<td>Oil palm</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vegetables</td>
<td>15,021</td>
<td>15,758</td>
<td>17,073</td>
<td>17,138</td>
</tr>
<tr>
<td>Peanuts</td>
<td>256</td>
<td>254</td>
<td>265</td>
<td>207</td>
</tr>
<tr>
<td>Cacao and coffee</td>
<td>19</td>
<td>11</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other food crops</td>
<td>10,940</td>
<td>9,935</td>
<td>13,805</td>
<td>4,818</td>
</tr>
<tr>
<td>Citrus</td>
<td>13,643</td>
<td>12,584</td>
<td>13,699</td>
<td>14,898</td>
</tr>
<tr>
<td>Coconuts (1000 pieces)</td>
<td>8,934</td>
<td>8,517</td>
<td>8,056</td>
<td>10,033</td>
</tr>
</tbody>
</table>

( area in ha)

<table>
<thead>
<tr>
<th>Paddy (small scale cultivation)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area</td>
<td>14,826</td>
<td>14,731</td>
<td>14,731</td>
<td>14,722</td>
</tr>
<tr>
<td>Area sown</td>
<td>17,958</td>
<td>18,184</td>
<td>19,376</td>
<td>17,046</td>
</tr>
<tr>
<td>Sowing factor</td>
<td>1,21</td>
<td>1,23</td>
<td>1,31</td>
<td>1,16</td>
</tr>
<tr>
<td>Bananas</td>
<td>2,143</td>
<td>2,182</td>
<td>2,172</td>
<td>2,178</td>
</tr>
<tr>
<td>Plantain</td>
<td>460</td>
<td>496</td>
<td>536</td>
<td>482</td>
</tr>
<tr>
<td>Oil palm</td>
<td>1,900</td>
<td>1,900</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Citrus</td>
<td>1,699</td>
<td>1,738</td>
<td>1,689</td>
<td>1,736</td>
</tr>
</tbody>
</table>

(yield in ton/ha)

| Paddy (small scale cultivation) | 4,02  | 4,17  | 4,07  | 4,17  |
| Bananas                         | 27,0   | 24,1  | -     | -     |
| Plantain                        | 23,6   | 21,7  | 23,3  | 23,8  |

(yield in 1000kg)

| Beef                            | 2,246  | 1,952 | 1,890 | 1,606 |
| Pork                            | 1,006  | 1,165 | 1,282 | 1,437 |
| Chicken                         | 3,805  | -     | 4,920 | 5,538 |
| Eggs (million pieces)           | 38     | 50    | 55    | 55    |

Table Agricultural and livestock production data (Source: MAAHF, ABS)

When we go back in time and have a close look at the period 1993 – 200 (see annex 2) it may be observed that, as was mentioned before, a significant decline in the total area under cultivation, from 75,583 in 1995 ha to 51,915 ha in 2000; A decline of 31%. This remarkable decline could have occurred by reason of: the decline in the cultivated citrus area, reduced utilisation of areas suitable for holding cattle and rice cultivation (large scale rice farmers, SML included), the oil palm industry becoming extinct, and the under-utilisation of agricultural area issued to small-scale agricultural entrepreneurs. Become extinct

Government has the intention to retreat from primary agricultural production. This implies that agricultural parastatal companies will be privatised. The first two companies that will be
subjected to privatisation are Surland and SML. The critical question for drafting the Agricultural Sector Plan remains: What are the main reasons for the decline of the agricultural sector? (Source: MAAHF).

**Sub-sectors**
The different sub-sectors will first be studied in detail, before an attempt will be made to answer the question. For the development in the sub-sectors rice, bananas and oil palm a link was made to current studies and developments. These do not fall under the scope of the ASP because of their advanced stage of development. That is why it was decided to already describe the interventions in these sub-sectors in this chapter, 4, and not in chapter 7, the intervention logic.

4.1 **Rice**
The rice sector is the principal agricultural sector. About half of the agricultural companies in Suriname are paddy companies. In 2002 rice production, in spite of the fall in production over the years before, was still the fourth net foreign currency generating activity in our country (alumina 72.2%, fish and shrimps 12.6%; crude oil 10.6%, rice 3.5%). Recently the Surinamese rice sector was thoroughly screened by order of the EU. This comprehensive study “Feasibility Study of Cariforum Rice Industry” is submitted as an annex to the ASP. The SWOT analysis and the logical framework that were done in this study for the rice sector imply explicitly that this sector needs to be reorganised and should be arranged more efficiently. Government, with the implementation of the EU intervention, implicitly states that she intends to revitalize the sector and will assume responsibility for the necessary policy implementations.

The circumstance for this EU intervention is the reduction of preferential access of ACP countries for rice exports to the European market over a period of 8 years. As compensation measure the EU is willing to support ACP countries (especially Suriname and Guyana) with measures to enhance their capability to compete on the international market in comparison to other suppliers. In this regard Suriname may expect financial and technical assistance from the EU for the next three years for a total amount of 9.2 million Euros. The prerequisite is that the Government adds at least one third of this sum, as Government contribution for revitalizing this sector. The actual implementation of this support will come about soon (before June 2004). The Ministry of Agriculture and ADRO are constantly studying and monitoring the developments in the sector. In this framework the key question whether or not the rice sector in Suriname still has a future may obtain a positive response.

**Current situation**
In recent years the rice sector has been confronted with increasing cost of production and declining yields. Production showed a downward trend and world market prices also declined. The pressure on Surinamese rice increased because the quality of consumption- and milling quality of Surinamese cargo rice over the past years went down. Unfortunately productivity is barely increasing. Improved productivity might compensate for the higher international prices. Regrettably in many instances there is even an increase in cost of production (interest rates, declining yields). Delayed payments of bank loans of many rice companies contribute to the difficulty in arriving at a simple, adequate solution. For these reasons many rice producers and millers got into problems. Some of them almost reached the stage of bankruptcy or owe banks large sums of money. Others may have survived, but are not capable anymore to finance the necessary investments for maintenance and replacements. This development caused quite some changes in owners of, namely, large rice producing companies.
**Yields and costs of production per ha**
The world market price for Surinamese rice is a guaranteed price (Suriname is a price taker). Therefore in developing policy one should focus on an efficient organisation and regulating the production of the entire chain, cost price, and on the yield per ha. In the table presented below it is shown for two price levels of wet paddy (USD 165/tom and USD 90/ton) how the rice sector can be profitable nevertheless.

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2001</th>
<th>Lower cost scenario</th>
<th>Lower cost and higher yield scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>World market price cargo (USD/ton)</td>
<td>350</td>
<td>220</td>
<td>220</td>
<td>220</td>
</tr>
<tr>
<td>Production costs paddy (USD/ha)</td>
<td>550</td>
<td>550</td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td>Yield wet paddy (ton per ha)</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Costs per ton</td>
<td>128</td>
<td>128</td>
<td>105</td>
<td>76</td>
</tr>
<tr>
<td>Paid to farmer (USD/ton)</td>
<td>165</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Profit per ton</td>
<td>37</td>
<td>-38</td>
<td>-15</td>
<td>14</td>
</tr>
<tr>
<td>Profit per ha</td>
<td>159</td>
<td>-163</td>
<td>-65</td>
<td>83</td>
</tr>
</tbody>
</table>

Table Lower costs and higher yields for paddy production (Source: ADRON)

In this table it is elucidate how, at a lower world market price (from 350 to 220 USD/ton), the Surinamese rice industry could become profitable after all, when the cost price is lowered (from 550 to 450 USD/ha) and the yield per ha is improved (from 4.3 to 5.9 ton/ha). Even at a low market price of 220 USD/ton a profit of US $ 83 per ha could be attained. According to the rice research station, ADRON, this is technically and management-wise feasible. Over the next 3 years the European Union (EU) will provide the Suriname rice sector Euro 9.2 million in financial aid and technical assistance. In conclusion: interventions of Government/donors should focus on strengthening the mentioned elements:

- Improving production/processing technology;
- Improving the physical infrastructure;
- Adequate extension and training;
- Supporting and encouraging farmers to get organised and ensure a strong mutual coordinated collaboration

The interventions need to establish preconditions to enable the rice sector to sustain itself and as a result contribute to the development of Suriname.

**Outlook of the rice sector**
For discussions with the stakeholders it has proven to be useful to present an overview of the analysis of the strengths and weaknesses of the sector. Of course, such a SWOT analysis is only indicative and not comprehensive. Also the significance of the differentiated factors is not equivalent.

The strengths of the Surinamese rice sector are as follows (ADRON):
- fertile, heavy clay soils;
- large fresh water reservoir;
- two growing seasons;
- only a few rice diseases;
- experience with regard to mechanized rice cultivation;
- enterprising producers and millers.

The identified weaknesses are:
- inadequate seed supply;
- responsibility for physical infrastructure is under three different ministries (MAAHF, Regional Development and Public Works)
- little experience of producers on cooperation;
- producers are much too dependent upon Government;
- high interest rates;
- prices for inputs not in conformity with the market;
- insufficient extension and practical training.

These strengths and weaknesses are described extensively in the annex regarding the EU report. The issue is to what extend the strengths can be capitalize and the weaknesses can be overcome. For this purpose for the discussion with stakeholders the contradictions between opportunities ant threats may be useful. Furthermore, the threats form the essential prerequisities in the logical-framework-approach of the interventions that should be assumed by the Government/donors.

The treats to some extent entail that intended Government interventions, in collaboration with the IDB, to implement a decentralisation programme would fail. Moreover, this programme aims at removing existing inefficiencies in the centralised government. This surely avenges itself with regard to infrastructure and in the districts. In relation to this administrative-wise it becomes possible again to arrive at effective functioning of the institute of water boards. Also in the process of revitalizing water boards, that is currently actively executed, during the initial phase Government played a crucial role (with regard to law and regulations). Threats also exist in relation to prices for inputs (too high) and the market prices for cargo rice (too low).

Nevertheless, opportunities seem to be realistic. The report produced by ADRON unambiguously showed that there is a future for the Surinamese rice sector. Key concepts are: improving production/processing infrastructure, physical infrastructure, an integral chain approach and cooperation. To achieve the first point raised applied research, training and availability of knowledge are essential (ADRON should obtain additional strengthening). Down the road of mutual training (rice study clubs) mutual cooperation the necessary could be furthered.

Improving physical infrastructure will strongly depend upon the success of the water board programme. Also with regard to this facet mutual cooperation and joint responsibility will be extremely important and not as such on dependence upon Government.

4.2 Bananas

Restructuring and safeguarding the banana sector

Banana production in Suriname covers a history of about a century and involvement of Government in this sector is almost about the same time frame. However, only in 1970, as a result of the establishment of the state owned company Surland N.V., export of fresh produce of this commodity got a boost. Over 30 years this state owned company contributed considerably to national production, export and employment, but due to, among other things,
international developments (marketing) and internal financial, production and management problems, this state owned company reached the danger zone and eventually, in April 2002 the company was closed. Pertaining to importance the bananas sector used to be in rank the third important agricultural export sector of Suriname. The share in comparison with the total export value was about 3%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Export in 1000 ton</th>
<th>Average export price USD/box</th>
<th>Export in mln USD</th>
<th>Costs in mln USD</th>
<th>Net result in mln USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>26.6</td>
<td>9.57</td>
<td>14.2</td>
<td>17.1</td>
<td>-2.9</td>
</tr>
<tr>
<td>1997</td>
<td>28.9</td>
<td>10.01</td>
<td>16.1</td>
<td>21.9</td>
<td>-6.1</td>
</tr>
<tr>
<td>1998</td>
<td>23.3</td>
<td>9.32</td>
<td>12.1</td>
<td>19.1</td>
<td>-8.0</td>
</tr>
<tr>
<td>1999</td>
<td>39.1</td>
<td>8.94</td>
<td>19.8</td>
<td>20.9</td>
<td>-5.5</td>
</tr>
<tr>
<td>2000</td>
<td>34.5</td>
<td>7.41</td>
<td>14.6</td>
<td>19.6</td>
<td>-4.2</td>
</tr>
<tr>
<td>2001</td>
<td>28.9</td>
<td>6.65</td>
<td>10.5</td>
<td>12.8</td>
<td>-5.6</td>
</tr>
</tbody>
</table>

**Table** Net numbers Surland 1996-1999 (Source: Min. LVV, Surland NV)

Because of the macro-economic policy (strong fluctuations in exchange rates) it should be mentioned that the revenues of this company have been undervalued for several years, while the cost of production often followed the exchange rate of the parallel market. Surland was closed down during a period in which there was an ongoing restructuring programme for the bananas sector, financed by the EU, that should enhance Surland's capability to compete on the international market (the starting point was the so-called JEXCO report). The rigorously changed international marketing situation and Surland's internal problems caused that Government had to examine, the situation that had arisen, meticulously. A decision was then taken in order to retain and for long-term development of the company (please refer to annex SWOT analysis of the bananas sector). The company is currently being rehabilitated in the form of a foundation (Foundation for retaining the Banana Sector in Suriname - SBBS) and will eventually be privatized.

For this development the restructuring programme that had been carried out so far, had be reviewed and a more extensive restructuring programme had to be put in place, in which also the institutional framework for implementing this plan had to be amended. The objective of the new plan that is currently being executed is: establishing a sustainable and competitive banana industry in a liberalized world market. This plan comprises of three elements:

1. A transitional phase (October 2002 until April 2003) to prepare the restart of the company, during which designing and organizing the "new banana company" will be the
core business. Government has already allocated over 4.5 billion Surinamese Guilders (SF), as working capital, for this purpose.

2. The second phase encompasses the establishment of the new banana company to revitalize production at a sound and sustainable basis, apart from the financial and social business of the “old Surland N.V.”. Towards this end, among other things, there must be an appraisal of the assets of the old Surland and the new production-organization, labour agreements and remunerations should be developed. The responsibility to implement is to again cultivate an area of 2,350 ha so as to be able to export again during March/April 2004 and to accomplish a yield of 41 ton/ha in a period of three years and then to export 5.4 million boxes of bananas annually with an FOB market price US $ 5.70 per box in 2006. To facilitate the company to fulfil the ambitious goals set, the EU provides technical assistance during a three-year period, in the form of a “Technical support Team” comprising of four French consultants and short-term consultancy.

3. The third step develops at the same pace as the two other steps whereby simultaneously all preparations are done for Government withdrawal from the primary banana production process and the necessary steps will be taken to privatise the “new banana company”. By the end of 2003 the first results within this framework were obtained and studied and the next phase was initiated. This implies that the company should be privatised before the end of the year 2004.

All necessary actions and activities are recorded in a business plan June 2002 – December 2007, to which the EU has committed itself to do an investment, including technical assistance, of 20.57 million Euros and the Government to supply the additional sum of US $ 7.3 million as working capital (see report). Moreover Government will reschedule/carry over or settle the depths of the old company, Surland,

So far the planning- and implementation process did not occur not smoothly, but after adjustments the process in now well on track (see annex – logical framework). Also remarks can be made with regard to the selected methodology, financing and privatisation, since not everything seems to be effective. The considerable market- and price uncertainties, as well as the high production and organisation objectives correspond to immense demands on the methodology and the new organisation. In spite of the positive outlook for a competitive banana sector in a completely liberalized world there is no conformity on the feasibility of the technical as well as the organisational objectives. High labour costs and low productivity per hectare, in comparison to big banana producing countries in Central America, can only be compensated through effective cooperation and organisation in an effective production process. Provided all these facets, the business plan may considered to be ambitious and it may be stated that the investment are not without risk. It is sensible to meticulously follow the progress of the plan, so that when this is necessary adequate measures can timely be taken.

4.3 Oil Palm

Production of oil palm by the Government (over 7,000 hectare) ceased due to, among other things, damage experienced during the inland war, the effects of spearrot disease and lack of labourers for harvesting. Cost of production for palm oil production in Suriname was high in comparison to that in Malaysia and Indonesia. Furthermore the yields of the state-owned (parastatal) companies (Victoria, Phedra and Patamacca) were not very encouraging. Besides Government policy not to participate in the primary production process anymore, these are the reasons why no public or donor funds should be invested anymore in the primary production of oil palm By the beginning of the year 2004 the Government signed an agreement with the Chinese Company, China Zhong Heng Tai Investment Company Limited, to convert 40.000 hectares of forest into an oil palm plantation with four palm oil processing units. The total area available is over 52,000 ha. The formula that is employed for the investment is to re-invest part of the profits, that will be made from exploiting primeval
forest (timber production), for the establishment of the oil palm plantation. According to the calculations made this will guarantee profitability (oil palm in itself is not a profitable activity in Suriname).

Many of the favourable envisaged developments will depend upon how actions are implemented and on the market and price developments on the international market (for timber as well as for oil palm). There are quite some risks associated with this project, but bringing about developments concerns making choices, and in this regard the choice for agricultural diversification in the direction of the east of Suriname is for several reasons legitimate. However the developments should carefully be monitored and when and where necessary adjustments should be made. It will be necessary to make high demands of the Steering Committee that will function as the Government counterpart of China Zhong Heng Tai Investment Co. Ltd. Also, even more than before, for these kind of large-scale projects, notwithstanding whom initiated this project, Government and private sector will have to seek synergetic and multiplier possibilities, to guarantee that the development potential can best be utilized.

4.4 Fisheries

The economic important fisheries organisms can be found mainly on or just above the bottom of the sea (the so-called demersal populations) and in the large water column (the so-called pelagic populations). The pelagic populations can be classified as small pelagic fish species that occur in high concentrations near the coast in the surface area and the large pelagic fisheries that occur in a remote distance from the coast. Except for the Atlantic Ocean, also the brackish river mouths of large rivers, the extended plains in the estuaries, the rivers, the swamps and the storage lake also contribute to the fish and shrimp potential of Suriname.

Shrimp and fish products form at present, after alumina the most important export product of Suriname (alumina 72%, fish and shrimps 12.6%, crude oil 10.6%, rice 3.5% and timber 1.1%). (Source: Central Bank of Suriname, 2003). For 2001 the export figures were as follows:

- large marine shrimps 24,041,761 USD
- aquaculture shrimps 1,100,000 USD
- Seabob shrimps 11,349,022 USD
- fish 11,396,000 USD

The development of the sub-sector Fisheries has been successful and is at present the most important foreign exchange earner and became the main pillar of the agricultural sector in terms of foreign exchange earnings. The sub-sector employs more than 5,000 persons and contributes 5% to the GDP.

A few well-known fish species are probably already being exploited at or close to the maximum yield possible (MSY), provided their biological potential, while other fish species are still under-exploited, that is the large and small pelagic fish species that occur quite a distance from the coast. The bulk of the main product, marine shrimps and seabob shrimps, are largely processed and exported by four companies (SAIL, SUJAFI, SIS and Guyana
Seafoods). To ensure improved efficiency and efficacy, privatisation of the parastatal company SAIL is currently being studied in consultation with the Government.

4.5 Animal Production

Beef production meets the local demand, although in recent years the cattle herd declined, due to excessive slaughtering. Special attentions should therefore be given to adopting measures that will again lead to growth of the bovine herd. An adequate disease monitoring system could support this. This might result in a reduction in the number of, namely, death calves.

Local dairy production satisfies about 30 % of local milk consumption. For years the dairy industry has been unprofitable as prices for milk were determined by Government and were below cost price. In recent years the farm gate price increased considerably. This encouraged local dairy production.

Egg production is sufficient to meet the local demand.

In the past local broiler production met local demands. Due to competition from imported, cheap chicken parts the market share of local production in poultry consumption decreased. With and adequate tariff system for duties for the import of chicken parts the share of local production in the demand for chicken may increase again. In relation to the CARICOM region Surinamese poultry production is reasonably efficient. The cost price, on the basis of whole (undivided) slaughtered chicken, is comparable to those of efficient producers in the United States of America.

Local production of pork meets consumption needs.

4.6 Horticulture

In this chapter the agricultural crops are discussed, that cannot be considered to be “significant agricultural crops”, because of the scale of production or because of the production technology. These crops include vegetables, citrus or other fruit, root and tuber crops, and flowers and ornamentals.

Vegetables

In Suriname some 3,000 – 4,000 full-time and part-time farmers cultivate vegetables. The major production areas are: Kwatta, Wayombo, Meerzorg and surroundings, Boma and Leidingen, Lelydorp and Motkreek. In table 5 the area planted, the yield and the export data are portrayed. Unfortunately the production statistics of horticultural crops show a declining trend.

Table  Area planted (in ha) to vegetable crops between 1993 – 2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables Area in ha.</td>
<td>2,554</td>
<td>2,058</td>
<td>1,774</td>
<td>1,768</td>
<td>1,258</td>
<td>976</td>
<td>967</td>
<td>1092</td>
<td>1034</td>
</tr>
<tr>
<td>Yield in tons</td>
<td>38,370</td>
<td>35,658</td>
<td>33,218</td>
<td>33,123</td>
<td>21,185</td>
<td>15,021</td>
<td>15,758</td>
<td>17,073</td>
<td>17,138</td>
</tr>
<tr>
<td>Export in tons</td>
<td>2770</td>
<td>2363</td>
<td>2294</td>
<td>1941</td>
<td>2221</td>
<td>2211</td>
<td>2162</td>
<td>2730</td>
<td>2447</td>
</tr>
<tr>
<td>Export production value in mln. US$</td>
<td>+/-937,000</td>
<td>+/-1,081,000</td>
<td>801,937</td>
<td>648,481</td>
<td>645,743</td>
<td>587,795</td>
<td>594,027</td>
<td>676,945</td>
<td>655,216</td>
</tr>
</tbody>
</table>

Source: MAAHF-Statistics Division  (Remark: export occurs mainly to the Netherlands)

The acreages that are annually being planted per entrepreneur are insignificant (between 0.08 and 2.0 hectare). Under-utilisation of areas is substantial, since the available land is
often considerably larger. The small sizes of the acreages used for crop cultivation per farmer, results in a smaller acreage per kind of vegetable, because of risk spreading.

Striking characteristics for vegetable crop cultivation are.

- Small acreages of area planted per farmer;
- Low degree of mechanization (except for tillage);
- Large amounts of artificial fertilizer and pesticides are utilized;
- Great risks of harvest failure due to inadequate irrigation and drainage in times of adverse weather conditions.

Besides water management, marketing is also one of the major problems the farmers cope with. There is a strong structural position of dependency of the producers in comparison to the trader/buyer. The turnover per trader is limited; causing that this group increases their profit margins. With respect to export, it may be noted that the position of the Surinamese exporter declined over the past years, because of increasing competitiveness, the high prices of the modern imported inputs (like machinery), fertilizer and pesticides, and the outdated production methods. The kinds of vegetables that are exported include: African eggplant ("antroewa"), eggplant, yard long beans, fresh peppers, okra, tanya leaves and pumpkin. On the Dutch Market Surinamese vegetables face strong competition from vegetables from South-East Asia, the Dominican Republic and Africa (Ghana, Zimbabwe). The export quality of vegetables from competing countries in comparison to Surinamese vegetables has improved over the past five years and the prices are reasonable.

This sector also has to face rather high tariffs for transportation by air, whereas, namely, in the Dominican Republic and Ghana, competitive tariffs apply. 12 – 15 exporters are actively involved on the export market, which is mainly the Dutch market and French Guyana. A "niche" market exists for tropical and off-season vegetables on the EU market. In fact, there are also possibilities for export to CARICOM countries, in particular Barbados. Production takes places throughout the year, even in the dry seasons when producers are often not capable to irrigate. Regular vegetable suppliers provide buyers produce based on fixed agreements; some type of contract cultivation. There are indications that, especially during the European winter season, export to Europe could increase provided that a number of conditions are met. Climatologic the small rainy season nicely links up with the off-season or winter period to export vegetables and fruit to the European Union. Recently, in relation to the increased control measures with regard to food safety on imported food products in Europe, periodically there have been some problems with exported Surinamese vegetables. Strict control measures and adequate extension and training on the use of chemicals and pesticides are necessary to guarantee that farmers can continue to produce for the local market as well as the international market.

**Citrus and other fruit**

In the fruits sector statistics also show a downward trend. It should even be mentioned that the figures regarding areas planted to fruit crops probably are rather flattering and that, in fact, the reality might be more discouraging.
Table: Area planted (ha) to the major fruit crops 1993 – 2000

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Citrus</td>
<td>2,495</td>
<td>2,388</td>
<td>2,020</td>
<td>1,847</td>
<td>1,775</td>
<td>1,699</td>
<td>1,738</td>
<td>1,689</td>
<td>1,736</td>
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<tr>
<td>Oil palm</td>
<td>3,870</td>
<td>2,800</td>
<td>2,560</td>
<td>2,300</td>
<td>1,900</td>
<td>1,900</td>
<td>1,900</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Coconut</td>
<td>1,416</td>
<td>2,260</td>
<td>1,146</td>
<td>1,148</td>
<td>1,126</td>
<td>1,074</td>
<td>1,082</td>
<td>1,078</td>
<td>1,036</td>
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<tr>
<td>Plantain</td>
<td>904</td>
<td>677</td>
<td>526</td>
<td>511</td>
<td>616</td>
<td>460</td>
<td>496</td>
<td>536</td>
<td>482</td>
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<tr>
<td>Mango</td>
<td>216</td>
<td>192</td>
<td>204</td>
<td>200</td>
<td>183</td>
<td>183</td>
<td>144</td>
<td>163</td>
<td>157</td>
</tr>
<tr>
<td>Watermelon</td>
<td>423</td>
<td>350</td>
<td>190</td>
<td>174</td>
<td>163</td>
<td>119</td>
<td>140</td>
<td>211</td>
<td>189</td>
</tr>
<tr>
<td>Passion Fruit</td>
<td>98</td>
<td>72</td>
<td>49</td>
<td>37</td>
<td>22</td>
<td>18</td>
<td>21</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td>Pineapple</td>
<td>28</td>
<td>29</td>
<td>34</td>
<td>25</td>
<td>30</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Fruit exp./ton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>618</td>
<td>508</td>
<td>503</td>
</tr>
<tr>
<td>Exp. value/ton</td>
<td>269</td>
<td>273</td>
<td>267</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Source: MAAHF – Statistics Division (Remark: Surland not included (circa 2000 ha) and where, after Surland-bananas mango is the most important export fruit product)

The area planted to fruit crops and the corresponding production declined significantly during the period 1995 – 2002. In 1995 the area planted to fruit crops comprised about 10,240 hectare. In 2002 a decline to 5,785 hectare can be observed, the area of 2,172 for banana production included. The citrus area was about 1,690 hectare in 2001; while in 1995 the citrus acreage was 2,380 in 2002 a slight increase of the citrus area to 1,1738 can be noted. In addition, the plantings of perennial crops are quite old and production is not in line with business-economical and effective planned systems. Also, a long-term development perception for fruit cultivation that requires special facilities like investment credits, market developments and extension, are lacking.

Due to the fact that many citrus plantations ceased production, citrus production declined. There hardly is any development on the establishment of new plantation of reasonable size (e.g. planting of 50 hectare). Citrus is cultivated on an area of less then 1,736 hectare. Private owned plantations and principally small-scale plantings play an important part. During the period 1990 – 1994 the total area varied from about 2,275 ha to about 2,495 ha. The productive area was about 1,700 ha. Production mainly takes place in the Commewijne district (896 ha), the Wanica district (811 ha) and the Saramacca district. Citrus production comprises for: about 80% production of oranges, 10% grapefruit and further more other citrus species, like mandarins, lime and lemon. Citrus export was 120,000 tons in 1965. Export was principally to Holland. In due course citrus production decreased tremendously, and is since 1994 close to nil. The facilities for post harvest handling are limited. This fact offers limited perspective for expansion of production.

Reasons for not being able to export to Europe anymore include, among other things:
- Neglected infrastructure for irrigation and drainage;
- Old plantings;
- Insufficient cool storage facilities;
- Irregular and insufficient refrigerated transport facilities;
- In recent times, lack of labourers;
- Increase in export production in countries in the Mediterranean and Brazil.

A few private processing companies do processing of citrus and other fruit. With regard to other fruit types like passion fruit, West Indian cherry, papaya, pineapple and mango it is worth mentioning that there have been periods during which to a limited extent commercial cultivation arose. Unfortunately this development did not last, resulting in the fact that in general fruit became expensive for consumers. Fruit production areas vary from between...
0.04 ha and 4.0 ha. A more professional approach in the future may result in expansion of the export potential. Competition on the local market for the various presented beverage, including fruit juices, has increased since Suriname became a CARICOM member state. These juices often seem to be cheaper than locally produced juices.

The companies that are predominantly small-scale companies, and largely manually operated juices industry barely advanced over the past years, except for a few companies, and the number of food processing companies remains rather constant, although there are some that cease production and new companies emerge. Due to a lack of foreign currency during the period 1990 – 1994 and the volatile economic situation of the country, Surinamese juice producers experienced a setback in the development of their factories, causing that they now have to cope with outdated machines and a supply of fruit produce that shows strong fluctuations in quantity and price. The non-regulated process of procurement and export of fruit to French Guyana unquestionably also contributed to this development. Except for these transports to neighbouring country French Guyana, there is barely any export of fresh fruits. It is possible to develop a prosperous sector. According to several studies the solution should be sought in:

- Organization of fruit growers and working on better structuring of processing;
- Improving technical know-how on cultivation, transport, processing and packaging of produce;
- Competitive tariffs for freight (air- and sea-)

In conclusion it may be stated that there is sufficient export potential for the vegetables and fruit sector. This can be exploited through among other things:

1. Developing and establishing professionally structured vegetables- and fruit enterprises of optimal size, where sun/shade monitoring and water management, according to modern methods are applied, guarantee a more or less constant annual production;
2. Educate and develop sufficient full-time vegetable and fruit producers, based on the issues raised in the first point, that produce for the export market and can be assured of an adequate family income and have further perspectives to advance further.
3. Reorganising the supply of planting material and encourage private investments in nurseries that can propagate planting material based on a supple credit facility is a priority.

Because of the large scale operation banana production is described in paragraph 4.2. Also for fruit production in general applies that there are more extensive possibilities on the export market for fresh as well as processed fruit. In this regard a strategic chain project should be developed that addresses, among other things cultivation practices (e.g. fruit trees with intercropping) and post-harvest handling and processing. The existence of the plant propagating company PhytoTech forms a positive factor for the development of the sector. This company is capable of supplying large amounts of planting material through tissue culture methods.

*Root and tuber crops*

The area regarding cultivated cassava and other root and tuber crops comprised 695 ha in 1993, while in 2002 this area has shown to decline to 300 ha. Root and tuber crops are predominantly grown in the district and by the inhabitants of the interior. Migration to the city as well as the changed food producing structure in the interior, owing to the strong incorporation of the monetary economy – among other things because of the gold mining activities – have certainly contributed to the decline. A direct consequence is that prices of, in particular de wide variety of root and tuber crops, have significantly increased and has become inaccessible to the poor groups of the population. The large number of inhabitants from the interior that currently reside in Paramaribo bring about a growing demand, causing that prices of these products rise even higher if the production does not increase. Except for
the local demand there is also a potential market in the CARICOM Region that should be fully exploited. The potential for processing root and tuber crops has not developed to date, but should certainly be exploited. This is completely in line with the policy on the subject of crop diversification and the production of non-traditional agricultural crops with supplementary value added possibilities.

**Flowers and ornamentals**
Both floriculture and the production of ornamentals are important in Suriname. Producers of flowers and ornamentals in Suriname can be classified as follows:

1. Leaf products: this group of products includes several croton types, **cordyline**, **typha**, ferns and **pandan**us; Sizes of leaves vary: small, medium, regular, large and extra large;
2. Cuttings: several types of croton, **draceana**, **cordyline** and treefern;
3. Ornamental grasses. 2 types of **pennisetium**, several **cyperus** types and **papyrus**;
4. Flowers and fruit-like flowers: red ginger, several **Heliconia** varieties (stricta, rostrata, golden torch, l**ady Die**, sisi, opal, sexy pink, sexy yellow, sexy scarlet, golden ginger, lime ginger, **musa veluntina**, **musa ornata**);
5. Plants. mainly palms and cuttings for pot plants;
6. Decoration material: lotus spikes, lotus flowers, **bixa**, **Phena cospermum**, banana combs
7. Other products: bouquets (several kinds.)

The above-mentioned products can also be classified according to size and weight and to the degree of softness. A few private entrepreneurs grow flowers and ornamentals destined for the export market. Flower and ornamental companies that focus on the export market are situated in the coastal area from a distance of 20 to 80 km to the airport, Zanderij, and are spread over the districts of Commewijne, Wanica, Para and Saramacca.

The flowers and ornamental sector is only for about 10 years in the picture as a commercial activity. In 2000 about 15 – 20 companies were commercially growing flowers and ornamentals destined for the export market. Flower and ornamental companies that focus on the export market are situated in the coastal area from a distance of 20 to 80 km to the airport, Zanderij, and are spread over the districts of Commewijne, Wanica, Para and Saramacca.

<table>
<thead>
<tr>
<th>Total figures flower exports /year</th>
<th>Gross weight in kg</th>
<th>Customs value/US$</th>
<th>US$ /ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>435,650</td>
<td>193,790</td>
<td>475</td>
</tr>
<tr>
<td>2001</td>
<td>384,097</td>
<td>128,717</td>
<td>353</td>
</tr>
<tr>
<td>2002</td>
<td>310,320</td>
<td>140,277</td>
<td>482</td>
</tr>
</tbody>
</table>
### Total figures flower imports /year | Gross weight in kg | Customs value/US$ | US$ /ton
--- | --- | --- | ---
2001 | 10,294 | 129,964 | 14,052
2002 | 11,347 | 120,507 | 11,110

Source: Ministry of Agriculture – Statistics Division.

The export destinations include The Netherlands, the Netherlands Antilles and the United States of America. Very small amounts are also exported to French Guyana, Germany and Aruba. To a large extent the export concerns flowers (*Heliconia* types and other tropical flowers, plants leaf and cutting material, bulbs and corms). It should be noted that the weight price ratio for the majority of these products, which are transported by air, is quite unfavourable for many of the export producers. Imports regard mainly imports from The Netherlands and Thailand and concern bulbs and corms in leave or flowering and other living plants, cuttings and budded material (orchids and roses).

Commercial development of the flower and ornamental sector of Suriname experiences serious constraints, due to –among other things- the small scale of operation, the public infrastructure and lack of expertise. This results in: declined exports, a reduction in the number of exporters and entrepreneurs focussed on export, and so on. Essentially it comes to a vicious circle and there is hardly any further development of this sector, whilst the outlooks for this sector are conducive: favourable climate, cheap land and water, non-existence of natural disasters, no serious pests and diseases, relatively cheap and educated labourers than can easily be trained.

With regard to marketing, there are opportunities in niche markets and possibilities to liase with networks in The Netherlands. There are also perspectives on bilateral and multilateral financing and donations. The general tendency in importing countries in Europe is that the interest for tropical flowers and ornamentals is increasing (*Heliconia’s, Protea, Strelitzia, Zantedeschia*) in the consumers’ as well as in the business’ market (bouquets and floral arrangements). It should, however, be taken into consideration that the market share in Europe of tropical cut flowers will remain relatively small (tropical products hold a market share of 3% in international trade, however there is an advantage with regard to price).

For developing this sub-sector it is extremely important that Government policy involves an adequately directed stimulating and facilitating policy that focuses on export. This should have priority, since the outlook for expansion for the export seems to be more favourable than for traditional agricultural export crops. It is important that a number of actions are taken to remove the limiting factors and that the trade and industries sector chooses product, based on economic considerations, and that conditions for production are generated that are well in line with the demand. In the Strategic Plan for flowers and ornamentals for Suriname (January 2001) sound recommendations are made for developing this sector. These recommendations should be further detailed and actions should be taken to fulfil these policy proposals. An action plan, according to this model, could include the following:
### Non-investment measures

- Eliminate foreign exchange differences
- “One stop” export dispatch system
- Phyto-sanitary inspection according to international standards
- Improve the policy on issuance of crown land and provide the framework for adequate utilization of land
- Amend the Investment Law so optimal effect can be accomplished
- Introduce fiscal investment benefits to encourage production
- Update legislation on labour
- Develop measures for the furtherance of investments.

### Investment measures

- Increase investment credit
- Improve dispatch of cargo and cool storage facilities
- Establishment of a Flowers and Ornamentals Bureau for research, training and extension
- Establishing a Investment-Promotion Agency
- Improving infrastructure (roads and irrigation and drainage facilities) and maintenance of infrastructure
- Improved phyto-sanitary attention.

### Measures to be taken by Government

- Attain adequate export quality and a larger volume
- Cargo freights apart from combi-freights
- Integration and collaboration between exporters and producers
- Encouraging policy on import of inputs for production
- Organization of this sector

### Measures to be taken by the private sector

- Investments in the companies
- Technological development
- Supply of planting material
- Partner Bureau for flowers and ornamentals
- Market research
- Research on cultivation techniques
- Refrigerated transport and cool storage

Of course additional issues could be added to the overview. It is important to associate the development with a budget and a time frame. This will be needed for rapid advanced growth of this export-oriented production.

**Horticulture in general; concluding remarks**

Attempts in the past to develop large-scale non-traditional agricultural production for, among other things, export purposes were not successful. Inconsistent policy, lack of labourers, as well as lack of private initiative and selective Government attention for rice and oil palm can be listed as causes. In the introduction the decline in production in the past years was already mentioned. The SWOT analysis below provides an indication of the general perspective.

The strengths of the horticultural sector include:

- favourable climate
- suitable soils
- experience with regard to cultivation of many horticulture crops.
The weaknesses include:
- little cooperation
- inadequate logistic organisation
- seasonal supply of produce and a wide fluctuation of prices
- small-scale and fragmented operation
- inadequate physical infrastructure
- outdated cultivation practices and a delay in adopting the chain approach.

The threats include:
- higher quality standards put forward by foreign buyers (Eurepgap)
- competition from low-wage countries

The opportunities include:
- growing markets (expansion of the EU)
- availability of new techniques
- private initiative concerning new cultivations
- practical /applied training in cultivation practices, processing and marketing
- interest from foreign buyers
- Government policy on food safety and quality control
- Government intention for revitalizing water boards

The SWOT analysis provided above on the horticultural sector and other agricultural crops indicates that there is outlook for a promising future; however, substantial institutional strengthening and support will be needed.

4.7 Summary and conclusion

In the introduction of the description of the current situation of the horticultural sector the question was raised why the agricultural sector declined to the extent that was noted. In the chapter on the macro-economic situation of Suriname numerous components of the economic policy in the nineties were mentioned to which the decline can be attributed. In the chapter on analysis of the agricultural sector this question is dealt with more in-depth. Nevertheless, considering chapter 3, in which the macro-economic is addressed, the main features can be distilled. From macro-economic point of view a sector can decline (with regard to contribution to the GDP and other aspects) for several reasons. First of all, one or more other sectors may represent more favourable revenue perspectives, resulting in the fact that producers change from the agricultural sector to another sector. Besides, the exchange-value in comparison to other sectors might go downhill. This denotes an increase in costs and a decline in yields in comparison to production of providing services elsewhere. For the Surinamese agricultural development over de past years additionally the following points can be raised:

- excessive overload with regard to the exchange rate for the export-oriented agriculture, due to the huge discrepancies between the formal exchange rate at export and the exchange rates of the parallel market for imports of inputs
- withdrawal of market preferences in Europe (Bananas, rice)
- the disrupted labour force situation due to the immense Public (Government) apparatus and the salary adjustments, which cannot be borne by the private sector, and the effects of the internal war to, in particular, the oil palm sector and the infrastructure of the interior.

When the macro-economic policy was analysed it was observed that in the nineties of the previous century the policy was not satisfactory. For producers this meant an increase in
costs of production and due to, among other things, the obligation to certain amount of foreign currency at the ports, a decline in yields. Also as a consequence of the exerted policy the informal sector demonstrated a steady growth. It is not a matter of exaggeration when it is stated this growth, in part, developed at the cost of the agricultural sector. The current policy on monetary and budgetary stability, bringing down the informal sector and decentralisation offers, in particular for the agricultural sector, a positive outlook. When the sub-sectors were addressed it was mentioned that when the environment factors or prerequisite would have attained an appropriate level, the sub-sectors have numerous opportunities to recover. In the chapters to follow this optimistic statements will further be elucidated.

Literature

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- LVV - Hoofdlijnen van het Visserijbeleid; 2002
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- LVV Project team - Inception Report Agricultural Sector Analysis; mei 2003
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- Power - Het beleidstrategisch plan voor de subsector Visserij in Suriname; November 2003
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5. ANALYSIS OF THE AGRICULTURAL SECTOR

5.1 Problem analysis

This paragraph imparts a view on problems the agricultural sector of Suriname has to cope with. In itself there is not much new information, provided that the overview that is shown below presents a picture of the main problems and their mutual coherence. The agricultural sector has meticulously been reviewed and as a follow-up of the review the results were incorporated in a schedule. In the presented reasoning there is a sequence from causes to consequences. With regard to the overview the following remarks are vital:

- The analysis concerns the entire agricultural sector and therefore represents a high level of abstraction;
- An overview like this is never exhaustive and therefore does not pretend to be complete. It does, however, portray a clear depiction of the situation;
- Only the most obvious linkages are mentioned, since otherwise the schedule would be illegible and would than be useless;
- From a practical point of view a choice was made for two text plains that are in mutual cohesion.

*George Beckford – Persistent Poverty, underdevelopment in plantation economies of the Third World / Arthur Lewis – Economic Development with unlimited supplies of labour.
Mining economy
- Emphasis on consumption and import
  - No impulse for development reproductive sectors
  - No stimulus agro-entrepreneurs
  - Poor business and investment climate

  - Opportunistic monetary policy (in the past)
  - High inflation rate
  - High interest rate, high cost price
  - No further development agro-sector
  - Potential agricultural sector not utilised

  - Foreign exchange rates fluctuations
  - Before: Obligation to exchange foreign currency upon entering
  - Bankruptcy
  - Trade inadequately developed
  - Still poor incorporation in the region/CARICOM

  - Rights on land not clear. Source for conflicts
  - Dependency modern life style increasing
  - Money deficit, poverty
  - Growing trade, informal economy
  - Food security endangered (especially women and children)
  - Erosion, environment problems, reduced biodiversity

  - Disturbance traditional relations
  - Intensified traditional forms of agriculture
  - Degradation thin and chemically poor top layer

  - High Relative Humidity
  - Limited choice of crops
  - No year-round supply

  - Limited light intensity
  - Limited yields and quality (partially)
  - High cost of production per unit

Hinterland in transition
- Dependency modern life style increasing
- Money deficit, poverty
- Growing trade, informal economy
- Food security endangered (especially women and children)
- Erosion, environment problems, reduced biodiversity

- Disturbance traditional relations
- Intensified traditional forms of agriculture
- Degradation thin and chemically poor top layer

- High Relative Humidity
- Limited choice of crops
- No year-round supply

- Limited light intensity
- Limited yields and quality (partially)
- High cost of production per unit

Economic production, in particular coastal region
- Limited choice of crops
- No year-round supply

- High Relative Humidity
- Limited choice of crops
- No year-round supply

- Limited light intensity
- Limited yields and quality (partially)
- High cost of production per unit
From the overview a number of features are clear: The Surinamese agricultural sector has a:

- low productivity of land, capital and labour;
- low level of organisation;
- except for the rice and bananas sector, traditionally low-technology production technology.

These characteristics cause that, in general, the sector produces inefficiently and thus at relatively high cost of production. There is limited or no cooperation in and between chains. As a result there are hardly innovations and effects on economy of scales. Involvement of Government and politics in the sector, namely in the primary production chain and management of infrastructure, causes distortion of the market and leads to further inefficiency. Lack of a destination plan, the tedious process for obtaining crown land, under or non-utilization of obtained land, inadequate zoning, town and country planning, form a constraint for the development of the sector. Less favourable pre-conditions for production and poor image of the agricultural sector discourage young entrepreneurs to enter the sector.

Because of these features the level of knowledge lagged behind and institutional support decreased, resulting in the facts that: producers do not know of the modern developments and internationally required quality standards and that there is little interest to make a choice for a study related to the agricultural sector. This, to the expense of (practical) agricultural education and also causing that there is no adequate policy on the prerequisites and little or no support.

In case there is little or no development and the above-mentioned problems are solved inadequately the agricultural sector will experience a further decline, which means that Suriname will have to import more food products, employment opportunities will reduce, and that the country will by-pass much revenues. The outlook for the rural area will then also be gloomy, and the agricultural development of the interior will be even more stagnant. Besides comparative disadvantages in the interior, like high transportation costs, also additional less economically toned problems, which are in connection with the social structure,- the availability of an adequate food package and a sustainable, healthy living environment, play a part.
5.2 **Goal analysis**

Whereas the problem analysis focuses on the negative aspects, the goal analysis makes a shift towards development of the agricultural sector and possible goals that stakeholders should aspire. As a matter of fact it depicts a picture in which the problems the sector are facing have been solved. The schedule is characterised by a hierarchical structure of objectives that are of a high level of abstraction towards more specific measures to attain these objectives. Analogous with the methodology, selected by the European Committee, it was decided to reason from the attained goals in the direction of the measures. Next, in the phase of implementation the arrows are pointed in the other direction. The goal-tree plays an important part in the development of the view that is presented in chapter six and for developing possible interventions. The same marginal notes apply as for the schedule in the previous paragraph.
The objective analysis is focused on the desired development of the sector. Formulating the goals aims primarily at solving the above-mentioned constraints and reversing the downward trend in which the sector seems to be confined. What emerges is the importance to encourage cooperation, knowledge and entrepreneurship in the sector in order to break through the existing vicious circle.
6 CONCEPTUAL VIEW ON THE DEVELOPMENT OF THE AGRICULTURAL SECTOR

Investing in human resource

Suriname is part of the Caribbean Region and is a member of the CARICOM. Agricultural production in this region has gradually reached the stage of being in a crisis, namely due to the fact that the preferential position on the EU market is declining and, in time, will completely come to an end. Intensifying trade liberalisation in the framework of the WTO and the FTAA is strengthening this development. This causes that only a limited “window of opportunity” remains for regional economies like Suriname. It is, provided the importance of the agricultural sector for many inhabitants of the Region, necessary to mutually seek markets, where comparative advantages lead to the fact that the specific products are desired and/or competitive. This pertains to special product-market combinations, because Suriname, partially due to relatively high wages and inadequate inefficiency, with the exception of the rice sector, can hardly compete with regard to volume in comparison with large producers, like for instance Thailand, Malaysia, Brazil, and the USA.

Agriculture in Suriname functions only to some extent as a general economic sector. Government involvement is intensive, especially since a large proportion of the population depends on the agricultural sector. Agriculture is important for the daily food supply of each inhabitant of Suriname, for part of the family income, and for generating revenues from export. The fact that a large part of the area suitable for cultivation is utilized as agricultural land also explains the strong Government involvement. In order to develop a more market oriented and demand driven agricultural sector, that operates nationally, regionally and sometimes even internationally, the focus of the sector as well as of the Government should shift from revitalising the sub-sectors to profitability in the entire sector.

Strategic goals
As was suggested during the phase of inception, the Suriname Government has three main goals with regard to the agricultural sector:

1. **Self supply.** Government guarantees the availability of sufficient healthy and safe food for the entire population.
2. **Income.** A flourishing agricultural sector offers employment and an income to many inhabitants and alleviates poverty. Diversification provides a broader base to the Suriname economy and stimulates regional development.
3. **Foreign currency.** Furthering export and limiting export generates foreign currency and as such contributes to a positive balance of trade. Government stimulates and facilitates the export orientation of the sector and in with that the growth of the export value.

These strategic goals can only be realised in case those involved, like politicians, civil servants, entrepreneurs and consumers, develop a different view of the agricultural sector. The fact that it necessary to operate more market oriented and demand driven has, in the meantime, widely been accepted. With that, since the beginning of the nineties a new way of thinking has developed in the agricultural sector. Important elements in this framework will now be described. These elements form the framework for a new agricultural policy in Suriname.

Human capital and the business environment
The most important factors for economic failure or success are knowledge and initiative of individual actors. The success of agricultural development is being determined increasingly by human beings; not by plants or animals (D. Ferrier). This implies that the pivot of
Government policy should shift from direct involvement in agricultural production towards the development of human capital and a good investment climate. Research, extension and (practical) education (including IT) will have to become the pillars for Government interventions in Suriname's agriculture. A specific challenge involves improving the level of organisation and quality of organisation in sub-sectors, like fisheries, rice, vegetables and fruits, floriculture and ornamentals, and livestock.

**Agro-complex and added value**

The traditional depiction of the agricultural sector is often limited to primary production. When increasing emphasis on added value will be the case, it will be possible to have an overview of the entire agro-complex. The agro-complex includes all the activities related to production, processing and differentiation of agricultural products (food and non-food). This complex, with emphasis on the agri-business as private component, is capable of becoming of extreme importance for the local, regional and national economy in Suriname. The private sector will become the engine for agricultural development. The traditional focus on production and export of raw material is responsible for the fact that Suriname misses chances to generate more incomes and to create high-quality employment. In addition, changing consumption patterns and the increasing request for quality products demand other requirements from the agro-sector. Fair trade and biological agriculture may fulfil this demand to some extent. The emphasis on added value, thus processing, is a requirement when there is an increasing market- and export orientation.

**Demand structured and competing agriculture**

Government interventions in Suriname, until now, concentrate especially on an ad hoc policy that is mostly guided by the need to solve the serious problems in different sub-sectors at short notice. On the long run this seems to be a complicated and little profitable path. The policy needs to be changed structurally towards a well-planned sustainable long-term agricultural policy that responds optimally to the potential for private initiative. Key words in this transition phase are: chain organisation, chain reversal, adjustment to the market and cost efficiency.

**Export orientation**

Suriname is characterised by a small domestic market, in comparison to the possible agricultural production. The internal market, that was expanded since Suriname became a member of CARICOM, has hardly been utilized in the area of agriculture. Export orientation of the agro-sector is therefore a matter of course. Essential for this growing export orientation is the ability to cooperate effectively in flexible networks and reliable transparent chains. During this stage of development of Suriname the Government is an indispensable partner in the process of expanding the export value of the agro-sector.

**Another role for Government**

The Surinamese population demands a transparent and efficient Government, which guarantees that the general interest is properly taken care of and that invigorates economic development. The new role of the Government is to create satisfactory prerequisites for a modern agricultural sector. To attain this Government needs to focus explicitly on horizontal subject that are of importance for all sub-sectors, like knowledge, plant- and animal health, environment and area. In the proposed new agricultural policy the key issue will be the self-regulating principle of the sector. Important features of this policy include:

- human resource development;
- sound investment climate;
- added value;
- establishment of food safety policy;
- integration of international legislation with emphasis on phyto-sanitary and veterinary conditions.
The Government, in particular the Ministry of Agriculture, Animal Husbandry and Fisheries (MAAHF), focuses on activities of common interest that cannot be carried out by the private sector. Such a shift in functioning and organization of the Government will be time- and energy consuming, but is definitely the precondition for obtaining the desired transition. In this transition phase the Government will often have to take the lead, in close consultation with the private sector. It is therefore realistic to start with stimulating developments in which the private sector of Suriname plays an important part and in which Government has no immediate responsibility in production. Simultaneously a modern Government that is based on modern principles will be instituted. To establish this structurally different policy that is focused on private initiative, Government will need to take the essential stimulating measures.

**Literature**
- Caribbean Development Bank - The current state and future of Caribbean agriculture; report January 2003
- Ministerie van LNV - Voedsel en groen; juli 2000
- Ministerie van LVV - Agricultural sector analysis, inception report; December 2003
- Goderis B.V.G. - Toekomst Surinaamse landbouw zorgelijk; artikel in ESB, 28 November 2003
7 INTERVENTION LOGIC

The process of bringing about this Agricultural Sector Plan took about two years from the period the first TOR was developed. During this period, in collaboration with the stakeholders, concepts evolved and choices were made. This process is briefly described in the Introduction, chapter 2. The addition sum of these, often pragmatic, choices and the results of the analyses described in chapters 5 and 6 led to the proposals for interventions that will be described in this chapter. It goes without saying that these involve a selection of possible interventions, since the agricultural sector concerns a wide area that can be approached from different angles. When the selections were made, apart from the data from the analyses, the focus was strongly upon the actual political situation and the emphases from stakeholder’s consultations that were mentioned before.

The structure of chapter 7 moves from general to specific facets. For this reason the subject of Gender is the first aspect dealt with, since this aspect forms the general prerequisite for all the following sections. A second very important subject that also forms the core of the view in chapter 6 involves the changing role of Government and other actors in the developing agricultural sector. This is elaborated in the paragraph “Institutional framework”. In this paragraph, as a result of the analyses and consultations with stakeholders, the subjects of present interest, Ministry of Agriculture, Animal Husbandry and Fisheries, Water Boards, Food Safety, and area analysis and planning, are elaborated. The third and fourth section of this chapter concern detailing the two substantial pillars of the view, that is “developing knowledge and dissemination of knowledge” and “stimulating the private sector”. These pillars form the pivot of the ASP.

The necessity for horizontal and vertical cooperation in the sector, transparency in the production columns, and creating added value, form another red rope in the analysis and outlook. “Chain development” is a method to accomplish this. That is why this subject is detailed in paragraph 7.5. In addition, the lack of records (data) concerning the sector, and problems regarding agricultural credit often arise. These subjects are dealt with in sections “Agricultural census and statistics” and “Agricultural credit”. The concluding important subject that is mentioned in the inception phase as a deficiency that should be detailed concerns “Agricultural development of the interior”. For this subject a detailed study was done, that offers proposals to address the problems comprehensively.

Finally, following the approach on macro- and meso level, attention is given to the micro-level, namely development in a number of sub-sectors. In fact, in this perception, the choice was made for an approach linked to the prerequisites, whereby the intervention would involve several sub-sectors. In addition, based on mutual agreement and in view of the many ongoing activities, the choice was made not to include the important sub-sectors rice and bananas in the interventions to be detailed in the framework of the ASP. The ongoing interventions in these sectors are therefore, based on a consistent approach, incorporated in the description of the current situation in chapter 4. What remains are the three sub-sector that have tremendous potential, livestock, fisheries and horticulture, that are detailed in the paragraph “Development of the sub-sectors”.

Chapter 7 concludes with the logical framework, that describes activities, objectives, and desired results in their mutual context. This framework provides a basis for the action program that is described in chapter 8 and which will play a role in monitoring the progress of the implementation.

7.1 Gender on the agricultural agenda, an operational programme

Women in rural areas, in the coastal areas and in the interior depend, for an important part of their subsistence, on produce and revenues earned from agricultural activities. Through
the centuries they have always played a role in the agricultural sector. Their participation and contribution to agricultural production is for the most part invisible in the statistics and publications on the agricultural (sub)-sectors and in the strategies for development of the agricultural sector.

Women predominantly contribute to small-scale, labour intensive activities in small enterprises, e.g. family enterprises, of which the yields are destined partly for own consumption and partly for marketing. In the hinterland women are in the first instance food producers and where transport facilities allow for this the surplus are being sold on markets. In the coastal area of Suriname women share the responsibility for agriculture with man; many of which are part-time farmers. The activities of women in the rural districts are more integrated in the extensive family labour of the enterprise and are to a certain extent considered to be part of their household activities. In small-scale agriculture the substantial contribution of women is largely in small-scale processing, traditional rice cultivation, vegetable production, fruit growing, cultivation of legumes, cultivation of root and tuber crops and in the cultivation of flowers and ornamentals. In small-scale fisheries activities women are in particular active in fish processing, namely drying, salting, packaging, and selling of fish. In animal husbandry women have a role in looking after cattle.

Problem
In the course of time the agricultural policy has more or less been “gender blind” and has seldom paid attention to the position of women food producers. Activities took place from a general approach of well-being and were not specifically aimed at the practical gender needs of rural women. Rural development programs have contributed to the social well-being of agricultural households to a certain extent and took their enterprises out of isolation. However these development programs did not result in empowerment of women. Those projects, programmes and policy intentions, aimed at placing women in the agricultural sector in the centre, did not give rise to the desired results. This may, in part, be contributed to the lack of gender awareness.

Objective of the intervention
Corresponding to the perception of Government that the participation of women in the development process should optimally be integrated in the development policy and planning, with the ASP the first impulse will be given for gender mainstreaming of the agricultural sector. To attain this gender will be placed on the agricultural agenda and through implementation of the operational programme described below this will be accomplished. In the first instance the emphasis will be on the role of Government, but during the implementation phase the social middle class will become increasingly important. The most important prerequisite during the initial phase, in the framework of the ASP, is accomplishing greater gender awareness at the Ministry of Agriculture, Animal Husbandry and Fisheries.

Intervention
- For the benefit of the staff and employers at the MAAHF gender training courses will be organised, to accomplish that the acquire the necessary knowledge and skills to recognise gender issues in their area of work, make these issues visible and deal with them properly;
- A gender focal point will be established;
- Guidelines for gender mainstreaming will be developed;
- Plans of action that result from the policy subjects and are aimed at the sub-sectors [small-scale agriculture, bovine cattle, dairy cattle, fisheries, rice, bananas, vegetables and fruits (refer to Inception Report)] will be viewed to the extent in which they are aimed at empowerment of women.
LOGICAL FRAMEWORK

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>OBJECTIVES</th>
<th>INDICATORS</th>
<th>MEANS OF VERIFICATION</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
</table>
| 1.         | Gender training courses | - Seminars  
- Participants  
- Agreement with instructor  
- Manual | - X seminars organised  
- Lists of participants | - Instructors available |
| 2.         | Selection of candidates for nominating a gender focal point | Criteria and selection procedures | X candidates Profiles for candidates | Qualified candidates |
| 3.         | Establish guidelines for mainstreaming | Assign the task to a specialist Workshop | - Agreement  
- Report | Budget available |
| 4.         | Study policy subjects ASP and activities of the sub-sectors with regard to their extent of empowerment | - Guidelines  
- Empowerment framework | Empowerment framework filled in per policy subject and sub-sector | Gender expertise |

OUTPUTS

| 1. | X MAAHF employers that have attended a gender training course | X MAAHF employers trained that are GAD aware | Report of seminars  
Lists of participants  
Training manual | Budget available  
Instructors have the opportunity to fulfil their duty |
| 2. | A gender focal point | 1 (one) or more staff appointed | Focal point participates actively | The importance of gender focal point acknowledged |
| 3. | Guidelines to attain mainstreaming | Recorded guidelines available | - Agreement with an expert  
- Guidelines | Disciplined employers |
| 4. | x Put to the test activities of the ASP with regard to their extent of empowerment | - Guidelines  
- Women empowerment frameworks | Filled in empowerment frameworks per policy subject and sub-sector | Gender expertise available |
<table>
<thead>
<tr>
<th><strong>PURPOSE</strong></th>
<th>1. MAAHF staff that is capable of incorporating gender perspectives in their work</th>
<th>(Re)organisation, improvement, development and evaluation of the policy processes</th>
<th>In the planning the opportunities and weaknesses of women are taken into consideration</th>
<th>The will to establish knowledge and expertise in the area of gender issues and to incorporate gender analysis and planning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOAL</strong></td>
<td>Gender mainstreaming of the agricultural policy</td>
<td>In the entire agricultural policy, at each level, in every phase, and by all actors involved in the policy process, the gender perspective is incorporated</td>
<td>Gender impact assessment</td>
<td>Gender equality / equivalence is considered to be a priority, at the highest level, and one is GAD aware and willing to deal with the gender in-equivalence.</td>
</tr>
</tbody>
</table>

In the logical framework the most important activities are recorded that should be implemented in the framework of the ASP. Along these lines gender is placed on the agricultural agenda and will women that are active in the agricultural sector become visible. Due to lack of gender expertise at the MAAHF it will be necessary to contract a consultant to this end.

Gender training courses for the benefit of employers from the Ministry of Agriculture, Animal Husbandry and Fisheries (MAAHF), in general, have the purpose of creating gender awareness under the Ministry’s workers and developing capacity at the MAAHF in the area of gender analysis and planning. They will enable the Ministry’s employers to incorporate the gender concept in formulating and implementing the agricultural policy. The training courses to this end involve:

- Training in gender analysis;
- Training in gender planning.

Training in gender analysis aims at identifying gender differentiation in the workplace, access to and control of resources, needs, limitations and opportunities. This should enable Ministry’s staff to distinguish what affect the policy measures, proposed by the Ministry, have on women and men. Training in gender planning will provide tools to incorporate gender issues in the general activities.

It is based on a critical analysis of the gender gap in the access to resources and developing specific measures and organisational provisions for furthering gender equality. This, through the development of strategies to overcome identified limitations, and by optimally utilizing existing opportunities. The statement of Government that the participation of women in the development process should be optimally integrated in the development policy and the planning (Declaration of Intent: 5) is insufficient to attain this goal. The Ministry of Home Affairs, that is responsible for gender policy, has already initiated a Gender Management System (GMS).

At the Ministry of Agriculture a gender focal point should be established/nominated. This will also be beneficial for developing adequate conformity with gender units at other Ministries. This gender focal point should consist of persons that are responsible for the coordination of the gender policy at the MAAHF and for furthering and guiding gender mainstreaming activities at the Ministry. For furthering and guiding gender mainstreaming of the agricultural sector it is desirable that guidelines are developed for the staff. These guidelines regard guidelines for developing, implementing and evaluating projects and programmes and guidelines for collecting data.
Prerequisite is the implementation of the new, more efficient institutional framework that is detailed in paragraph 7.2

Literature


7.2 Institutional framework in the agricultural sector

7.2.1 New roles of Government and the private sector

The institutional framework of the agricultural sector is an important theme in this ASP. In paragraph 3.2, Macro-economic policy, it is mentioned that the Government should urgently be reviewed. This certainly also applies to the Ministry of Agriculture. At political level is was already decided that Government would withdraw from agricultural production activities. The process of privatisation of the parastatal rice company, SML, and the state-owned banana company, Surland, already commenced. For SEL, SLOC and Alliance the on-set was made. Critical marginal note in these processes is, that the urge to give in to the political temptation to first make these state-owned companies sound again and sell them afterwards, will lead to high costs and maybe even to failure of the privatisation process. The core question of the ASP is: what should be the role of Government in the process of modernising the Surinamese agricultural sector?

Problem

The main problem is that the current extensive and little effective Ministry of Agriculture, Animal Husbandry and Fisheries is insufficiently equipped for the modern role in the developing agricultural sector. In the detailed study the following problems are elaborated:

1) Insufficient or lacking *agricultural planning, studies, and statistics*. The last agricultural census was in 1981. In addition the data were only partly processed and published. A new and modern registration of agricultural enterprises, resulting in a register of agricultural companies, is urgently needed. Also a number of surveys per aspect, product, and/or area, and hiring more skilled workers by adopting a system of an alternative compensation.

2) Insufficient *environmentally friendly agricultural production, food safety, phyto-sanitary and veterinary care*.

3) Insufficient *rejuvenation and development of human resource* through modern agricultural education at primary and secondary level, extension, training and orientation, in particular for non-traditional products and for the furtherance of modern agriculture in the hinterland.

4) The *small domestic market* (450,000 inhabitants) and – with the exception of rice, bananas and oil palm – the wide geographic distribution of many small companies (12,000 other than paddy businesses with 30,000 ha of cultivated area), lead to disadvantages of the small-scale, because of lack of the required minimum area per product, for justifying the costs for research, physical infrastructure, processing
facilities a.o. Also; modern technology with specialisation, effective quality production and marketing, are only possible in full-time agricultural businesses with the minimum required size per company, whereby the disadvantages of small scale production can be intercepted to some extent through contract growing and/or cooperatives.

5) **Under-utilization of the production factors land, labour and capital.**

Policies regarding land, training, education and research, and credit facilities are the key words with respect to this issue. For agricultural development it is extremely important that the policy on issuing crown land is transparent. It is estimated that the labour force in agriculture amounts to about 18,000 workers against about 12,000 family enterprises, where only 20 – 30% concern full-time agricultural workers. In addition, more than half of the labour force in agriculture is over 50 years of age. Part-time agriculture by old managers, coupled with numerous crops per family enterprise on too small a cultivated area, leads to insufficient effort, limited modernisation and specialisation (with the exception of vegetables, fruit and poultry), resulting in efficient managing, and little revenues from agricultural activities. Currently the private investments for the existing traditional agricultural export products as well as for new products are insufficient. Through immediate substantial private investments as well as through the establishment of credit facilities for small and medium-size enterprises.

6) **Inadequate agricultural research aimed at the basis of business-like priorities per product and with involvement of the private sector.** Utilizing the potential for international cooperation has already been initiated. In this regard Suriname will mainly carry out applied agricultural research that will be related to research results elsewhere (EMBRAPA, LAC, USA, WUR).

7) **Limited organisation and insufficient planned support from the Government in relation to the poor existing private cooperation**, in particular aimed at attaining advantages (costs and benefits) of economies of scales for input supply, agricultural infrastructure (D&I, transport, storage, processing), product- and market development. Limited organised and effective cooperation in different sub-sectors and regions, between Government and private sector as well as between private entrepreneurs.

8) **Insufficient specialisation and zoning per product/category and development of skills for modern efficient agricultural production.**

9) Optimal utilization of the areas suitable for agricultural purposes appears to be limited in several areas by physical as well as social (undivided common estates, the level of development of the inhabitants of the hinterland) and structural circumstances in the area of economic/technical service provision. The problem is formed by the fact that the different agricultural production activities, as yet, are carried out to a large extent by part-timers with a main profession (main income) outside the own agricultural enterprise.

10) For instance: the majority of enterprises of full-time and part-time farmers, that are involved in the cultivation of root and tuber crops and legumes, appears to be too small, too simple in structure, and too limited with regard to yield, to be able to provide for the material and supplies, necessary for efficient utilization of the production factors for obtaining high quality produce.

11) The final problem that will be dealt with here involves the relationships of dependency between producers and institutes that function in the informal environment, but that have a great influence on the composition, the level and the
quality of the different productions. They include the buyers and middlemen of agricultural produce that exert a great impact on the local market for several agricultural products with their activities.
Since the aim is to attain a market oriented production structure, which is determined by demand and supply, with regard to the local market, buyers and middlemen should certainly be taken into consideration seriously. This, not only because of the numerous functions they fulfil in the production organisation as coordinators and suppliers of needed services and material inputs on the one hand, but especially because of important position they occupy with regard to domestic marketing of produce obtained.

Objective of the intervention

The above-mentioned problems do not exclusively regard the Government, but are principally related to the current nature and structure of the agricultural sector with it’s current institutional intertwine. The role of the Government and that of the private sector in the development of the agricultural sector need to become more transparent. Objective of the intervention is in essence to achieve that these roles become clear for everyone and to translate these into an effective institutional framework. This will become a long-lasting, step-by-step process, because the dependency on the Government of Suriname is not only limited to agricultural producers. The relationship of dependency of citizens on their Government is a general historical, political and sociological problem.

Intervention

The intervention is, in line with the principal vision of the ASP, on the one hand directed towards strengthening of the private agricultural business (independent from Government, organisation in chains, cooperation and market orientation) and on the other hand towards strengthening of the specific Government duties in areas like legislation and enforcement of legislation, food safety, phyto-sanitary and veterinary issues, environment, policy on land, gender awareness, poverty alleviation, education, research and extension.

In the action programme described in chapter 8 a proposal is done, with which - in the first instance - a beginning can be made, provided the political and financial prerequisites and the limitations with regard to the needed cadre. It involves executing step-by-step the process of a Government withdrawing from production activities, that concentrates on the specific Government duties, and agricultural entrepreneurs that renew themselves independently, organised and cooperating adequately. The urge to deal with all aspects immediately should be resisted, since this task is immense and nobody is capable to indicate beforehand which growing pains will emerge. In the detailed study the entire path is depicted in principle. The project team suggests starting with a small number of issues and to gradually extend these activities, in case of success. The following, mostly perennial interventions, can immediately be addressed (also refer to 7.10 and 8). The choices described below were selected based on the already identified priority area at the MAAHF and the feasibility at short notice.

1. Rice Production Board (“productschap rijst”)

   In this detailed study it is stated how production boards can have a task in the process of establishing chain organisations. In doing this, not only the Dutch model should be considered as a guiding principle, but also similar production organisations in, for instance, Chilli, Brazil and Thailand should be studied. The new role of Government could also be shaped in this development. The sub-
sector rice involves the majority of the producers and labourers in the agricultural sector and is most advanced in chain organisation. Therefore, it goes without saying that a start will be made with the rice sector. (also see: 7.5)

2. Water Boards
   A program that is in connection with the idea for decentralisation and that also places more responsibilities in the hand of the agricultural producer himself. (see 7.2.2.)

3. National Food Authority (Food Control System)
   An Inspection Service, apart from the MAAHF, that inspects of the presented food and the process of producing this food are safe. (see 7.2.3.)

4. National Board for Agricultural Research
   Consumers also have the possibility to assist in determining the direction for agricultural research (see 7.3.1.)

5. MAAHF division Food Safety, Plant- and Animal Health
   Expand the activities of an already existing division at the MAAHF that will influence the international circuit like Codex and WTO that prepares laws and regulations and that, for instance, provides training to food producers (see 7.2.3.)

6. Agricultural census
   (see 7.6)

7. Area planning and policy on land.
   (see 7.2.4.)

8. Stimulating the private sector
   (see 7.4.)

9. Gender policy
   (see 7.1.)

Literature
7.2.2 Reactivating and establishing water boards

For the coastal area of Suriname a naturally changing supply of water is typical. In general, during the dry season there is shortage of water and during the rainy season there is a surplus. This fact compels the need for regulation, since adequate water management is a prerequisite for a well-functioning agricultural sector in Suriname. Management and maintenance of the wet infrastructure, and with this with water management, is currently very poor in Suriname. A possible solution for this problem is to convey interest, payment and control again closer to the parties concerned by restoring the institute of water boards. This concerns, basically, a functional decentralisation of water management in Suriname. This governing movement is completely in line with the general process of decentralisation that is currently being implemented in the framework of the “Decentralisation and Local Government Programme”.

In about eight polders, where during the first half of the previous century plantation agriculture shifted to small-scale agriculture, during the 30-ties and the 50-ties water boards were established, that had to report to the District Commissioner. These water boards had the responsibility for maintenance of the infrastructure destined for agricultural purposes. In the course of their existence, somewhat around 1960, the activities of this public institute came to an end, mainly as a consequence of deficiencies in regulations and because of political influences. The Central Government gradually took on the responsibilities and the costs for maintenance and management, but often did not take care of the management. Also in polders that were reclaimed more recently and areas destined for agriculture the Central Government maintained the responsibility for water management. However, in the course of time the responsibility was distributed over several bodies.

Problem
Management and maintenance of wet infrastructure, and with that of water management, is currently very poor in Suriname. The responsibility is spread over several Government units and the parties concerned directly (the stakeholders) do not demonstrate any involvement. The level of maintenance depends on the political willingness in Paramaribo and the limited financial resources of the Government.

Objective of the intervention
The objective of the intervention is to ensure sustainable and cost effective agricultural production by means of improving the circumstances for agricultural production, in particular by optimising water management. The instrument to this end is to involve the stakeholders, the men as well as the women, more intensively in management and maintenance. By linking through water boards interest, payment and control more intensively it will be possible in the future, of course depending on the weather conditions, to guarantee adequate irrigation and drainage.

Intervention
The essence of the intervention is well-designed decentralization of water management. The instrument to attain this goal is revitalizing water boards. This governing structure existed in Suriname for a long time but stopped functioning in the course of time. ILACO Suriname elaborated part of the process in the project document “Experimental Water Boards” that is attached. The proposal is to start with a pilot phase.

This means simultaneous implementation of three stages with as a result two adequately functioning experimental water boards that may serve as an example and a catalyst for re-establishing water boards in Suriname. The three stages identified are:

1. Selecting the two most suitable polders. Making an inventory, describing and budgeting the technical rehabilitation. This aspect is elaborated in the project document that was prepared by ILACO.
2. Updating, complementing and implementing the legislative framework. The relevant details are included. The stage of changing and updating legislation is currently being implemented. It is expected that this will be finalised in week 25 of this year.

3. Capacity building at administrative and technical level of respectively the District’s Administrators and the future technical managers.

Sub. 1
Selection is partially a technical and partially a political process. After intensive deliberations with the stakeholders it was decided to select the “Sawmill creek polder” in the District of Nickerie and “Reeberg/Rijsdijk” in the District of Wanica as pilots. Decisive factors for selection were for instance: adequate legal basis for a water board in the area concerned, a clear water political unit, the persons involved should have a certain level of organization and land use for agriculture should be diverse. In the project document, prepared by ILACO, the situation with regard to ownership, use and management is portrayed. ILACO also described the technical activities and the budget necessary for improving the Sawmillkreek polder and has incorporated this in the specifications for inviting tenders. This occurred in close consultation with stakeholders and formally involved institutes like the Ministry of Regional Development, The Multi Purpose Corantijn Kanaal Project management, the Ministry of Agriculture, Animal Husbandry and Fisheries and the Ministry of public works. For the Reeberg/Rijsdijk Polder additional research and elaboration is necessary. An alternative could be a polder in the District of Coronie.

Sub. 2
Thanks to the devotion of Surinamese lawyers and the Dutch Union of Water Boards the draft legislative framework is ready. The process of updating legislation and regulations will take about 20 weeks. The result will be a modern and balanced legislative framework for the Surinamese water board regime.

Sub. 3
Capacity building is essential for sustainable and satisfactory functioning of the (experimental) water boards. This concerns the structure of an administrative governing system and that of a technical governing system and training of personnel and stakeholders. Before implementation it is necessary to portray clearly what will be the need for personnel, material and supplies to establish the operational water boards. The Union of Water Boards will play an important part in the training programme. “Hoogheemraadschap De Stichtse Rijnlanden” (Polder Authority De Stichtse Rijnlanden) in the Netherlands has offered, on the recommendation of the Union, to conduct the training for District Administrators. Costs for travel, boarding and lodging (for – at a rough estimate – three professionals for two weeks) will be charged to the Agricultural Sector Plan. The result will be and adequately functioning water board and District Administration, that is widely accepted by the stakeholders.

Management of the Multi-Purpose Corantijn Kanaal Project (MCP): Pre-requisite for success Before the rehabilitation of the Sawmillcreek polder can actually commence a number of conditions need to be met. The two most important aspects are the legislative framework – or the possibility and capacity to collect the contributions and to exercise the necessary authoritative power – and the management and maintenance of primary water supply (irrigation) sources. The above-mentioned legislative framework also forms the foundation for the functioning of the management of the Multi-Purpose Corantijn Kanaal Project as the umbrella water board in the North Western part of Suriname.
This means, in practice, that management of the MCP will be charged with the responsibility for managing and maintaining the primary water controlling system and will be able to collect the funds needed to this end from the stakeholders. The stakeholders involved concern all farmers, whether organized through water boards, private polders, and individuals. The existing organisation will need to be strengthened in order to be able to carry out the increased duties. The process of reorganisation and transfer of duties and responsibilities needs to be addressed well structured and meticulously.

Implementation
All the afore-mentioned activities, aimed at improving water management, need to be carried out in coherence and in a chronological sequence. The most important financial means for implementation will be derived from Government budget, Dutch Financial Aid (Treaty) and European Union funding for the national strategy for the rice sector that still needs to be prepared. In consultation with the Surinamese Government, the Dutch Embassy and the representation from the European Committee (EC), at an earlier stage, it was decided to have mutual assessments on the preparation of the Agricultural Sector Plan and the EC-input, but not to have them coincide. However, during the phase of execution it will be vital to have simultaneous activities. This implies that that the project organisation, necessary to operate the EC activities, could also be utilized for guiding the process of revitalising water boards and most certainly for the activities in the Western part of Suriname.

Literature:

7.2.3 Food safety, plant- and animal health

Plant- and food safety are becoming increasingly important, namely from the point of view of food safety and trade interests. Food safety gained more attention from consumers in recent years, principally as a result of the growing knowledge of new risks and because of the extensive focus of media on occurring incidents due to food products and food producing animals [like BSE, dioxine and MKZ (MCD)]. In addition consumers are becoming more aware of the “but” and “however” that go along with new methods of production, such as the application of hormones in beef production as a growth stimulator, and genetic modification in food production. In this area an important pre-requisite is an adequate Government control mechanism.

International developments
As a result of globalisation of the trade in food products policy makers, also those in Suriname, cannot suffice anymore with a national answer to the concerns and wishes of consumers. That's why for some time now at international level many initiatives are taken to amount to adjustment of existing concepts and instruments to incorporate food safety in their policy. These initiatives were taken by international organizations that are relevant for food safety, such as the WTO, FAO, WHO, and Codex Alimentarius (under the mutual flag of FAO and WHO). Concepts and instruments that are being taken into consideration include Risk Analysis, precautionary measure and trace back systems. Although specific issues of attention are different per organisation and region, a definite line is beginning to take shape in the way food safety problems should be addressed worldwide. When norms, guidelines and regulations are developed the following starting points should seriously be taken into consideration:
The consumer forms the centre
   A high level of transparency and candidness is necessary to guarantee the trust of the consumer (and trade!)

A chain approach is essential
   New rules should be in relation to all stages from production to consumption, including animal feed and primary production

Clear differentiation of responsibilities between Government and trade and industry is a pre-requisite
   The producer is principally responsible for his product. The Surinamese Government needs to determine the necessary prerequisites and ensures an adequate maintenance policy

Where possible, measures should be based on scientific findings
   Countries should mutually accept protective measures, if these are based on scientific evidence.

WTO-SPS
With the establishment of the World Trade Organization (WTO), for the first time in history agriculture was placed under the regime of global agreements on international trade. Based on those agreements the quantitative trade measures were partially converted into tariffs that, afterwards, were lowered with a certain percentage.

Furthermore it was agreed to reduce internal support and export subsidies with an analogous percentage. With the agreements on trade measures concerning tariffs, the attention shifted towards non-tariff trade measures. In this framework the WTO agreement on Sanitary and Phyto Sanitary measures, abbreviated as the SPS measure, is of importance. In this agreement the rights and obligations of countries to take measures to limit international trade for health reasons are laid down. This pertains to the health of human, animal and plant. The starting point is that countries have the right to protect their foreign trade in case they deem this necessary for the protection of health of the population as well as health of animal and plant. However, a number of provisions are set to which countries need to comply in case they take these specific measures. For example: trade-limiting measures need to be based on scientific justification or should be based on a Risk Assessment and should not discriminate.

Codex Alimentarius
The objective of Codex Alimentarius is protection of the health of the population and to promote honesty in trade in food products. Developing uniform norms at global level for this aspect fosters food safety. Developing and actualising regional and international norms, guidelines and recommendations is therefore the main task of the Codex. These Codex norms include, among other things, the following areas of work: safety and hygiene, processing and storage, labelling, quality and packaging. Codex Alimentarius also plays an important part in attaining international standardization on legislation on foodstuffs, namely in the area of food safety.

The role and powers of the Codex Alimentarius with regard to foodstuffs are not only laid down in the SPS agreement, but also in the agreement on Technical Barriers to Trade (TBT). The TBT agreement already existed for quite sometime, while SPS agreement was completely new. An important arrangement in the SPS agreement was that countries would respect each other’s protective measures, in case these were based on scientific data. These measures should be transparent and should be notified. Before 1995, the year of establishment the WTO, the Codex Alimentarius was an organization that was based on voluntary work, in which, decisions of members, were adopted according to ones own discretion. Now that the Codex norms are integrated in the WTO as reference points in the
SPS agreements, the meaning of these organisations findings that are based on scientific justification has increased remarkably. In view of this norms, guidelines and recommendations that were developed before 1995 are now being updated and adjusted.

**Problem**
Currently Suriname hardly plays any part in the WTO and Codex circuit. This causes that our country misses opportunities, for instance when norms are being developed for trade products that are of significance for Suriname, and with regard to support for strengthening of institutes to bring these in line with current international demands. Furthermore, producers often infringe regulations regarding the use pesticides, causing risks for health of the population and for our export.

**Objective of the intervention**
The objective of the intervention is to safeguard public health in Suriname, and to comply with the quality standards that international trade has laid down; at present and in the future.

**Intervention**
The proposed intervention comprises of two parts:
1) The establishment of a National Food Authority (Food Control System);
2) Institutional strengthening of the Division of the MAAHF that deals with food safety, plant health and animal health.

The National Food Authority is an independent inspection service that examines if the presented food and its production process are safe for public health. Also, by strengthening and expanding the division on food safety, animal and plant health, Suriname will be able to have a more pronounced influence in the international circuit of Codex and WTO and will be better able to institutionalise the duties on plant- and animal health. The aspects that are relevant in this regard are for instance duties on drafting and complying with laws and regulations, and training of producers, in collaboration with the Extension Service. With regard to participating in international forums and exerting influence, agreements to attune to this were made with the Dutch Ministry of Foreign Affairs. In addition a training programme of MAAHF staff commenced. As part of this training programme, for instance, professionals underwent an in-service training at the Codex Focal Point in the Netherlands.

With regard to setting up an institute for food safety, plant- and animal health, Suriname has chosen to link up with the Belize Agricultural Health Authority (BAHA) model. Implementation of this system is of high priority and will demand much effort from the MAAHF within the next years. The centre of this development is the Health Unit that was established at the MAAHF in 2003.

**Literature**
- Drs. S.J.C.W. Bont – Voedselveiligheid wereldwijd (Food Safety Worldwide); LNV 2003
- Dr. L.F. Hagedoorn – Back to office report on duty travel to Suriname; FAO November 2003.
7.2.4 Area analysis and planning

The derived objective of the ASP is to establish a modern Ministry, which increasingly will aim towards horizontal subjects that are of importance for all sub sectors. Area is one of those important horizontal themes. Information with an area component gets an added value if it can be analysed in their mutual context and forms the basis for decision-making and for an effective and sustainable multi-annual policy. There is a great deal of such information available about Suriname. For instance: the soils of the entire coastal area are mapped in detail.

Problem

The problem is basically threefold in nature:

- There is a threat that much of the existing information might get lost for future generations. Large archives of maps are insufficiently protected against climatic impacts and the ravages of times and gradually get lost due to limited attention. An example of this are the soil maps at DBK (The Soil Mapping Service). This means a great waste of capital and it means also that on an incidental basis large costs have to be made to obtain the data again and to map it. It is urgently needed to, in any case, cease further losses and to have a structural solution for this problem.
- Existing information is poorly accessible and difficult to analyse in its mutual context. A large part of the information is, for instance, only to be found in The Netherlands (WUR).
- It is still insufficiently a culture to use area information in a structured way in decision-making processes, policy development and implementation. Furthermore knowledge and equipment for geographic information is limited. However; increasingly use is made of the possibilities to, for instance, link company data with location data.

Purpose of the intervention

The final goal of the intervention is to make better use of area information in policy development and policy implementation in the agricultural sector. Because of a harmonized interdepartmental cooperation it is possible to be more effective and efficient in the implementation of the multi-annual policy and to make the effects of the policy more comprehensible. Consequently decision-making has a better foundation and is more transparent. With the support of the current cadastre project this will lead to a great improvement in the issuance of land for agricultural purposes.

Intervention

The way to achieve the above mentioned goal is to establish a geographic information system and at the same time train and equip a small specialist division which will maintain the system, use it and expand it further. The basis of the system is a database, to be equipped with all available data that is of importance for the agro sector. Examples thereof are soil type, elevation, suitability for crop production, drainage, type of enterprise, water quality and so on. An umbrella system will be set up to process the data and to make it accessible; a so-called decision support system. It regards a multi-sector system, which could be implemented on account of several sectors/Departments.

There are great similarities with the Agro-ecological zoning system that was developed by Brazilian consultants. Agro-Ecological Zoning (AEZ) is a method for improving the sustainable management of natural resources through the use of a systematic geographical framework.

This means among others the management of already issued and the yet to be issued land for each of the different agricultural land use forms. AEZ is executed on the basis of a number of recommendations for land use, whereby is considered: (1) the amount of available natural resources in the country (human resources, natural resources, capital and
technology) and (2) the socio-economic and environmental requirements as a basis for the objectives for sustainable development. AEZ is an essential tool to realize an integrated and sound sustainable social and economical development, in addition to which environmental considerations are required. The long-term objective of the AEZ Project is to provide inputs for Plans, Programs and Projects for the promotion of sustainable land use and to provide alternatives to decision makers with regard to optimal use of natural- and human resources, in addition to capital when considering long-term development objectives. The total project expenses are estimated at USD 1,523,910,-- over a period of three years.

7.3 **Development and dissemination of knowledge**

*Towards a knowledge and innovative system for the agricultural sector.*

Knowledge forms the pivot for the development of the Surinamese agricultural sector. A well-considered and consistently executed knowledge policy is a condition for progress and can assist to achieve the so needed cooperation within the sector. The most important activities in this regard are the development of knowledge through research, the translation of knowledge into practical application through extension and transfer of knowledge by education. This total system, also called the OVO triptych, is a knowledge improving and communicative toolkit, which the government and the private sector can use to stimulate the desired development. Knowledge however is a theme that is difficult to implement, also because it assumes the cooperation of many different parties and an in every aspect well-functioning government. This is not yet the case in Suriname. Therefore it will not be possible to achieve the hereunder-described situations and interventions at short notice. It is a matter of gradual development whereby the realization of a proper functioning OVO-triptych goes parallel with the desired change within the government.

7.3.1 **Agricultural Research**

The Surinamese government has played for a long period of time an important role with respect to agricultural research. The reasons for this are varied. If research has to be effective and efficient, it has to be executed at a certain level. Agricultural enterprises are generally too small to execute and finance research on their own. In general it is never certain if research efforts will result in socially usable, tradable and through-price-setting computable results. Risk and insecurity therefore form a substantial part of the production process of research. This is even more the case when research is more fundamental. Taking the situation in Suriname under consideration, the focus in the near future will be especially on applied (practical) research, what obviously will have a strong involvement of the sector.

*Problem*

The national government budget leaves generally little room for financing agricultural research. Financing from different Ministries is a complicated factor. Research is distributed over different locations and there is little mutual consultation. No strategic research agenda is formulated in consultation with stakeholders. It is inevitable that there will be competition for the means and experts that are becoming scarce more and more. There is overlap in research activities, leading to an ineffective use of means. From the point of view of costs, maintaining identical facilities at different locations is not desirable. Even more because of the fact that due to the existence of several locations there is overcapacity while at the same time some of the equipment is not responsibly purchased and exploited. In addition there are sometimes politically motivated decisions taken by the government, which are not favourable for the consistency in the policy with regard to agricultural research.
**Purpose of the intervention**

The objective of government intervention is to create a sound knowledge base for further development of the sector with as a derived objective efficiency gain and cost reduction through the cooperation among the different national institutes.

This increases the continuity and the strategic operation of national agricultural research in collaboration with the stakeholders and in the end stimulates the innovation and cooperation within the sector. A mean to this end is the better utilization and development of regional/international knowledge.

**Intervention**

From May 26 until June 6, 2003 Dr. A.P. Everaarts from the Dutch Research Institute “Praktijkonderzoek Plant and Omgeving BV” made an inventory in Suriname of the organizations for agricultural research, their structure and working methods. Mrs. Patricia Milton and personnel from the Department Agricultural Research, Marketing and Processing of the Ministry of Agriculture, Animal Husbandry and Fisheries in Paramaribo, did the preparation for this study in Suriname. He observed in his final report that there are at the moment three active organizations for agricultural research in Suriname, namely: the Anne van Dijk Rice Research Centre in Nickerie (ADRON), the Centre for Agricultural Research in Suriname (CELOS) in Paramaribo and the Department of Agricultural Research, Marketing and Processing of the Ministry of Agriculture, Animal Husbandry and Fisheries also based in Paramaribo. The Foundation for Experimental Gardens (STIPRIS) has been inactive for several years. ADRON is particularly involved in research regarding rice cultivation. The other institutes carry out research for other crops.

Taking into consideration the relatively limited extent of agricultural production in Suriname, the limited availability of means for agricultural research and the current scattered capacity for research, an efficiency gain could be achieved through a national steering of agricultural research. In order to realize this efficiency gain it is recommended to formulate the conditions for the functioning of a National Council for Agricultural Research, which can guide the agricultural research activities; both with regard to the content as well as the to the means. Everaarts furthermore recommends drafting conditions for the functioning of a new national institute for agricultural research in which the three existing institutions for agricultural research and the Service for Soil Mapping could be incorporated. The required action is further elaborated in the report that is attached as an annex.

The core of the proposal is:

1. a financial impulse for agricultural research in coherence with further cooperation on (applied) agricultural research, and
2. to provide steering of a multi-annual research agenda by stakeholders. It is of importance to involve also the Anton de Kom University.

**7.3.2 Agricultural extension and education**

Agricultural extension and training form a crucial link between research and the daily practice of farmers and fishermen. Traditionally it regards the transfer and the application of knowledge developed through research. This approach sometimes leads to the fact that the researcher decides what is needed in real life. Nowadays besides this linear approach the insight arises that extension really is about stimulating learning and the innovative capability of the sector, whereby in addition to formal research several knowledge sources could play a role. Examples are education, study clubs, technical magazines, suppliers and chain connections.
Often distinction is made between technical-economic extension, socio-economic extension and sales connected extension. In this tripartite unity a decreasing role of the government can be notice.

Extension is, in addition to the traditional focus on increasing production and reducing cost prize, at an increasing rate focusing on obtaining quality of the products and the production methods at such a level that this meets the requirements of the further processing and the market. This means a growing attention for sustainable production, which is for instance expressed in the successful extension days (field days) on pest management, which MAAHF organized in 2003 and the emphasis on Good Agricultural Practices (GAP) in the extension activities of the Ministry. Extension and training are by far the instruments for the government to promote the desired development in the agricultural sector, especially at the stage the sector currently is in Suriname.

**Problem**
The Surinamese agro sector shows at the moment not much of knowledge driven innovation and lags back in development. Institutes like ADRON, CELOS and Adek University are doing renewing work, but the direct relation with the daily practice in the field leaves still much to desire. Reasons for the short fall in extension and training are for instance budgetary restrictions, diminishing motivation of the staff and a lack of stimulation from the government for further development of the sector. There is furthermore insufficient entrance of qualified staff, which leads to a rapid speed of ageing of MAAHF’s extension service and to missing the connection with both the target group as well as with modern agricultural development.

**Purpose of the intervention**
The purpose of the intervention is the active promotion of a positive development towards a profitable and sustainable producing agro sector, through the promotion of learning and innovative capability within the sector. In an increasing manner a climate of improvement arises, due to cooperation; in a word, a renewed believe in the possibilities of agriculture and fisheries in Suriname.

**Intervention**
The report by Zalmijn and Kaboord; produced in the framework of the ASP “Study on agricultural training, education and extension” provides a basis for improving the system of extension and training in Suriname. The authors outline a desired end situation where the private groups are strongly involved in the organization of extension activities and are taking care of (part of) the costs. The ASP is, at yet, taking the standpoint that privatisation of extension is in time an option, but that in the current development stage of the agricultural sector the utilization of public means is necessary to realize the above-mentioned goals. It is obvious that the existing extension service of MAAHF needs to be strengthened and modernized in line with what is described in chapter 7.2. Important points of interest are thereby the increase of the self organizing capability of the sector, among others, in the form of study clubs, and an intensive train the trainers program with a focus on modern theme’s as chain development, sustainable production, market-oriented production, creation of value adding, cost-effectiveness and gender issues. Starting point is a phased approach, linked to the pilot chain development in which all practical aspects come together.

7.3.3 **Institutionalised agricultural education**
The strategic main objectives which the Surinamese government has set with respect to the agro sector could only be realized when entrepreneurs are supported in their development and management and people could follow such an education that they could really make their ambitions come true. Agricultural education lies at the basis of a successful development of the agricultural sector. Agricultural education in Suriname however has a
history of many attempts, but little success. It seems that in the current situation - also as a result of an image problem - to be difficult to get people interested in a study in the agricultural sector. This is, though, not a typical Surinamese problem: in most of the comparable countries this is the case. Study means after all an investment in a better future and agriculture is associated with dirty work and poor economical prospects. This means than that it is not sufficient to direct the interventions mainly on the manner and the quality of teaching, as well as on the subjects to be given in the education. The agricultural education only than has a chance to succeed if a clear perspective for the future is linked to follow the education and this is communicated clearly.

Problem
The agricultural sector drives for a great part on an ageing group of people, of which a part is still well educated. The problem is a decreasing availability of properly qualified entrepreneurs and workers. This will with unchanged policy in the near future lead to a chronic shortage of staff, namely by a strongly decreasing number of students in agriculture at among other the Faculty for Technological Science of the Anton de Kom University and the "NATIN". Such a shortage of staff is a hinder for the further development of the sector.

Purpose of the intervention
The purpose of the intervention is modernization and development of the agro sector, namely through having available sufficiently qualified staff on all levels, but mostly on practical level and increase of entrepreneurship within the sector.

Intervention
Eventual intervention would have to be directed on three aspects, namely:
1. Modernization of the method, form and content of the education
2. Upgrading and efficiency improvement through (international) cooperation,
3. Improvement of the image of the sector and education to promote the in stream.

Development new form of education
The in chapter six picture outlined for the future of the agricultural sector in Suriname gives a picture of the requirement to which a school-leaver will have to fulfil in the future. These requirements form the basis for an eventual new approach for the agricultural education in Suriname. Instead of general agricultural education, the education has to be arranged on the basis of job profiles. A student will have from the beginning phase on with this a clear picture of the future job and works during the study very directed towards it. During the study both the chain concept as well as the development of entrepreneurship will have to form the connecting thread. On the short term will have to be worked with active agricultural entrepreneurs. With directed course oriented or modular education this group can be upgraded in a short period.

The chain concept is of importance in the development of the producer of primary products into a supplier of products with added value. Entrepreneurship is here fore a precondition, because the student, regardless of the future job, must have skills to operate in an environment where a lot is missing or not yet organized, The students of today have to become the exporters, processors, extension workers, packagers, agriculturist and suppliers of tomorrow.

The link between agricultural education and the agribusiness will therefore have to receive an important place in the new form of education. The new education will have to be an integration of theoretical and practical knowledge. The practical knowledge is obtained through apprenticeship at companies according to a sort of apprentice system. This means that the pupil during this apprenticeship will do specific tasks that will increase his insight. These tasks have to be discussed with apprentice offering company. For this the companies
will be screened in advance according to a certain list of requirements which in case of a positive result can lead to a certificate for approved practical company. At the same time these companies could receive support from the education organization to obtain the latest knowledge. The education organization could set up a transfer point for this where the teachers could organize training and advisory paths for the private sector. In this way people from the private sector could also receive the knowledge in education and teachers are getting insight in the latest developments in and the demands of the agricultural sector. The latter could be again an input for the adjustments and improvement of the education. In this way the education organization becomes a type of knowledge centre, which is providing services to several parties.

Teachers are receiving refresher training to be able to function as practical trainers (train the trainers). They will have to design practical tasks, which after consultation with the practical companies could be used for student apprenticeship. The education institution offers the theoretical component, where the theory becomes clear through the linkage to real life situations such as:

- watching the cultivation in an experimental garden which is linked to the school,
- processing and selling of the crops cultivated in the experimental garden,
- establishment of projects analogue to the mini-enterprise for the increase of entrepreneur skills.

This concept is innovative and shall therefore first have to be tested on a small scale before national application is to be done. It is therefore reasonable to start in a pilot form with one school and a number of most promising companies. The duration of such a pilot would than have to be a year longer than the duration of the new curriculum to be able to properly evaluate the results. The expectation is that the first students could find a job in the companies with which is worked together, because the companies in the same period would have made progress which will lead to job opportunities. Furthermore they know the students and their quality. In addition students shall be able to start their own business. Therefore from the side of the government will have to be considered how starting enterprises in the agro sector could be further supported.

The beginning is small scale, but in the course of time the number of companies that participate could increase. For the companies it is of interest to be certified as practical company, because this is offering them guidance to improve their own company. From this situation also arise guidelines for the establishment of a proper extension service. Through the monitoring of the development of the companies in the pilot phase can at the end of the pilot also be evaluated how much guidance the company has got and what this has delivered. When this formula proofed to be successful can for example a contribution for advise and training are justified because on the basis of the pilot could be proven what this investment has delivered for the company.

Expansion and utilization of international cooperation

Suriname has a small population size and it is not possible to offer each training on sufficient level. In addition it is also not efficient to re-invent the wheel each time by your self and could cooperation across the border be enrichment for all parties involved. There are already far-reaching contacts between the Anton de Kom University (ADEK) and Wageningen University and Research (WUR) to arrive to mutual projects where both partners could profit. In view of the interest of such cooperation for the stimulation of the development in the Surinamese agro-sector it is obvious to preserve for a limited period funds out of the ASP for the expansion of this cooperation in the form of a concrete program.

Elements of such a program could be the lecturing by Dutch professors and curricula development in the area of agribusiness, sandwich promotion research, students and
lecturers apprenticeship in both countries and the implementation of joint research programs. At the moment there are three draft project proposals, namely:

- development of a food science orientation on BSC level
- System- analysis in the field of agricultural production and environmental management in Suriname with the emphasize on the wet tropics;
- Assistance in the formulation of funding proposal, for instance for the EC research programming.

**Image improvement agricultural sector**

Most complicated problem is the turning over of the drop in the number of students. Previous activities, for instance, the adjustment of the focus of the curricula from primary production to agri- business and the cooperation with foreign institutes will certainly contribute to the popularity of studies in the agricultural sector. But it can still be considered to use a small amount of the available budget for the sector for the positive influencing of the picture, which is around the sector at the moment, through active communication namely aiming at youngsters who are at the point to make a choice of career and their parents. The purpose of such an image improving program is to characterize the modern agricultural sector as a sector with good future possibilities for both lower and higher skilled people. It is good to link up with current or proposed activities. Examples hereof are:

- Support and stimulation of kitchen gardens at schools and children’s homes, for instance through professionalization of Stimosur;
- Setting up of a TV serial, directed on the picturing of the agricultural sector in its full extent;
- Introduction of an open agricultural day;
- Organized visits of schools to agricultural companies;
- Agricultural vacations, mostly for youth of the poorer families.

Pre-condition for all activities is the implementation of a new more effective institutional design, which is further, elaborated on in chapter 7.2.

**Literature**

- A.P. Everaarts - An inventory of the agricultural research in Suriname; Project report nr. 510298, PPO August 2003
- Dr. Ir. H.J. Silvis ea. - Manual agricultural economy and policy; 2002
- Ing. A. Zalmijn, ir. M. Kaboord - Study agricultural training, education and extension; December 2003
- Ministry of LVV - Plan for the image improvement agro sector; draft November 2003

**7.4 Stimulating the private sector**

The government Venetiaan has as principle that political and macro-economic stability is a pre-condition for economic restoration. This is in an increasing way focusing on stable conditions for the development of the private sector. Development of the private sector is one of the pillars of this ASP. Under this new approach the government self is not taking part in the production anymore. She takes care of the required pre-conditions and stimulates and facilitates private initiatives, which fit in the development vision. A first review of the potential solutions for the problem of insufficient availability of agricultural credits is given in the ASP study, which is attached to this report (Proplan consultancy: “Project document agricultural credits”).
Problem
Specific bottlenecks with which the private sector has deal within the past decennia are for example:

- The dominant role of the government apparatus and the poor functioning state enterprises;
- Lack of incentives to promote production, investments and export;
- Instable exchange rates, gap between the official exchange rate and the parallel market exchange rate, instable prizes and high inflation;
- Lack of staff and insufficient supply of vocational training, as a result of which entrepreneurship is poorly developed.

Looking at the climate for investments the UNCTAD is placing Suriname, also with regard to the aforementioned, in the World Investment Report 2002 on a low place; the country is at this moment unattractive for foreign investors. All this is limiting the flow of foreign capital and development and innovation in the agricultural sector.

The purpose of the intervention
The present government considers a proper climate for investment of great importance and has begun to remove the barriers. Primary objective is that Suriname has a climate, which promotes sustainable economic development and reduces poverty. The purpose of the intervention in the framework of the ASP is to improve the climate for investments in the agricultural sector in such a way that a strong private sector is created which does her own business and provides the much needed innovations in agriculture and fisheries.

Intervention
The proposed intervention haves a number of components, namely improvement of the climate for investment and as a continuation of this cross-border B2B cooperation, development of entrepreneurship in the sector and stimulating of desired private initiatives.

Climate for investment and cross-border business to business-cooperation
Improvement of the climate for investment is an action, which is actually outside the scope of this sector plan. It is however such a pre-condition for further economic development in the agricultural sector that brief attention is given to it. One of the first demands that a (foreign) investor has is security of investments. A mean for that is to enter into agreements for protection of investment (IBO) with other countries.

The Netherlands is looking at the language and its position in the agricultural trade flows (third place exporter of agricultural products in the world) an important partner country and it is therefore also important to actually enter into an IBO with this country, which actually is in the pipeline. This will provides extra perspectives for transaction with Dutch companies.

Furthermore a large number of institutions are involved in large (foreign) investments, which is experienced at the enterprises concerned as an obstacle. It is therefore essential to come in a short term to a one window settling of the larger investments. The investment act and the act InvestSur of June 2002 are providing the basis for this, but these have not been concluded. It is for the development of the agricultural sector of big importance that this one-window unit will be in due time in place.

For a small economy and market as the one of Suriname a good relation with foreign partners is essential, even if this holds only for the marketing of products on the export market and the gaining of knowledge for the improvement of production and processing. There are different possibilities to promote and intensify such contacts. There are different foreign “windows”, for instance in the Netherlands at the Ministry of LNV and the Suriname-Dutch Chamber of Commerce in The Hague. In addition there are financial tools available to
promote activities with an international character such as the Fund for Technical Assistance at PLOS.

**Development of entrepreneurship**
If the private sector is considered as the motor for development of the agro sector the development of entrepreneurship is a pre-condition. The only way to have influence on this as government is through education- and trainings programs. The VSB has at this moment already such a role a bit. It is important to establish curricula for institutionalised education (see chapter 7.3) and specific education and trainings programs more than is presently the case for the development of knowledge and skills with regard to entrepreneurship. This will have a positive effect on innovation and businesslike operation of the private sector.

**Stimulating desired initiatives, investment credits**
To make development in a by the government desired direction possible, it might be useful to separate a part of the treaty funds for the stimulation of private initiatives in that direction. One can think of the establishment of a type of revolving fund through which the government can decrease extreme risks linked to innovative entrepreneurship and stimulate development. It is necessary to tune up with existing regulations like the Fund for Technical Assistance of PIOs, in order to avoid overlap and piling of subsidies. Besides that the in September 2002 established Business Forum (BF) in which Surinamese private and governmental organizations are part of, play a role. At the institution is agreed on to have in consultation between the private and public partners a formulation of a national strategy for the development of the Surinam private sector. The EU supports the forum under the Cotonou agreement. Criteria, which could be valid for the review of the projects under such a stimulating arrangement, could be for example:

- It is regarding the development from primary production to processing;
- Promotion of production and processing of non-traditional crops and products such as aloe vera (beauty product) cassava starch, noni as a basis for sweeteners, mushrooms for the protein production and coconut fibres for substrate in horticulture;
- Implementation of the project promotes the development of sustainable and innovative agro chains
- It is regarding more than one link in the chain
- It is regarding preferably international B2B contacts
- Emphasize must be on the weak sides of strong sub sectors
- Activity promotes sustainable entrepreneurship
- There is a regional spin-off.

**Literature**
- VSB - Doing business in Suriname; 2003 (?)
- PROPLAN – Project document agricultural credit; December 2003

**7.5 Chain development**

*What is an (agro) chain?*
A chain is an intentionally serial of activities tuned to each other, which lead to an end product for which the consumer is willing to pay a price. For instance:
A bag with tomatoes begins in the chain at the producer with his knowledge and skills, seed, cutting material, soil or substrate, (artificial) fertilizer, pesticides, nursing, harvesting, packaging, transport, cooling and presentation. Thinking on large scale these activities are done by more than one person in the chain. To produce in such a way that for the end product a high price is paid one have to be thought of the demand (i.e. reverse chain).
optimal chain is cost-efficient (namely in the cooperation between the links) and provides a desired product that has no notable problem.

In 7.9.3 is said that for development of the horticulture sector in Suriname, looking at the export possibility and high quality demands at the import side a good chain organization is indispensable. The proposal is, an integrated program focusing on one or more agricultural products where all links in the chain are being developed. With this a large part of the abovementioned problems are being dealt with. Through the establishment of a PBO organization the members are forming an institution which although not yet having put through the necessary institutional changes, is a speaks partner with authority for the government, and through which a number of trade restrictions and infrastructural problems can be solved in an easy way. These institutions are in the meanwhile not without obligations. The members are receiving among others trade and marketing information, quality control, cold storage facilities and information about product innovation, but will also be (firmly) impose a fine on when not adhering to the appointments made.

Problem
a) Insufficient quality of the end product;
b) Frequently appearing home industry is asking for extra attention to food safety;
c) Little value added;
d) Little cooperation between links (from grower to consumer).

Purpose of the intervention
On a small scale built a chain organization for a few horticulture products. If this is successful extend partly to sub sectoral chain structures. With this explicit attention is given to quality aspects at small-scale processing/ home industry

Intervention
To start a pilot chain development agro sector.

For this integrated program simultaneously a number of activities and learning processes have to be set in parallel.

a) The required legislation for a (type) public enterprise organization (PBO) for having the quality and other prescriptions binding for the associated members (links).
b) Training of the producers and traders in food safety and other quality aspects, also with an eye on the requirements at the import in Europe and other countries.
c) The establishment of a quality control bureau with laboratory capacity;
d) The establishment of cold storage facilities managed by the PBO

7.6 Agricultural census and Statistics

Knowledge of the sector is essential to formulate an effective and efficient policy for the agro sector. Part of the knowledge is obtained by systematic inventory and processing of data of so-called agricultural census. At this moment good data of the agro sector are scarce and it is important to change this in a structured way.
Problem

Since the last agricultural census of 1981 there is insufficient reliable statistical information about the agricultural sector. The causes of the problems are the limited functioning of the department for statistic where the training of the personnel and logistic support are poor and an outdated methodology is used at the collection, processing and dissemination of data. In addition the organization leaves much to desire. Finally the response of enterprises, individuals and institutions that have to provide data is insufficient and often late. As a result of the lack of proper statistical information, the planning and policy formulation for the agricultural sector is disadvantaged. The methodology at the collection of data is in principal still based on a complete annual census of all enterprises. Other data are estimated on the basis of not regularly reviewed considerations. New techniques like aerial photo interpretation and GIS analyse are not applied. A beginning is made with the collection of geographical information.

Purpose of the intervention

To establish a firm basis for a future long-term policy by getting reliable statistical data to the Sub-directorate Planning. This will provide possibilities for proper policy analysis and planning.

Intervention

The organization of a pilot census in Commewijne as a preparation for the general agricultural census. Therefore in anticipation of the reorganization of the MAAHF the existing division for statistics will be strengthened. This pilot census does not have to wait until the institutional change of among others MAAHF have materialized. In this pilot census the new policy components as environment- and gender aspects can be taken into account.

Details on the necessary manpower and material for this pilot census are given in the attachment. The learning experience at this provides the basis for an integral agricultural census, which within a few years will have to be executed with the FAO. Furthermore the execution of a pilot census provides the necessary information for the further completion of the new division for agricultural statistics.

Literature

- Ministry of LVV – Summary report institutional strengthening; division for agricultural statistics of the Ministry of LVV; 2003 (annex ASP)
7.7 **Agricultural credit**

The availability and costs of agricultural credits form a big problem. Namely in the rice sector the high interest rate in combination with the drop of the prices for paddy has lead to a big dept problem. For this a solution must be found.

The project document Agricultural credit (see annex) gives a first impression of the current stage with regard to the granting of agricultural credit in Suriname and makes an overall proposal for a agricultural credit system under the auspices of the MAAHF and the Agricultural Bank. In chapter 7.4. specific attention is given to the problem of credits for investment. The project team supports the thoughts of a credit facility for innovative investments in the agricultural sector such as chain development and processing. On the question if a reduced interest rate, comparable with the competing countries must be make available for the exploitation costs in the agricultural sector the answer of the project team is negative, because of the lack of economic sound motives for such an unusual intervention and the uncontrollability of such a system. This is despite the fact that for political reasons another choice can be made, for example in line with the proposal from the sub-study agricultural credit. This proposal is phrased as follows in the summary of the sub-study:

*The agricultural sector in Suriname is despite its much mentioned potential, during the past decennia, for both the crops species as for the region marginalized. If Suriname leaves the sector to the macro-economic circumstances and international market development than this will further shrink with all socio-economical consequences as a result.*

Affordable agricultural credit is everywhere in the world a precondition for the development of the agricultural potential. The challenge to produce in a competitive and professional way for the export market is only possible under certain conditions. Here in the accessibility and the cost of agricultural credit takes an important place.

*The Agricultural Credit Fund has as general objective: to contribute to the improvement of the competitiveness of the private sector in agriculture, animal husbandry and the fisheries sector and as a specific project goal: to provide funding to agricultural enterprises for the continuation of the current production, increase of efficiency and increase of the production.*

The MAAHF to the Agricultural Bank NV delegates the execution of the AKF. Within this bank the department for Finance is responsible for the implementation of the project. The bank has as important tasks to submit credits according to specified criteria and procedures to the target group, to manage it and to take care after a correct settlement of the credit.

Point of departure is that during the 5 years period of the Fund the macro-economic situation is improved in such a way that the inflation decreases in a way that the interest rate can be structurally reduced. This is a gradual process. The assumption with this is that producers are made commercially strong in such a way that for eventual future credit they are in the position to fulfill to the than existing banking demands. The interest rate will be than between the current interest (20-24%) and the interest of the Fund (10%).

Also with regard to the limited Treaty funds are suggested to provide the AKF with 2.3. million of Funding capital, in phases during 3 years. The investment budget for the operation of the AKF amounts to € 95.000 and contains the cost for initial training courses, the autoimmunization, the transport and unforeseen costs. Besides a refresher training for the staff of the Agricultural bank there is also training for MAAHF agriculture extension workers and for selected NGO’s/producers organizations.

*The expected interest returns over the period 2004-2008 amounts to € 740.000. The operational costs of the AKF over the project period amounts to € 354.850 and are*
regarding the to the fund related additional transport costs (fuel, lubricants, maintenance, etc, the office costs (office supplies, telecommunication, etc), the accountancy costs, the external evaluations, the management costs and the unforeseen costs. The net balance will be completely transferred to the Guarantee fund for high-risk credits. The total amount which have to be reserved for the guarantee fund is € 134.460. The total generated balance at the end of the year 3 is more than enough to cope for the estimated eventual shortages. The high-risk loans can be fully covered and an eventual depreciation of the fund can be avoided. With this the continuity of the AKF according to the revolving fund principal is guaranteed.

The shortages could be higher than the reservation, when in the so-called 2nd generation loans also high risk companies will be taken up. A tight monitoring of the guarantee fund obligation will lead to it that in a timely way will be changed to a certain accentuation or a more relax way when accommodating high risk groups.

Literature

- PROPLAN – Project document Agricultural credit; January 2, 2004

7.8 Agricultural development of the interior

Accommodation of transition

The choice of the development strategy and the measures to be taken is depending on the policy objectives for the development of the interior. In general can be said that the Interior had suffered under a non-equivocal policy, an un-coordinated program implementation and institutional support. In the development of the agricultural sector in the interior account has to be taken of among others:

- difficult and costly accessibility of the village communities
- Soils that are poor in chemical and susceptible to erosion.
- Limited local market possibilities
- Poor research data with respect to concrete agricultural development modalities.

The present government has in her MOP (2001-2005) and in the different sector policy papers stated the direction for the policy for the agricultural development of the interior. In the policy of the government mention is made of seeking of possibilities for a more balanced regional spread and for the production of both traditional and non-traditional products. In the policy objective for the development of the interior in the in 2001 drafted position paper is said that food security is one of the most important issues. As development possibilities in addition agriculture and agro processing is mentioned. Also in the forest policy attention is given to the agricultural use of forest land. This is mainly related to the need for minimizing the damage to the environment as a result of the use of forestland for agriculture.

There is an urgent need for the development and promotion of adjusted agricultural systems, which not only fulfil in the demand for food, but also contribute to income. As a result of the aforementioned the policy must besides the subsistence production be directed towards where possible supporting the market oriented agriculture and with this contribute to the food security in the Interior and increase welfare, in such a way that no harm be done to the environment. The discussion about the position of the Interior and its inhabitants in the development process in Suriname will even though have to be continued and concluded in
order to formulate the long term policy and to decide on measures for the implementation of this policy.

Problem
The central part of the vision for the agricultural development of the policy for the development fits within the general vision of the interior that is to have also in this part of the country development.

The problems mentioned in the interior of among others food insecurity; little alternative possibilities of income opportunities and increase of the workload for women have to be addressed in close consultation with the people in the interior and with taking into regard the research results of the possibilities.

Which are the main problems in relation to the agricultural development in the interior:
- Most soil types are chemically poor in nutrients
- Degradation of forest soils and deforestation because of shifting cultivation
- Food insecurity
- larger workload for women because of the changed living situation and the larger distances to living site and food plot.
- Inappropriateness of land rights for granting of credit

For a detailed analysis is referred to the study Agriculture Interior

Purpose of the intervention
- To safeguard food security
- To reduce the degradation of forest land and deforestation
- Support private initiatives for sustainable agriculture
- Development of a long term agricultural policy for the interior

Intervention
It has to be emphasized that the proposed actions in the interior will fit in the already undertaken successful activities of proper functioning NGO’s like the PAS and the EBGS.

Agricultural extension and training
A strengthened program for extension and participation, which is directed to the reduction of the degradation of forestland and increase and diversification of the food production. The TOR have to be elaborated for where the existing NGO’s like the Pas and the EBGS have to be supported in their already successful initiatives in this direction. Project ideas consist on: improvement of the fallow period, composting and planting of legume trees and plant species. Furthermore it is directed on intensifying: development of apiculture, mushroom cultivation, goat and sheep farming and tree plantation (cashew, para nuts)

Development of markets and marketing
Also here the existing initiatives of the in the interior active NGO’s in this matter need to be strengthened. The TOR has to be elaborated in cooperation with the NGO’s.

Long-term policy
After implementation of new institutional arrangements for the agro sector a long-term policy for the interior have to be developed. The one is reacted to the other.
7.9. **Development of the sub-sectors**

7.9.1. **Livestock industry**

The further development of a sound and viable livestock industry sector in Suriname is the goal of the project activities. Monitoring of diseases in the sector (according to OIE standards: Office International de Epizooties) must lead to growth of the production in the livestock industry. With this also the food safety and food security for the population as well as the export possibilities to in particular the region will increase.

**Problem**

a) The health risks for man and animals. Food safety and -security with regard to animal food products is at present not guaranteed to an optimum extent.

b) Unused economical potential. Import substitution and related to that the export of animals and animal products are at this moment unused opportunities.

**Purpose of the intervention**

The purpose of this project is through a broadly set up animal disease monitoring system provide opportunities to the livestock industry in Suriname for further grow into a sound and viable sector, where in addition also the food security and food safety in the country and the export possibilities to in particular the region strongly increase; to transfer furthermore the veterinary inspection into a quality monitoring body with regard to animal disease monitoring and - control, also supported by the business registration and the animal identification and – registration system for agricultural domestic animals, as a result of which a sound and viable development of the sector is achieved. The monitoring and control system is to support the animal health care in Suriname and to provide on the international level prove on the national animal health -status of Suriname. In the identification/registration system, for each relevant animal type a specific form of identification and registration will be developed. The system contains both the infrastructure needed in the field and in the central unit, as well as the necessary automation.

**Intervention**

The livestock industry sector in Suriname, now relatively small, does at present not entirely meets the own demand anymore, but has potential to grow. In terms of animal health, the country seems to be in a good position, the diseases of list A of the OIE seems not to occur. Among others, the veterinary service needs attention for this, namely the provision of (para) veterinary in the field as well as support to their activities. Identification and registration of agricultural domestic animals and cattle farms are important in the treatment of animals in practice, in the business guidance for the improvement of the production, in animal disease surveillance and in organized animal disease approach and for tracing the origin and spread of diseases and residues of forbidden substances. This is also to provide guarantee for the food safety and quality care monitoring systems.

It is necessary that there comes a good picture of the current animal diseases- situation in Suriname, that the facilities, both in the field as in the support, are brought to the desired standards, and that there are plans of action made for the different relevant animal diseases. Our animal disease situation has to be monitored on a regular basis.

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**Literature**

- CELOS – Sector study Landbouw Binnenland, CELOS; November 2003 (annex ASP)
- IDB / RO - Assessment of Economic Development Opportunities of Hinterland Communities in Suriname; February 1999

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The improved capacity for animal disease monitoring have, by a decrease in occurrence of diseases, to lead to an improved production level, through which a better food security is obtained and the food safety is improved through the decrease in occurrence of zoonosen. International recognition for the animal disease monitoring system makes after the growth of the livestock, export of animal products possible. This will have a favourable effect on the producer’s prices and will lead to regulation of the market.

The animal disease monitoring system will take care for that for the import of life animals and animal products there are requirements for the guarantee of health. In the framework of the WTO, within the SPS treaty, this is only allowed, if the country self can fulfil at the required conditions. An important aspect in the increase of the international traffic in animals and animal products is to protect the health of the own livestock. Improvement of the infrastructure for the monitoring of the animal health forms also the basis for quality care monitoring systems. These are of great importance for the food safety.

The goal of the project is to transform the current veterinary inspection into a quality monitoring body with regard to animal disease monitoring and combating, also supported by business registration and an identification and registration system for domestic agricultural animals.

Results of the project activities are:
The veterinary field service is strengthened up to 16 AHA’s and is adequately equipped with among others 16 motorcycles. Once per quarter all cattle firms are inspected and where needed in particular extension directed on quality improvement is given at the spot.
The inspection institute is strengthened with 15 AHA’s, the institute inspects all slaughterhouses, meat shops and imported and exported animal products. Livestock presented for slaughtering is controlled on a at random basis for the animal diseases status of the various populations.

The veterinary laboratory is being better equipped with respect to staff, housing, equipment and material. A capable manager is assigned on a fulltime basis and the laboratory is functioning, in cooperation with other laboratories, according to OIE standards.

After the in the starting phase executed countrywide survey for getting insight in the animal disease situation, protocols are drafted for the monitoring of the various animal diseases. The animal disease monitoring system is functioning according to the OIE norms for which the country is divided into four zones. This unit is capable to implement up-to-date disease preparedness plans in the case of (threats of) animal diseases. The business registration and the animal identification and registration system are implemented in a good cooperation with the sector and are closely linked to the dzb system.

The management and in addition the data management of the animal health unit are strengthened and timely fed from the field, through the established computer network. On the basis of recent data, steering is given to all activities of the components.

An increase of food safety and -security for the Surinamese population is obtained through increased health control on all aspects of the livestock production. Certification of meat and animal product for the export can be executed, through which made the export of meat and animal products become possible.

For the successful implementation of these activities, there are a number of assumptions and preconditions. Crucial is that the relevant legislation is adapted or extended adequately and in time. Hereunder are the “act registration of businesses and animals and identification of animals”, the “act combating animal diseases”, the” act practicing animal medical science
and para-veterinary professions”, the “act animal medicines”, the “act meat inspection” and the” act animal feeding”. After the consultations held with representatives of the stakeholders it seemed that the support of important parties from the sector for the objectives of the project is amply available.

Risks are among others the lack of relevant legislation, a shortage of properly educated staff, little interest for relevant study subjects and no adequate remuneration structure at the government. Besides this in many other areas activities have to be taken up such as improvement of accessibility and water management of the production areas, stimulating grassland improvement and input of better milk cq meat bred, and increase of the efficiency by among other using more local feed components. More over a policy choice for the stimulating of the own (cattle) production have to be made, by among others proper purchasing prices, a better fiscal climate for local producers and lower interest rates for production activities.

Implementation of the 2 project components is done phase wise and with mutual consultation:

- In the establishment phase of the monitoring system the acquisitions for the laboratory, IT network and transport (16 motor cycles and 8 cars) are made, people recruited and/or trained and given with refresher courses. In- and external consultation structures as well as the administrative organization are established. In the operational phase the infrastructure is set up (lab facilities, IT network, field facilities) and the survey executed simultaneously with the identification and registration of businesses and animals, whereby samples are taken in the field. After the assessment and eventual second screening of positive samples is for each disease and possibly each zone a strategy developed (monitoring of combating- or certification programs). After the strategic phase comes the routine phase, the day-to-day operation of the system with eventual adjustment of strategies and/or infrastructure. In the closing phase the imbedding of the organization and staff into the MAAHF is arranged, protocols and procedures drafted and legal regulations are operational.

- In the establishment phase of the identification and registration system, acquisitions are determined and made, and people recruited for the operational phase. Guidance and consultations structures and the administrative organization are established.

- In the operational phase the IT network is in close cooperation with the monitoring system and the programs adjusted to the Surinamese situation.

Training for system management and for field staff is done parallel with the start of extension to farmers on this activity and their responsibilities.

Registration phase of businesses, simultaneously with identification and sampling of animals follows. Namely for cattle hereafter a further catching up is necessary for a higher coverage rate. In the introduction phase, the system is introduced whereby a lot of guidance of the cattle farmers is necessary. The legal regulations have then to be effective. In the closing phase eventual adjustments
will take place, the imbedding within the MAAHF organization will take place and are financing structures made.

**Activities** necessary for the establishment of both systems are among others expansion and adjustment of existing laboratory facilities, through which quickly a satisfactory operational level is reached. Renovation is needed for the pathological lab, whereby in addition an office is created. Purchasing of cattle registration programs and IT means, establishment of a network (internet) and placing of security devices. The network has four regional stations and further at four slaughterhouses, the veterinary lab) 3), the animal health unit (4 plus server) and the division animal husbandry (2) stations. Within the software reporting systematic, research protocols and certification systematic are developed.

For the laboratory materials are purchased and is being prepared for certification through others the formulation of protocols for all activities as well as by seeking cooperation with other laboratories for quality improvement and -monitoring. Field material for sampling and their storage and processing is purchased.

In order to obtain a good picture of which diseases from the OIE list occur to which extent in Suriname, in the starting phase a countrywide survey is held, together with other I&R activities. The identified and cooled samples are analysed per disease in the laboratory, looking at the numbers, especially with (quick) serological methods. After the assessment of the results will as soon as possible and where possible, the disease free status will be requested at the OIE. In this stage a system of regular monitoring have to function, a properly maintained reporting obligation have to be in place and among others a disease preparedness plan have to be ready. In the **I&R component** the following activities are necessary: selection & purchasing of cattle registration software, installation, adjustment and testing of software. Furthermore for the earmarks a selection and purchasing procedure is started. Staff is recruited. The business registration is completed and used for the database.

The system manager is trained, after which the field staff and other users as focal point to the sector are made acquainted with the system and its background. In an early stage, a beginning is made with extension to the cattle breeders, consumers and processors in order to have the cooperation of all parties for a reliable functioning. In cattle will for a long time be worked on the identification because of the wildness of some of the animals, while interim solutions can be used. After this the system is introduced, together with a number of maintaining- and sanction rules.

In addition to the above-mentioned practical activities is being worked on the operationalization of an effective and functional animal health unit (AHU) as part of the already established agricultural health authority. Within the AHU the centre of management coordinates the activities of the components (veterinary laboratory, the departments for inspection and the veterinary field service as well as the contacts with the animal husbandry department and the private veterinarian.

Several phases are partly overlapping each other's. In the establishment phase of 6 months starts in the month 3 the establishment of the infrastructure. The survey starts in month 7 and must be finished in year 1. The assessment phase starts in month 8 and ends two months after the completion of the survey. The first request at the OIE is submitted after the strategic phase of two months in month 5th of the second project year. The closing phase of monitoring and the I&R phase are starting respectively in year 3 and year 4. The total project duration is five years.
The current veterinary inspection staff forms personnel in this unit. Expansion and intensifying of activities require for the lab a university graduate as chief, furthermore 2 lab assistants, 1 analyst and 1 general assistant. For among others the inspection service and field service in total 24 AHA’s are necessary, which for the greatest part still have to be trained. In addition, a system manager and an administrative person have to be recruited.

Table  Investment estimate

<table>
<thead>
<tr>
<th>Component</th>
<th>year 1</th>
<th>year 2</th>
<th>year 3</th>
<th>year 4</th>
<th>year 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human capacity</td>
<td>145,704</td>
<td>125,280</td>
<td>125,280</td>
<td>150,480</td>
<td>150,480</td>
<td>697,224</td>
</tr>
<tr>
<td>Adjustment &amp; equipping lab</td>
<td>217,250</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>281,250</td>
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<tr>
<td>Fieldwork</td>
<td>255,000</td>
<td>25,500</td>
<td>25,500</td>
<td>25,500</td>
<td>25,500</td>
<td>357,000</td>
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<tr>
<td>Automation incl. training</td>
<td>84,500</td>
<td>9,425</td>
<td>9,425</td>
<td>9,425</td>
<td>9,425</td>
<td>122,200</td>
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<tr>
<td>Transport incl., running costs</td>
<td>204,200</td>
<td>33,300</td>
<td>33,300</td>
<td>60,500</td>
<td>36,500</td>
<td>367,800</td>
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<tr>
<td>Certification, evaluation, P.R., etc</td>
<td>80,600</td>
<td>37,900</td>
<td>44,600</td>
<td>32,900</td>
<td>49,600</td>
<td>245,600</td>
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<tr>
<td>Unforeseen</td>
<td>98,725</td>
<td>24,741</td>
<td>25,411</td>
<td>29,481</td>
<td>28,751</td>
<td>207,109</td>
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<tr>
<td>Implementation</td>
<td>234,389</td>
<td>179,470</td>
<td>179,470</td>
<td>179,470</td>
<td>179,470</td>
<td>952,269</td>
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<tr>
<td>Total</td>
<td>1,320,368</td>
<td>451,616</td>
<td>458,986</td>
<td>503,756</td>
<td>495,726</td>
<td>3,230,452</td>
</tr>
</tbody>
</table>

For the year 2004 could have begun with the establishment of I&R cattle breeding for Commewijne and in addition I&R poultry keeping for the whole of Suriname. Commewijne is advised by the authors of the sub-study, because of the natural boundaries and other feasibility factors (number of enterprises, willingness to participate) the advantage of this partly approach would be that export could be done earlier. The number of poultry companies in Suriname is could be overseen and there is a big demand in other CARICOM countries for hatching eggs.

Precondition for all activities is the implementation of a new more appropriate institutional design that is elaborated on in chapter 7.2

Literature

RDP International BV - Veehouderij-ontwikkeling in Suriname; 31 October 2003
RDP Livestock Services BV - De veehouderijsector in Suriname; April 2002

7.9.2. Fisheries

The fishery organisms of economic importance are mainly appearing on or just above the bottom of the sea (so-called demersal populations) and in the large water column (so-called pelagic populations). Distinguished are small pelagic fish species, which appear in dense flocks near the coast in the superficial layer, and larger pelagic fish species, which appear far outside the coast. Besides the Atlantic Ocean, are the brackish estuary of the large rivers, the extended pans in the estuary areas, the rivers, the swamps and the hydro-energy lake contributing to the fish and shrimp potential of Suriname.
Fishery is an important pillar of Suriname’s economy. More than 5,000 persons are employed in this sub-sector. In the agricultural sector, fishery is the largest earner and accounts for about 5% of the Gross National Product (GDP). The main product, sea shrimp, is largely processed by the parastatal company SAIL. At present consultations are held with the government on the way this company can be privatised in order to improve the efficiency and affectivity.

**Problem**
- The lack of fishery-biological support, which is of importance for the monitoring of sustainable production (biological function of estuary), conflicting fishery types, MSY and MEY;
- Strong dependence on foreign fisherman in this professional group, because Surinamese have little or no interest to be employed in this sector;
- The operational level and applied technology in this sub-sector are leading to substantial waste and inefficient use of the potential;
- The artisan professional group persist in traditional methods and is in many ways not familiar with the up-to-date technology (innovation) and the current thinking and importance with regard to quality, competing prices and principals of sustainability;
- Sub optimal recovery in the processing industry for fish and shrimps and minimal value adding to the product;
- Continuing large drop in the catch of sea shrimps with alarming consequences for the sea shrimp processing industry;
- The strongly growing production of the so-called “sea-bob” shrimps is threatening the biological production of other fish populations which occur on the same grounds before the coast;
- The strongly decreasing international prices of shrimps since 2002;
- The production level of the brackish water aquaculture in Suriname is not yet able to adequately anticipate on the excessive human power and processing facilities for sea shrimps; the development of the aquaculture is advancing with difficulty, among other because of the lack of a stimulating policy;
- The lack of an authoritative inspection body, which consequently is overseeing the adherence to the legal regulations in the sub-sector fishery on locations, which have to do with fisheries (for instance fishing grounds, landing and fish/shrimp landings).

**Purpose of the intervention**
The purpose of the intervention is the development of an economic and ecological sustainable fishery sector.

**Intervention**
To have on the long-term tangible results, the fishery-biological research will concentrate research in the following areas:
- A multi-annual research program to determine the MSY and the MEY per fishery type;
- The migration picture of juvenile fish/shrimps in the estuary areas in a certain period and the identification of species (DNA techniques).

Control methods on the illegal catching of fish in shallow water have to be developed. The regulations on fishing debt in fisheries agreement have to be replaced by fisheries zone and the obligation to log on with GPS to allow for monitoring. For an improvement of the rate of organization in the sub-sector it is necessary to intensify networking (local and regional) and frequently exchange information with stakeholders.

The technical adjustments of the trawler fishery that have to lead to a decrease of the by-catch is still in an early stage. In north-American there are experiment going on which
Suriname keep a close track on. The effective use of the by-catch could be promoted in cooperation with the feed industry. For instance to have on a modest level an experiment with souring (acetate) small quantities of by-catch at sea, which could than be further processed by the feed industry. An expert in the area of fish product development has to be recruited to have a further identification of the application possibilities of the by-catch.

Training in quality care and the wise production for the market is essential for fyke net fishers. So the dependence on the sun can be broken with the installation of a dryer (on solar energy). Furthermore, the facilities for processing and temporally storage will also be an important improvement. To reduce the dependency of the fishery sub-sector on foreign fishers in the short term an “on the job” trainings program can contribute a great deal. An option is to reduce on each delivery of trained fishers an as big number of fishing licenses to foreigners.

Suriname has two aquaculture companies, which because of the lack of finance produce on small scale, but very professional brackish water shrimps for the international market (USA, EU and Japan). In the view of the utilization of this potential, that Suriname has to offer, the linking with the existing activities is more efficient than to start up from the basis. Insight in the market and the way this linking can be best made needs a further elaboration.

The preservation of the biological function in the estuay pans is of strategic importance and is essential for the commercial fisheries in and out Suriname. The system is thanking its existence to the unhindered open connection with the sea through which the migrating fish comes in or leaves the area. Maintenance of the hydrological structures is therefore a precondition.

Developments in fishery are very dynamic and determine to a high extent the efficiency with which these companies are managed. Keeping up with all these developments and the attitude forming are especially possible through formal education. Education and training are for the fishery and aquaculture sector on LBO and MBO level is therefore not a luxury.

The structuring of the fishing ports and the monitoring of the quality of the supplied fish are actual aspects with which the Ministry has to make an accelerated start. The Fish inspection Institute, which have to be established by law, manned with specially trained staff, have to carry out quality inspection on each location.

The transport of fish to the final destination (for instance the processing industry) has to be done in specially assigned transport vehicles and according to prescriptions (under ice). The MAAHF, TCT and Defence have in preparation the establishment of a coastal guard.

Efficiency forms the basis for competing cost prices in the secondary production. To make the processing industry economically strong it is of importance that as much as possible value is added to the product. In Suriname, the fish catch is undergoing now still little treatment. By transferring to end products for niche markets (fish burgers, fish ball, fish nuggets and so on) the value added does not only increase, but the industry is drawing back from the status of supplier of raw material. Insight in the market and expertise in the development of economically interesting products is therefore required. This hold also for aquaculture.

Investment and the further development of this sub-sector are in every way advisable. Not only because of the enormous potential which it contains, but more over because the international demand for fish and fish products is growing at a larger rate than the supply and because many fishing areas in namely both the colder zones in the rich countries as well as the fishing grounds in the densely populated regions in south east Asia are over fished and become exhausted.
Precondition for the main part of the above-mentioned intervention is the implementation of a new more effective institutional design that is elaborated further on in chapter 7.2.

**Literature:**
Power – The policy strategic plan for the sub-sector Fishery in Suriname; November 2003

### 7.9.3 Horticulture

The international market of (exotic) vegetables and fruit has shown in the past decennia an enormous growth. Suriname has barely succeeded in increasing its market share on this growing market. The expansion of the European Union has because of the widening of the climate zones as well as by technological renewal (greenhouse cultivation, improvement-development and so on) been broadening and enlarging their domestic production assortment of vegetables and fruits as a result of which the market opportunities in species (oranges, bananas, cabbage species, pepper species, and so on) became less for development countries. The regulations for food safety, phyto-sanitary demands, environmental requirements and labour conditions have become important criteria for the choice of a supplier country. To be able to fulfill to this conditions, the exporting countries consequently have to keep track of these developments and make enormous in-depth investments to maintain market access casu quo to obtain market access.

The development of scaling-up in the export markets as well as in concentration of production in competing producers countries is requiring a more professional approach on a minimal necessary level for connection to the market. By the increase of scale in the target export countries the economic interests are increased enormously and this forces to very stringent delivery conditions in export with the risk of heavy financial sanctions. "World wide sourcing", the following of the production calendar with the seasons in the world makes that among other because of the good information flows the purchasing is made sharply and that strong quality demands are laid on the suppliers. This makes it necessary to have a good information supply and to international production and production costs comparison of exporting countries. Despite the unification of Europe, there are great differences between the different member countries in among others level of import, consumption, while furthermore not all laws and regulations are unified. A good choice of the target export country or trade partner is of great importance.

Suriname has good market prospects with respect to the export of both fresh and processed fruits and vegetables. This potential has to be brought to development through the formulation and implementation of clear long-term policy objectives. Modernization and expansion of the assortment is on all areas of production to export of eminent importance. The Toko marketing channel of Surinamese vegetables (and fruits) offers too little perspectives for growth. A strategic analysis for further growth and development, both in volume and in product assortment have to be made and implemented. The market prospects of vegetables and fruits within the CARICOM are realistic and have to be further looked upon.

**Problem**
Trade restricting factors, which hinder the export and the growth of the export:
- Poor quality of export products because of problems in the field production, selection, cold storage, aerial transport;
• Time-consuming export procedures and inefficient settlement;
• Poor information about the export markets;
• Not fulfilling to the special requirements of the export market;
• Small domestic market, which lead to one-sided dependency on the export market.

Infrastructural constraints:
• Poor road access of potential production areas;
• Poor drainage of potential production areas;
• Poor phyto-sanitary care (control; information);
• Absence of cold storage facilities on the airport Zanderij;
• Irregular freight flights and freight space to the Netherlands;
• Lack of export promoting attitude

Other problems:
• Poor supply in plant material
• Poor supply in other physical inputs;
• Weak industry-sector organization of supplier companies, growers, buyers and exporters;
• High tariffs for aerial fright($ 1.20/kg) and inadequate facilities, because of the subordinated place of aerial freight compared to passengers transport;
• Weak and not transparent policy for issuing of land, which lead to insufficient availability of land;
• Insufficient and unfavourable supply of credit to growers;
• Poor other support: training, research, extension
• No investment promoting institute (Investment Promotion Agency) and general legal provisions (Investment act, Fiscal facilitation) directed on attracting of private investors.

**Purpose of the intervention**
Development of an economical and ecological sustainable horticulture sector which exports (processed) products, among others through:
• Removal of trade restricting factors
• Removal of infrastructural constraints
• Removal of other problems

**Intervention**
The proposed goal is ambitious. It seemed under the current circumstances in the Surinamese agro sector wise to develop the sector bottom-up and to start on small scale, preferably linking with existing initiatives. The proposal is to start a pilot chain development agro sector in the horticulture, for instance linked to the ongoing project of PPO-Lelystad. See therefore the text at chapter 7.5. Chain development.

**Literature**
• Iwan Poerschke - The Surinamese horticulture sector is in need to be modernized; 4 December 2003 (annex to ASP)
• PROPLAN - Project document Landbouwkrediet; December 2003 (annex ASP)
• Caribbean Development Partners NV. - Strategic development plan for the ornamental plant cultivation in Suriname; January 23, 2001
7.10 **Logical framework ASP**

In this logical framework the point of departure is formed by the intended activities (1 to 12), which will lead to results, which on their turn contribute to specific objectives, or project goals, which are part of the general objective. When the preconditions are met, the completion of the activity is verified on the basis of indicators set at the source of verification to see if they were successful. For example in the reactivating of the water management bodies, when the preconditions are met, have to be checked at the spot how the polder looks like and how the board is doing their tasks and have to be read in the Bulletin of Acts if the acts are indeed ratified.

<table>
<thead>
<tr>
<th>ACTIVITIES AND OBJECTIVES</th>
<th>INDICATORS</th>
<th>SOURCE OF VERIFICATION</th>
<th>PRE CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Gender</strong></td>
<td>1.1 seminars; manual</td>
<td>1.1 report seminars; LVV</td>
<td>1.1 trainers available</td>
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<tr>
<td>1.1 gender training</td>
<td>1.2 criteria and selection procedure</td>
<td>1.2 profile candidates</td>
<td>1.2 good candidates available</td>
</tr>
<tr>
<td>1.2 selection of candidates gender focal point</td>
<td>1.3 result workshop</td>
<td>1.3 report</td>
<td>1.3 budget</td>
</tr>
<tr>
<td>1.3 guidelines mainstreaming</td>
<td>1.4 framework</td>
<td>1.4 LVV; filled in empowerment framework</td>
<td>1.4 available gender expertise</td>
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<tr>
<td>1.4 policy check on the degree of empowerment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Institutional arrangements</strong></td>
<td>2.1 decision reorganization; number of staff; functioning PBO's / delegated tasks</td>
<td>2.1-2.3 LVV executing consortium</td>
<td>2.1 desire and decision for institutional change LVV</td>
</tr>
<tr>
<td>2.1 LVV, including product organizations</td>
<td>2.2 functioning division plant- and animal health; national food authority</td>
<td></td>
<td>2.3 cooperating data-suppliers</td>
</tr>
<tr>
<td>2.2 Food safety</td>
<td>2.3 database filled; model function; functioning unit</td>
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<td></td>
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<tr>
<td>2.3 Spatial planning en land policy</td>
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<tr>
<td><strong>3. Reactivating water-bodies</strong></td>
<td>3.1 act is passed</td>
<td>3.1 Bulletin of acts</td>
<td>3.1 decentralization process</td>
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<tr>
<td>3.1 Legal framework</td>
<td>3.2 rehabilitation completed and management transferred</td>
<td>3.2 at the spot with the board</td>
<td>3.2 support stakeholders, working MCP</td>
</tr>
<tr>
<td>3.2 Technical rehabilitation</td>
<td>3.3 appropriately educated administrative en technical staff</td>
<td>3.3 at the spot</td>
<td>3.3 local support cooperation DC</td>
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<tr>
<td>3.3 Training and guidance (administrative and technical)</td>
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</tr>
<tr>
<td><strong>4. Knowledge</strong></td>
<td>4.1 cooperation structure; national research council</td>
<td>LVV and MINOV</td>
<td>4.1 willingness to cooperate on the level of institutions and ministries</td>
</tr>
<tr>
<td>4.1 clustering and steering research</td>
<td>4.2 functioning extension service; study club(s); courses</td>
<td></td>
<td>4.2 support producers</td>
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<tr>
<td>4.2 set up extension; study clubs, trainer course</td>
<td></td>
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<td>4.3 motivated students;</td>
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<td>4.3 vocational training</td>
<td>4.3 education program</td>
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<td><strong>5. Stimulating private sector</strong></td>
<td>5.1 IBO with the Netherlands</td>
<td>5.1 Bulletin of Acts</td>
<td>5.1 The Nederland’s and Suriname agree</td>
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<tr>
<td>5.1 Agreement for protection of investments (IBO)</td>
<td>5.2 implementation national laws, window established</td>
<td>5.2 VSB, involved parties</td>
<td>5.2 en 5.3 Support Ministries and the business community (VSB)</td>
</tr>
<tr>
<td>5.2 Investment window</td>
<td>5.3 stimulating arrangement 5.3 investment credit</td>
<td>5.3 PLOS</td>
<td></td>
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<tr>
<td>5.3 Investment credit</td>
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<tr>
<td>ACTIVITIES AND OBJECTIVES</td>
<td>INDICATORS</td>
<td>SOURCE OF VERIFICATION</td>
<td>PRE CONDITIONS</td>
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<td>---------------------------</td>
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<tr>
<td>6. Pilot chain development food crops and ornamental plant cultivation</td>
<td>Degree of cooperation between partners in the chain</td>
<td>6.1 Bulletin of Acts 6.2 - 6.5 participating links in the chain</td>
<td>6.1 legislation has political support stakeholders 6.2 - 6.5 Custom-efficiency, institutional constraints diminished, aerial transport conditions improved.</td>
</tr>
<tr>
<td>6.1 Legislation (PBO)</td>
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<td>6.2 Training and guidance quality management</td>
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<td>6.3 Quality control</td>
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<td>6.4 Marketing</td>
<td></td>
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<tr>
<td>6.5 Cold storage facilities</td>
<td></td>
<td></td>
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<tr>
<td>7. Agriculture census</td>
<td>7.1 pilot census completed with success; data processed</td>
<td>7.1 LVV-statistical division and at the spot</td>
<td>7.1 LVV-division is equipped and functioning; cooperation DC, data collectors and farmers</td>
</tr>
<tr>
<td>7.1 Pilot census Commewijne</td>
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<tr>
<td>8. Agricultural development Interior</td>
<td>8.1 unit extension and training operating 8.2 one or more marketing channelled realized</td>
<td>8.1 involved women 8.2 involved NGO's</td>
<td>Support stakeholders, namely women; cooperation of RO and NGO's</td>
</tr>
<tr>
<td>8.1 Extension, training</td>
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<tr>
<td>8.2 Sales and marketing</td>
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<tr>
<td>9. Cattle farming</td>
<td>9.1 legislative text accepted 9.2 functioning government service 9.3 I&amp;R executed countrywide 9.4 functioning services</td>
<td>9.1 Bulletin of Acts 9.2-9.4 LVV; at the spot</td>
<td>9.1 legislation has political support 9.2-9.4 willingness to cooperate; support stakeholders</td>
</tr>
<tr>
<td>9.1 legislation cattle act</td>
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<tr>
<td>9.2 monitoring – and inspection system</td>
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<td>9.3 identification and registration</td>
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<td>9.4 establish institutional infrastructure</td>
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<tr>
<td>10. Fisheries</td>
<td>10.1 data collected 10.2 control service functioning 10.3 investments in processing; chain 10.4 seminars; educated trainers 10.5 functioning institute</td>
<td>10.1 LVV 10.2 government 10.3 LVV; at the spot 10.4-10.5 LVV</td>
<td>10.1 expertise available 10.2 pressure of administration; adequate legislation 10.3 climate for investment; entrepreneurship 10.4 trainers available 10.5 legislative framework in place</td>
</tr>
<tr>
<td>10.1 Fishery biological research</td>
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<td>10.2 catch control</td>
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<td>10.3 processing</td>
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<tr>
<td>10.4 training</td>
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<tr>
<td>10.5 fish inspection institute</td>
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<tr>
<td>11. Rice</td>
<td>11.1 yield- and cost rice data ; cargo quality 11.2 number of training; curriculum 11.3 water management bodies (ad.1); cost price data 11.4 sold and sowed area</td>
<td>11.1-11.4 ADRON; LVV; at the spot</td>
<td>11.1 entrepreneurship; international market 11.2 availability trainers 11.3 water management body course implemented (see 1) 11.4 support government; wealthy buyers</td>
</tr>
<tr>
<td>11.1 technology production and processing</td>
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<td>11.2 practical extension and education</td>
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<td>11.3 infrastructure physical and institutional (chain development)</td>
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<td>11.4 privatising SML</td>
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<tr>
<td>12. Bananas</td>
<td>12.1 company sold; planted area 12.2 cost prize</td>
<td>12.1 owner and LVV 12.2 company 12.3 company</td>
<td>12.1 support government; wealthy buyers 12.2-12.3 efficient and</td>
</tr>
<tr>
<td>ACTIVITIES AND OBJECTIVES</td>
<td>INDICATORS</td>
<td>SOURCE OF VERIFICATION</td>
<td>PRE CONDITIONS</td>
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<tr>
<td>12.4 marketing; quality mark</td>
<td>information 12.3 production data; sales price 12.4 volume of trade; certification</td>
<td>12.4 company</td>
<td>effective organization; industrial peace; favourable world market price</td>
</tr>
<tr>
<td>RESULTS:</td>
<td>1. gender focal point 2. reorganized LVV; cooperation within product ship; food authority 3. management and maintenance physical infrastructure; proper supply and drainage of water 4. proper functioning OVO-three partnership (Research, Extension and Education) 5. private investments and innovations 6. value added Product quality, returns 7. statistical data Commewijne 8. agricultural development Interior 9. good functioning vet nary service as part of agricultural health unit (LVV) 10. effective fishery policy 11. pre-condition bananas production fulfilled</td>
<td>1. gender employee integrated 2. effective LVV (lean and mean) 3. two functioning water management bodies 4. effective institutions 5. strong private sector; more successful investments 6. pilot products exported 7. availability data Commewijne 8. more and better (processed) products in the city; decreased effect on the environment 9. effective VD 10. multi-annual policy; effective fisheries service 11. multi-annual policy; effective support 12. multi-annual policy; effective support</td>
<td>1. LVV; women movement 2. LVV 3. at the spot, DC boards water management bodies 4. clients OVO-- institutions 5. VSB and local investments 6. import information receiving country; information chain organization; LVV 7. LVV 8. extension service; NGO’s 9. clients VD/Agricultural Health Unit 10. LVV; documents; clients 11. LVV; producers, processors, exporters, importers 12. LVV; producers /exporter, importers</td>
</tr>
<tr>
<td>PROJECT GOALS:</td>
<td>1. gender specific agricultural policy 2. development agricultural sector 3. increase of production and decrease of cost price 4. higher value added; functioning agro chains 5. increased processed products; diversification and internationalising 6. increased export value and food safety 7. basic country wide census; 8. increase prosperity and welfare in the Interior</td>
<td>1. incorporation gender perspective 2. production and turn over; food quality; environmental tax 3. production- and cost price data 4. increase turnover; number of processing companies 5. number of realized Business to Business-projects 6. export value 7. set up country wide census completed 8. sufficient food; quality life situation</td>
<td>1. LVV; women movement 2. ABS; LVV-statistic 3. ABS / LVV; ADRON 4 ABS; LVV-statistics 5. see above 6. see above 7. LVV 8. see above 9 ABS; LVV-statistics 10 ABS; LVV-statistics 11 ABS; LVV-statistics 12 ABS; LVV-statistics</td>
</tr>
<tr>
<td>ACTIVITIES AND OBJECTIVES</td>
<td>INDICATORS</td>
<td>SOURCE OF VERIFICATION</td>
<td>PRE CONDITIONS</td>
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</tr>
<tr>
<td>9. economic and ecologic sustainable cattle farming sector</td>
<td>9. production; export</td>
<td></td>
<td>Willingness to cooperate and availability budget; restructure ring government; administrative appointing on basis of merits.</td>
</tr>
<tr>
<td>10. economic and ecologic sustainable fisheries sector</td>
<td>10. annual production, turnover and export; by catch; fish potential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. economic and ecologic sustainable rice sector</td>
<td>11. production, turnover and export; environmental tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. economic and ecologic sustainable bananas sector</td>
<td>12. production, turnover, and export; degree of affect on the environment</td>
<td></td>
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</tbody>
</table>

GENERAL OBJECTIVE:
Income and decrease poverty; sufficient, healthy and safe food; Decrease affect on the environment
Share agricultural sector in GNP; agricultural export-value; agricultural employment; Use of chemicals
ABS; CBS
8 ACTION PROGRAM ASP

8.1 Action program

In the table below the interventions mentioned in the log frame are taken up with the related multi-annual budgeting. The amounts in the table are regarding the in the framework of the Agricultural Sector Plan proposed interventions. These interventions are supplementary to the regular and in the multi-annual budget taken up means for the Ministry of LVV, and the previously started activities of donors like EU and IDB in the rice- en bananas sector. In the column priorities the letter indicates the period within which the execution of the respected project component can start.

A: projects which could start immediately
B: projects which could start within six months
C: projects which could start within twelve months
D: projects which could start after twelve months

In 7.2.1 (institutional design Ministry of LVV) mentioned is made of the current institutional intertwining of the government and business community in the agricultural sector. For the implementation of the sector plan the project team will therefore propose to begin with the interventions as mentioned in 7.2.1.
8.2 Monitoring and evaluation

In the logical framework (7.10) the presentation-indicators and sources of verification are described on relatively high abstract level. It is important to in the preparation and implementation of the activities indicated to further process these indicators, sources and to use systematic measurement in order to make a good monitoring and evaluation by the involved parties possible. A pre-condition is that the spending in the framework of the ASP is annually accounted for and the implemented activities evaluated against the light of the described results in the log frame and the estimated amounts.

Quality factors like the GAVIM-objectives are point of departure at the implementations of the fore mentioned action program, in any case if treaty funds are involved. This means that each activity, mentioned in the log frame and budgeted in the activity-program, ex-ante and ex-post have to be evaluated against the objectives.
AGRICULTURAL SECTOR PLAN 2004

APPENDIX 1

Supervisory Committee

ir. J. Sahtoe - chairman, Permanent Secretary LVV
G.A. Breinburg M.Sc. - secretary, LVV
drs. I. Rambharse - director PLOS
drs. H. Sharman - PLOS
ir. D. Hindori - Agriforum / Agricultural bank
Z. Khodabaks - Dutch Embassy (agenda member)
G. Noordam - Dutch Embassy (agenda member)

Project team

dr. R.A. Bosch - project leader, LNV
ir. H.C. Alvares - consultant
ir. I. Poerschke - consultant
ing. T.A.C. de Vries - LNV

Consultants ASP

CARID / CESWO - Renewal of the institutional arrangement of the Agro sector
CELOS - Sector study Agriculture Interior
CULCONSULT - Gender analysis
PPO Lelystad - Inventory of agricultural research in Suriname
IMAC - Study Agricultural training, education and extension
POWER - Policy strategic plan for the sub sector Fisheries in Suriname
Kalloe Consultancy - Agricultural processing
PROPLAN - Study establishment Suriname Marketing Bureau for Agricultural products
ILACO - Project document Experimental water management bodies (water boards)
ILACO - Specifications for the rehabilitation work at the Water management body Sawmillkreek
RDP International - Cattle farming development in Suriname
PROPLAN - Project document Agricultural credit
### AGRICULTURAL SECTOR PLAN 2004

#### APPENDIX 2

**Planted acreage (ha) annual crops 1993 – 2000**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>58,640</td>
<td>60,010</td>
<td>61,390</td>
<td>61,775</td>
<td>53,495</td>
<td>54,000</td>
<td>48,460</td>
<td>41,995</td>
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<tr>
<td>Maize</td>
<td>169</td>
<td>185</td>
<td>141</td>
<td>75</td>
<td>60</td>
<td>50</td>
<td>33</td>
<td>21</td>
</tr>
<tr>
<td>Roots and Tubers</td>
<td>695</td>
<td>734</td>
<td>651</td>
<td>448</td>
<td>459</td>
<td>397</td>
<td>331</td>
<td>277</td>
</tr>
<tr>
<td>Peanuts</td>
<td>518</td>
<td>534</td>
<td>481</td>
<td>250</td>
<td>267</td>
<td>152</td>
<td>184</td>
<td>203</td>
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<tr>
<td>Urdi</td>
<td>226</td>
<td>201</td>
<td>197</td>
<td>223</td>
<td>144</td>
<td>160</td>
<td>134</td>
<td>131</td>
</tr>
<tr>
<td>Other pulses</td>
<td>102</td>
<td>94</td>
<td>75</td>
<td>72</td>
<td>73</td>
<td>53</td>
<td>65</td>
<td>50</td>
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<tr>
<td>Vegetables</td>
<td>2,573</td>
<td>2,554</td>
<td>2,058</td>
<td>1,774</td>
<td>1,768</td>
<td>1,258</td>
<td>1,140</td>
<td>976</td>
</tr>
<tr>
<td>Watermelon</td>
<td>427</td>
<td>423</td>
<td>350</td>
<td>190</td>
<td>174</td>
<td>163</td>
<td>119</td>
<td>140</td>
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<tr>
<td><strong>Total</strong></td>
<td>63,350</td>
<td>64,735</td>
<td>65,343</td>
<td>64,807</td>
<td>56,140</td>
<td>56,233</td>
<td>50,302</td>
<td>43,784</td>
</tr>
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</table>

Source: Ministry of Agriculture; Statistics Division.

**Table 2: Planted acreage biennial crops 1993 – 2000**

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</thead>
<tbody>
<tr>
<td>Bananas</td>
<td>2,151</td>
<td>2,149</td>
<td>2,190</td>
<td>2,148</td>
<td>2,057</td>
<td>2,152</td>
<td>2,143</td>
<td>2,182</td>
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<tr>
<td>Plantain</td>
<td>981</td>
<td>904</td>
<td>677</td>
<td>526</td>
<td>511</td>
<td>616</td>
<td>460</td>
<td>496</td>
</tr>
<tr>
<td>Pine-apple</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>34</td>
<td>25</td>
<td>30</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Other biennial crops</td>
<td>110</td>
<td>98</td>
<td>72</td>
<td>49</td>
<td>37</td>
<td>22</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,269</td>
<td>3,197</td>
<td>2,968</td>
<td>2,757</td>
<td>2,630</td>
<td>2,820</td>
<td>2,646</td>
<td>2,742</td>
</tr>
</tbody>
</table>

Source: Ministry of Agriculture; Statistics Division.

**Table 3: Planted acreage (ha) perennial crops 1993 – 2000**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil palm</td>
<td>4,163</td>
<td>3,870</td>
<td>2,800</td>
<td>2,560</td>
<td>2,300</td>
<td>1,900</td>
<td>1,900</td>
<td>1,900</td>
</tr>
<tr>
<td>Coconut</td>
<td>1,423</td>
<td>1,416</td>
<td>2,260</td>
<td>1,146</td>
<td>1,148</td>
<td>1,126</td>
<td>1,074</td>
<td>1,082</td>
</tr>
<tr>
<td>Cacao</td>
<td>169</td>
<td>169</td>
<td>161</td>
<td>161</td>
<td>101</td>
<td>159</td>
<td>156</td>
<td>156</td>
</tr>
<tr>
<td>Coffee</td>
<td>246</td>
<td>189</td>
<td>222</td>
<td>242</td>
<td>215</td>
<td>215</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td>Citrus</td>
<td>2,544</td>
<td>2,495</td>
<td>2,388</td>
<td>2,020</td>
<td>1,847</td>
<td>1,775</td>
<td>1,699</td>
<td>1,738</td>
</tr>
<tr>
<td>Mango</td>
<td>216</td>
<td>216</td>
<td>192</td>
<td>204</td>
<td>200</td>
<td>183</td>
<td>183</td>
<td>144</td>
</tr>
<tr>
<td>Other Perennial crops</td>
<td>312</td>
<td>317</td>
<td>248</td>
<td>190</td>
<td>169</td>
<td>148</td>
<td>121</td>
<td>159</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,073</td>
<td>8,672</td>
<td>7,271</td>
<td>6,523</td>
<td>6,040</td>
<td>5,506</td>
<td>5,393</td>
<td>5,389</td>
</tr>
</tbody>
</table>

Source: Ministry of Agriculture; Statistics Division.
PRESENT SITUATION RICE SECTOR

ADRON has calculated on 430 plots of small and large companies how the cost price of paddy is build. In the calculations is used a national rice area of 50,000. About 20,000 ha are used by small farmers (on average 6 ha/farmer), about 20,000 ha by large (on average 1250 ha. farmer) and 10,000 ha by state companies (SML 9,500 ha). The average production cost at optimal water management is at present 505 USD/ha. These are (including labour):

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land preparation</td>
<td>30%</td>
</tr>
<tr>
<td>fertilization</td>
<td>20%</td>
</tr>
<tr>
<td>harvesting</td>
<td>16%</td>
</tr>
<tr>
<td>sowing</td>
<td>13%</td>
</tr>
<tr>
<td>pest control</td>
<td>10%</td>
</tr>
<tr>
<td>interest</td>
<td>11%</td>
</tr>
</tbody>
</table>

When is assumed that on half of the total area have to be pumped the average production costs are about 550 USD/ha (see table). The average paddy producer is currently in the direction of the second column, this means; he is structurally in the red figures. In the ADRON research was shown that 30% high yielding fields produce 5, 9 wet paddy per ha. The worst 30% at the other hand are on 2.8 ton/ha. Such fields are largely taken out of production, which explains why the annual sown area is reduced as such. The reason why so much attention is given to the ADRON research, is that it provides a clear picture on the facts that are responsible for higher yields and a lower cost price. Factors for higher yield are:

- sowing in the optimal period
- weed control (red rice, Saramacca grass)
- timely fertilizing and proper dosing

The most important conclusion was that the differences in yield are mostly determined by cultivation measures. The cultivation measures on their turn are related to good wet (channels and sluices) and dry (roads) infrastructure. A timely soil preparation, sowing, harvesting and fertilizing are depending on the accessibility of the road. The timely irrigation and drainage (also for the control of red rice) is depending on the availability of proper transport channels.

With regard to the production costs there are two aspects. The prices for input and the efficiency in the use of inputs. On the price of the needed inputs, the paddy farmer has little influence. A market conform policy of the government (no import restricted custom constructions) can contribute to this. Efficient use of inputs can be reached by improvement in the applied agricultural techniques. Besides the above-mentioned timing of cultivation measures according the ADRON there are good possibilities to improve soil (minimum tillage), decrease the use of pesticides (integrated pest control) and use better seed.

In Summary it means that when production technology and the infrastructure is improved and the prices for inputs are on a normal (market conform) level, that even at a world market price of 175 USD/ton profit can be made (table 3). Macro-economic this means that with such an improvement 230,000 ton cargo can be exported with a value of 52 million USD and 11 million USD profit for the sector. At a world market price of 275 USD/ton the profit for the sector would be estimated on more than 30 million USD.

Further efficiency-profit can be obtained at the processors/exporters. Except for the existing overcapacity in the peeling mills the peeling recovery is too low. (at present 57.5% cargo from dry paddy; 65% is feasible). The here for required investments in the peeling industry increases the profitability what makes that the farmers can receive better prices. A number of processors have now improved their peeling recovery. Macro-economically this means than a production of 270,000 ton cargo with a profit of 19 million USD. At a world market price of 275 USD/ton the profit will be almost 40 million USD.

ASP-2004
### SWOT Analysis Rice Sector (source EU)

**Strengths**

<table>
<thead>
<tr>
<th><strong>INTERNAL</strong></th>
<th><strong>EXTERNAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production Processing</strong></td>
<td></td>
</tr>
<tr>
<td>- competitive advantage in land / soil / water / location</td>
<td></td>
</tr>
<tr>
<td>- long and sound history in rice cultivation</td>
<td></td>
</tr>
<tr>
<td>- competent, dedicated and experienced farmers willing to continue producing rice</td>
<td></td>
</tr>
<tr>
<td>- climate provides opportunity of 2 crops per year</td>
<td></td>
</tr>
<tr>
<td>- relative absence of disease</td>
<td></td>
</tr>
<tr>
<td>- presence of large infrastructure for water</td>
<td></td>
</tr>
<tr>
<td>- management</td>
<td></td>
</tr>
<tr>
<td>- medium production costs</td>
<td></td>
</tr>
<tr>
<td>- mechanised production techniques</td>
<td></td>
</tr>
<tr>
<td>- established growers association</td>
<td></td>
</tr>
<tr>
<td>- high quality processing up to international standard</td>
<td></td>
</tr>
<tr>
<td>- appreciation of the potential value of extension services</td>
<td></td>
</tr>
<tr>
<td>- many sound, modern installations progressive, profitable companies exist</td>
<td></td>
</tr>
<tr>
<td>- still operating and exporting in the world market in spite of very low prices</td>
<td></td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td></td>
</tr>
<tr>
<td>- reduced dimensions of the operators</td>
<td></td>
</tr>
<tr>
<td>- flexibility</td>
<td></td>
</tr>
<tr>
<td>- capacity to adapt supplies to customer demand</td>
<td></td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
</tr>
<tr>
<td>- presence in EU market with speciality products</td>
<td></td>
</tr>
<tr>
<td>- marketing intelligence available for major current markets</td>
<td></td>
</tr>
<tr>
<td>- farmers willing to adapt new technology</td>
<td></td>
</tr>
<tr>
<td>- potential regular supply and high quality</td>
<td></td>
</tr>
<tr>
<td>- proximity to large consumption/import regions (Caribbean region: more than 500,000 tons traded yearly; L.A. more than 1,000,000 traded yearly)</td>
<td></td>
</tr>
<tr>
<td>- established presence in remunerative markets</td>
<td></td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td></td>
</tr>
<tr>
<td>potential access to external funding at favourable conditions</td>
<td></td>
</tr>
<tr>
<td><strong>Politics</strong></td>
<td></td>
</tr>
<tr>
<td>- awareness at highest levels of the importance of rice sector in the economy</td>
<td></td>
</tr>
</tbody>
</table>
WEAKNESSES

<table>
<thead>
<tr>
<th>PRODUCTION PROCESSING</th>
<th>INTERNAL</th>
<th>EXTERNAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- under utilisation of physical production and human resources</td>
<td>- lack of cohesion/credibility in industry</td>
<td>- presence in world markets of large operators able to produce at lower prices and to sustain critical situations for long time (in a number of cases thanks to public support)</td>
<td></td>
</tr>
<tr>
<td>- low yields at farm level</td>
<td>- inability of management at all levels to adapt to changed environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- low output in head rice</td>
<td>- lack of horizontal / vertical integration (except for few cases and not always satisfactory)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- de-capitalization of the industry to keep it running (production continues without capital substitution/amortization)</td>
<td>- cumulated bad investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- lack of infrastructure maintenance</td>
<td>- over-mechanization at farm / mill levels and incapacity to optimise use of equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- unsatisfactory state of drainage and irrigation infrastructure and unresolved problem of maintenance/operation</td>
<td>- weak institutions and financing mechanisms to provide and ensure sustainability of operation and maintenance of drainage/irrigation infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- use of some varieties of limited yield potential</td>
<td>- oligopolistic millers in Surinam control and reduce farm gate price making rice production unprofitable or less profitable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- no assurance of quality seed and inputs supply</td>
<td>- limited funding for research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- susceptibility to pest and disease attacks</td>
<td>- limited funding and staffing of extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- poor, or no, on-farm handling, drying, storage</td>
<td>- inadequate linkages of services with market demand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- ineffective extension capability/outreach</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- no incentives for producing higher quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- inadequate drying/storage facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- overcapacity in milling sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- sub-optimal management and performance of milling;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- some old, too small, inefficient installations involved in exporting processing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MANAGEMENT

<table>
<thead>
<tr>
<th>MANAGEMENT</th>
<th>EXTERNAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- lack of cohesion/credibility in industry</td>
<td>- one-person monopolist controls and hikes up the urea price making rice production unprofitable or less profitable</td>
<td></td>
</tr>
<tr>
<td>- inability of management at all levels to adapt to changed environment</td>
<td>- limited funding for research</td>
<td></td>
</tr>
<tr>
<td>- lack of horizontal / vertical integration (except for few cases and not always satisfactory)</td>
<td>- limited funding and staffing of extension</td>
<td></td>
</tr>
<tr>
<td>- cumulated bad investments</td>
<td>- inadequate linkages of services with market demand</td>
<td></td>
</tr>
<tr>
<td>- over-mechanization at farm / mill levels and incapacity to optimise use of equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- weak institutions and financing mechanisms to provide and ensure sustainability of operation and maintenance of drainage/irrigation infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- oligopolistic millers in Surinam control and reduce farm gate price making rice production unprofitable or less profitable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERNAL</td>
<td>EXTERNAL</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>- extension services inadequate and without proper relations with market demand</td>
<td>- selling premium product for commodity price</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- over-reliance on preferential markets</td>
<td></td>
</tr>
<tr>
<td>MARKETING</td>
<td>- fragmented, inconsistent marketing approach</td>
<td></td>
</tr>
<tr>
<td>- trade association disunity</td>
<td>- exporter disunity</td>
<td></td>
</tr>
<tr>
<td>- unreliable commercial, trading systems</td>
<td>- loading facilities at ports not adequate</td>
<td></td>
</tr>
<tr>
<td>- absence of Marketing Information System</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- presence of many small operators (large profit stay with foreign traders)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- average sale contract small</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- incapacity to get low shipping rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- MAAHF grading not accepted for some exports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINANCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- amount of industry debts larger than overall yearly production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- indebtedness of smallholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- lack of financial resources for working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- financial fragility of some businesses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POLITICS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- dysfunctional social system in Surinam</td>
<td>- preferential quota system with EU not adequately managed in Surinam interests</td>
<td></td>
</tr>
<tr>
<td>- political, religious and socio-cultural divisions play an important part in decision-making policy towards implementation</td>
<td></td>
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</tbody>
</table>
## OPPORTUNITIES

<table>
<thead>
<tr>
<th>PRODUCTION PROCESSING</th>
<th>INTERNAL</th>
<th>EXTERNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>potential high increases in yields at farm levels (from 4-6 t/ha)</td>
<td>potential increases in the per capita consumption of Caribbean region population (now 18kg/year against 37kg/year for L.A.)</td>
</tr>
<tr>
<td></td>
<td>availability of physical production structure and human resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>potential high increases in head rice output (from 40% to 60%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>capacity to reduce substantially production costs from US$ 550/ha to US$ 400/ha</td>
<td></td>
</tr>
<tr>
<td></td>
<td>decrease of the high interest rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>still scope for better husbandry, increased yield &amp; ex-farm quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>potential for improved milling out-turns</td>
<td></td>
</tr>
<tr>
<td></td>
<td>bulk loading can reduce shipping costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>potential for value-added programmes</td>
<td></td>
</tr>
</tbody>
</table>

| MANAGEMENT | - rationalisation and consolidation of research on varieties and pest control | - privatisation of quality control responsibility productive of better acceptance in world markets |
|           | - formation/support of farmer organisations to: facilitate input supply and group marketing; undertake D&I maintenance and operation or capacity-build institutions to do so | |
|           | - restructure, commercialise extension service | |
|           | - commercialisation of seed supply | |
|           | - diversification for small rice farms | |
|           | - capacity to improve industry integration to achieve better management practices | |

| MARKETING | - capacity to gain niche markets in sophisticated countries such as Europe, Caribbean, Central America, Brazil and the rest of South America for extra long /biological | - last three years world consumption larger than production, then reduction of stocks |
|          | - creation of Surinam brand name for quality products | |
|          | - reform/enforcement of trading processes | |
|          | - promotion of joint marketing, branding for higher penetration and prices. | |

| FINANCE | | - availability of external financial resources |
## Internal vs. External

| Politics | ACP preferential quota lasts to 2008, no other rice exporter countries are foreseen  
|          | application of CET on rice import to safeguard Caribbean market for regional producers |

### Threats

| Production | continuous existence of large stocks in many exporting countries  
|           | continuing stagnation or real decline of prices  
|           | continuing increase in real costs of inputs  
|           | further decline of D&I infrastructure as Public institutions continue to neglect provision of drainage and irrigation  
|           | urea supply monopoly will be protected |
| Management | marginal role of Surinam in world markets (only 1.5% of world trade)  
|           | oligopoly in processing/milling will be protected |
| Marketing  | consequences of European Union EBA decision  
|           | US PL 480 / food aid to Caribbean Region  
|           | regional markets more price sensitive than quality sensitive  
|           | intense competition for markets (EU/WTO). |
| Financial  | bankruptcy law not always respected  
|           | procedures in civil courts too exasperating long  
|           | unwillingness of credit institutions to provide financial resources  
|           | existence of large amounts of financial resources coming from suspicious sources directed to the sector as laundering instrument  
<p>|           | high rates of interest on borrowing |</p>
<table>
<thead>
<tr>
<th>POLITICS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- adjustment process could push out marginal producers / processors with important social consequences</td>
<td>- inadequate coordination between Guyana and Surinam in facing the rice industry problems could damage relations with donors</td>
</tr>
<tr>
<td>- agreement to reschedule debts of small farmers still to be implemented</td>
<td>- application of WTO rules of origin</td>
</tr>
<tr>
<td></td>
<td>- preferential quotas disappear</td>
</tr>
<tr>
<td></td>
<td>- CARICOM monitoring mechanism not working</td>
</tr>
<tr>
<td></td>
<td>- application of CET not always enforced</td>
</tr>
</tbody>
</table>
### SWOT Analysis Bananas Sector (Source EU)

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>A firm perennial relationship with Europe’s largest fruit company Fyffes</td>
<td>Lack of competitiveness</td>
<td>Agro-ecological advantages =&gt; <strong>cost price advantages compared to other origins</strong></td>
<td>Continuous trend to a reduction of the sale price at the same level than international market</td>
</tr>
<tr>
<td>Present shipping service with controlled atmosphere on a weekly basis</td>
<td>- Cost price above break even point since several years (2001 sale price 6.65 US$ per box VS FOB cost price 10.04 US$)</td>
<td>- Optimal climatologic conditions: sunshine, temperature, no high winds</td>
<td>Agro-ecological constraints</td>
</tr>
<tr>
<td></td>
<td>- Structural low productivity below 20 tons per ha =&gt; <strong>high cost price</strong></td>
<td>- Abundant and cheap water for irrigation purposes</td>
<td>- Water management difficulties because of heavy clay soil</td>
</tr>
<tr>
<td></td>
<td>- Institutional organisation</td>
<td>- No black leaf spot disease</td>
<td>- Drainage infrastructure</td>
</tr>
<tr>
<td></td>
<td>- Confusion of roles and missions of major stakeholders</td>
<td>- Low pest and disease control cost</td>
<td>- Soil with low PH</td>
</tr>
<tr>
<td></td>
<td>- Inability to react and undertake the re-structuring measures</td>
<td>- Flooded fallow system (polder)</td>
<td>- Soil with imbalance in cation</td>
</tr>
<tr>
<td></td>
<td>- Monopolistic situation: one company, one shareholder, one buyer, one trade union</td>
<td>- Rich and good exchange capacity of soil</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Trade Union and labour agreement for organizing social relations</td>
<td>=&gt; <strong>inefficient decision making process</strong></td>
<td>European Union market advantages</td>
<td>Interference of Trade Union in politics</td>
</tr>
<tr>
<td></td>
<td>Labour conflicts, rampant absenteeism, no labour discipline</td>
<td>- Duty free market for ACP countries (advantage: 1.38 euro per box)</td>
<td>- Present boxes loading speed and capacity of SMS at the port</td>
</tr>
<tr>
<td></td>
<td>Important technological delay</td>
<td>- Quota C (770,000 tons) reserved to ACP countries</td>
<td>- Need of 3 days berth facilities per week for banana vessels at the port if export quantities increase</td>
</tr>
<tr>
<td></td>
<td>Drainage infrastructure inappropriate</td>
<td>- Quota A/B opened to ACP countries since April 2002</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Roads infrastructure</td>
<td>- Increasing of the EU market in 2004 with the enlargement to 10 new EU member states (around 650,000 tons of banana)</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Lack of investments in Nickerie Estate (cable way, irrigation, packing stations)</td>
<td>=&gt; <strong>no problems of volume as far as quality and cost price are competitive</strong></td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Bloat management structures: lack of policies, plans, programs and control</td>
<td>• Good geographical position of Suriname</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Inefficient organisation: unclear definition of responsibilities, obsolete jobs description, inefficient organisation of field management</td>
<td>- Close to main banana markets: USA, EU market, Eastern European market, South America</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Complex and unmotivated</td>
<td>- Range of transit time and shipping cost competitive</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Local and regional market</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Large production units (Nickerie and Jarikaba Estates) allowing modern management methods</td>
<td></td>
<td></td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ability and willingness of workers and managers</td>
<td></td>
<td></td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>

**APPENDIX 5**

ASP-2004
<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
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</table>
| -         | remuneration system  
- Perennial financial and cash flow problems. High level of debts (18, 4 millions US $ per June 2002). Surland is in bankrupt.  
- No adequate management information system  
- Administrative and accounting management not performing | strengthen by the setting up of CARICOM  
- EU special framework assistance (15 millions euros)  
- EU financing for investment  
- EU financing for technical assistance support  
- Social and agro-ecological conditions favourable for implementing environmental labelling  
- Agro-ecological conditions favourable for developing organic and fair trade production | decisions and banana sector policy  
- Collapse of the only banana company (Surland)  
- Specific labelling arrangements related to correct social policy and environmental protection will become a prerequisite to sell on EU market |
Final Report

Government of Suriname
The Ministry of Planning and Development Cooperation

Suriname : Transport Sector Policy Study
Volume I – Main Report
January 2004
Final Report

The Ministry of Planning and Development Cooperation

Suriname: Transport Sector Policy Study

Executive Summary
Currency and Exchange Rates

The national currency is the Suriname Guilder (SFl or SRG).

**Official Exchange Rates (SFl per US $1.00)**

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Disclaimer

This report is financed by the European Development Fund and is presented by GOPA & ILACO for the Government of Suriname and the European Commission. It does not necessarily reflect the opinion of the Government or the European Commission.
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1 Summary

1.1 Background

Suriname is a small country, with a land area of 163,300 sq. km, about the size of Portugal, and a population of approximately 440,000, about the same as Liverpool. Approximately 90% of the country is covered by forest, and the settled areas are all found in the north of the country within 50 to 100 km of the coast. More than half the population lives in Paramaribo and its suburbs.

Economic Policy

The economy has performed poorly, mainly due to misguided economic policy. The Government has been actively, but inefficiently, involved in the productive sector, and restrictive in its attitude to the private sector. Trade policy has been protectionist and the exchange rate systematically over-valued. Fiscal and monetary policies have been lax, resulting in periods of very rapid inflation. GDP per head, at US$ 1,900 p.a., has not increased significantly since Independence from Holland in 1975.

The Government runs chronic and substantial budget deficit, reaching 5.4 % of GDP in 2002. Foreign debt has been rising alarmingly, so the scope for borrowing is becoming very restricted. The Government will therefore have to find ways to both cut its costs and increase its revenue.

The Government has accepted the need for greater liberalization and is committed, in principle, to reducing its role in the productive sector, and to opening the economy to international trade. Suriname has joined CARICOM, the Caribbean Community, which has free trade between its members and common external tariffs which are gradually being reduced. The CARICOM treaty was revised in 2001 at Chaguaramas, and the Community is now committed to developing a single market, which will include transport services.

If economic reform is actively and effectively pursued, growth rates of around 5% p.a. can be expected. Otherwise, the economy will only grow 1 or 2% p.a., meaning that income per head will continue to stagnate.

Transport Policy

The Government has gradually been moving towards a systematic separation of transport policy, regulatory and operational activities and is, in principle, committed to liberalizing the sector and to increasing the role of the private sector in transport provision. However, in practice, good intentions have been undermined by a determination to protect commercial positions of, and employment levels in, the state owned enterprises (SOE).

1.2 Features of the Sector

1.2.1 Roads and Road Transport

Road Infrastructure

The road network consists of 4,570 km of roads, of which only 1,125 km, mainly in urban areas, are paved. Traffic volumes are generally low and, outside Paramaribo, the flows rarely exceed 1,000 vehicles per day (vpd). The roads are, with the exception of those that have been recently rehabilitated, in poor condition as Suriname has fallen into a classic cycle of road failure. Neglect of maintenance leads to road failure, followed by rehabilitation, a further period of neglect and the inevitable need to rehabilitate again. The cycle is costly and wasteful and adds to the country’s debt burden.

The Road Authority was created as a means to escape from the cycle, but is badly under-funded. The fuel levy of SGR 30 per litre on gasoline (diesel is not levied) generates only US$ 1 million p.a. instead of the US$ 12 million required. The maintenance budget for MPW is also very small, at US$ 1.3 million, as is that of the Ministry of Regional Development (MRD), which has to maintain the secondary and tertiary roads outside Paramaribo with less than US$ 1 million. The total funding needed to maintain the whole national network is estimated to be around US$ 30 million per year.

Road Transport

The vehicle fleet has been growing at around 4% p.a. for the last decade, and there are now more than 115,000 vehicles in the country. Car ownership, at 1 per 7 people, is approaching European levels.
Bus services are run by the government owned National Transport Company, NVB, and by private owned minibus operators. Fares and services are regulated by the Ministry of Transport, Communications and Tourism (MTCT) NVB’s fares are low, on social grounds, and Government subsidies account for more than half their total revenue.

Trucking and other commercial vehicle services are entirely in the hands of the private sector, are not subject to any kind of economic regulation.

Axle loads are limited by law to 8 tonnes, which is low by international standards, and is not consistent with the limits in the neighbouring countries. Suriname does not have any international road transport agreements with its neighbours, which is inhibiting the development of commercial cross-border transport services and trade.

There are about 65 deaths a year on the roads, which is very high in relation to the volumes of traffic. There is no legislation requiring the use of seat belts or setting a permitted level of blood alcohol, both measures known to help reduce fatalities. The technical capacity of the Police and the MPW to analyse accidents and to improve road layouts needs to be improved.

**Urban Traffic Problems**

The vast majority of traffic activity in the country is in the Paramaribo urban area, and many of the roads are close to saturation at rush hour. Traffic nuisance (noise and pollution) is unnecessarily high. Appropriate traffic management measures could make a significant improvement both to traffic flow and public amenity in the central area.

**1.2.2 Ports and Shipping**

**Ports**

The main public port is Nieuwe Haven in Paramaribo, with the port of Nieuw Nickerie now playing only a minor role. Both ports are now owned by the state enterprise, N.V. Havenbeheer. Private, specialist facilities for grain, petroleum products, cement and bananas are situated along the Suriname river in Paramaribo, outside the control of Havenbeheer. The port of Paranam, 45 km south of Paramaribo, handles the alumina exports and is owned by the mining companies.

Total throughput in Paramaribo (for all berths) is just over 1 million tonnes p.a., of which 55% goes through Nieuwe Haven, where berth occupancy is currently about 50%. The deck of the main wharf is in poor condition and the EC is funding a rehabilitation programme, at a cost of € 30 million. Once this is done, port capacity should be adequate for the foreseeable future.

Cargo handling is carried out by stevedoring companies, who provide their own equipment. Havenbeheer acts as landlord, being responsible for the maintenance of the infrastructure and for security. Revenues in 2002 were approximately US$ 3 million, on which the company makes a small profit but the rate of return on assets was only 2.4%, p.a.

**Draft Limitations**

The size of vessels which can call at the ports is limited by the draft at the mouths of the rivers on which they are sited. The maximum draft on the Suriname river is 4.6 m at low water and 7.1 on high tides, which is not unduly restrictive for the vessels calling at Paramaribo, but means that the bulk carriers used to export alumina cannot sail fully loaded from Paranam.

A study, carried out in the 1960s, showed that dredging the Suriname river would be technically feasible, but maintenance dredging would need to be continuous. Preliminary estimates suggest that capital dredging would cost US$ 20 million and that maintenance dredging costs would be around US$ 6 million each year. Substantial savings in the shipping costs of alumina could be realized if the bulk carriers could sail fully loaded and there appears to be a *prima facie* case for dredging the river. However, a detailed feasibility study would be required, covering environmental as well as economic questions.
MAS
Navigation services, such as pilotage and hydrographic surveys and channel marking are provided by the Maritime Authority of Suriname (MAS), an autonomous agency responsible to MTCT. MAS is also responsible for the registration and inspection of all vessels operating in Suriname. Income, mainly from pilotage charges, is approximately US$ 2 million p.a., on which the authority makes a small loss.

SMS
The national shipping company, SMS, has seen its role gradually reduced over the years. It no longer operates international services and its ferry operations have been cut back as the major rivers have been bridged. The company has expenditures of over US$ 1 million against revenues of less than US$ 300,000.

International Ferry Services
There are no bridges across the Corantijn and Marowijn rivers, which define Suriname’s borders with Guyana and France respectively. Most passengers cross using informal small boat services, but vehicles have to use the ro-ro ferries at South Drain (near Nickerie) and Albina. The EC has assisted in the development of these services, and is currently funding the paving of the road connecting South Drain to the main road system. Traffic volumes on the ro-ro ferries are low and there will be no requirement to increase capacity in the foreseeable future.

Saramacca Canal
The Saramacca Canal links the Suriname river, at Paramaribo, with the Saramacca and Coppename rivers, and was formerly a key link in the inland waterway route between Paramaribo and N. Nickerie. Traffic has dropped as the road system has been improved, maintenance has been neglected, and the Canal is now mainly important for irrigation and drainage.

Competition in the Port Sector
The Government views the port as a strategic industry and, on that basis, is prepared to protect Havenbeheer’s monopoly on general cargo facilities. However, this means that the company has no incentive to improve the quality of its facilities, to the detriment of the port users and ultimately the general public.

1.2.3 Air Transport

Airfields
The main international airport is Johan Adolf Pengel Airport (JAP), at Zanderij, some 45 km outside Paramaribo, which handles about 1,700 international flights a year, with scheduled flights to Holland and airports in the region. A government owned company, N.V. Luchthavenbeheer is responsible for running JAP, although control is shared with Suriname Airways (SLM), who own and operate the departures building, and provide the baggage handling services. Luchthavenbeheer is marginally profitable, with a surplus of US$ 227,000 on revenues of US$ 3.1 million.

The other 58 airfields are run by the Department of Civil Aviation (DCA), part of the Ministry of Transport, Communications and Tourism. Of these, the busiest is Zorg en Hoop, in the city of Paramaribo, with over 8,000 flights a year, mainly internal, but with some charter flights to Cayenne and Georgetown. Traffic levels at the other fields are very low.

Aviation Sector Regulatory Agencies: DCA and CASAS
The DCA is also responsible for route and operator licensing, and is shortly to be separated from the MTCT and become an autonomous regulatory agency, known as the Civil Aviation Authority (CAA). The DCA receives nearly US$ 2 million p.a. from navigation rights, and makes a net contribution to the treasury of US$ 0.4 million.

The Civil Aviation Safety Authority of Suriname (CASAS) is responsible for pilot licensing and all other safety issues.

SLM
SLM is the national carrier, and runs scheduled services in the region and shares the operation of the Amsterdam route with KLM. It also has a statutory monopoly on ground handling at Zanderij Airport. The substantial operating profit, of nearly US$ 11 million, on the Amsterdam route is absorbed by the company’s very high
overheads, and in 2001 profits were only US$ 130,000 on revenues of US$ 51 million. The rate of return on assets was less than 1% p.a..

Suriname has signed and is about to ratify the CARICOM Multi-lateral Air Services Agreement While it is not a true “open skies” agreement, as it places some restrictions on designated carriers, based on market conditions, it would permit regional other carriers, such as BWIA, to pick up passengers in Suriname and fly them on to the US or Europe.

Ground services, however, are not covered by this agreement, so the monopoly on ground services at JAP granted to SLM will eventually have to be revoked under CARICOM single market rules.

The Government explicitly supports the joint SLM / KLM monopoly on the Amsterdam route, even though it is acknowledged that fares are unnecessarily high as a result. However, changes in European aviation law and the Multilateral Air Services Agreement will expose SLM to potentially intense competition on both regional and intercontinental routes. SLM, with its high cost structure, looks ill-prepared to operate in a more competitive environment.

1.2.4 Railways

There were, in the past, two railways in Suriname, the Paramaribo – Onverwacht – Brownsweg and the Apura – Bakhuys line, both of which failed to attract enough traffic to remain financially viable. There is, at present, no rational basis for reviving either of these lines. However, the potential development of bauxite mining in the west raises the possibility of the use of rail transport, on the old Apura line or on a new alignment, to carry alumina to a port for export. Any rehabilitation of this line should be done as an integral part of the industrial development and should be designed, built, paid for and operated by the mining companies. Government involvement should be limited to ensuring that environmental, safety and other planning rules are observed.

1.3 Key Sector Issues

Separation of Roles: Conflicts of Interest

The Government has not yet made a formal commitment to the separation of the roles of operation, regulation and policy-making for the transport sector. Lack of clear separation of these roles may lead to conflicts of interest in aviation, where the DCA as regulator may take decisions on route licensing which may affect its interest as an airport operator, and in bus passenger transport and ports, where the Government decisions on operator licensing may be affected by its desire to protect the commercial position of SOEs..

Regional Integration

The creation of a regional common market in transport services envisaged in the Revised CARICOM Treaty will require Suriname to negotiate an international transport agreement with Guyana, under CARICOM auspices, to set the conditions under which Guyanese transport companies can operate in Suriname and vice-versa. There is also a need to start similar negotiations with the European Union to facilitate road transport services crossing the border into French Guyana. Consideration also needs to be given to a general regional customs agreement, involving Guyana, the EU, Brazil and possibly, Venezuela, that will permit and facilitate transit traffic.

Public Service Obligations

The Government is providing substantial subsidies to SOEs to provide bus and boat transport services to remote areas, and DCA is cross-subsidizing airfields in the interior. However, these informal Public Service Obligations (PSO) appear to be a matter of custom, rather than social need. Careful and detailed review is required to establish what kind of services are needed and whether it would not be more efficient to subsidize private operators to provide the services..

Road Sector Finance

The Government is committed to a policy of “user pays” in the transport sector. However, it is clear that the funds provided for road maintenance are grossly inadequate, and that road user charges (taxes on vehicles and fuel) will have to be increased very substantially if the costs of maintenance are to be recovered from the users. Further, the structure of the charges also needs revision, as the incidence and levels of road user taxes do not fairly reflect the costs imposed on the road system by trucks and buses.
Transport Sectoral Policy Study

Main Report

Road Maintenance Responsibilities
In principle, the Road Authority should maintain all the primary roads. In practice, the Road Authority is only maintaining a small portion of the network, and MPW is still carrying out some maintenance on these roads. There needs to be a formal arrangement for handover, and a coordinated approach to expanding the Road Authority’s maintenance capability to fit in with the MPW programme for rehabilitation of main roads.

Control of Monopoly
State companies have formal monopoly positions in air transport (SLM) and in the ports (Havenbeheer) and in certain bus services (NVB). These companies are high cost operators and there is evidence of user dissatisfaction with their services. The regulatory framework should be changed to encourage competition in these sectors to stimulate improvements in commercial performance and quality of service.

Public-Private Partnership
The Government is committed in principle to the idea of public-private partnership, but private sector participation on the Road Board has been reduced and the Port Council functions only erratically. The Government should take steps to revive their commitment to working with the private sector.

Future of SMS
SMS no longer plays any strategic role in national development and there is no prospect of the company becoming financially viable. The company should be closed, with proper compensation and retraining being offered to the redundant staff.

Private Sector Investment in State Owned Enterprises
It is clear that the SOEs are both failing to give their owners, the taxpayers of Suriname, a decent return on their investment, and failing to maintain the infrastructure and equipment for which they are responsible. Private capital invested in the SOEs would offer a number of major advantages:

- Private sector management should improve efficiency, be more responsive to user needs and would have a strong incentive to ensure that infrastructure and equipment assets were properly maintained
- Government finances would be improved through
  - Sale of shares
- higher profits under private sector management would increase dividend payments to the Government (as shareholder) and increase tax revenue

Many of the advantages of improved economic performance could be achieved with a minority private shareholding, with the Government retaining final control of strategic industries.

Employment Practices and Human Resource Development
Restructuring the SOEs will inevitably involve reducing the numbers of people employed. Modern practice elsewhere is to offer retraining and placement assistance, and it would be reasonable to introduce such practices to Suriname.

There is also a lot of scope for modernization and improvement, through the introduction of formal job descriptions and training programmes properly adapted to the commercial needs of the company, as well as to the needs of the individual employee.

Transport Sector Indicators
Transport statistics are collected by ABS, the National Statistics Service, but have a relatively restricted scope., which makes the long-term monitoring of transport sector performance difficult. The MTCT has recently agreed to coordinate an effort to improve the collection and analysis of transport statistics, but ABS will require technical assistance to implement the new systems.

Environmental Protection
Once the Draft Environmental Law is passed, any major transport sector investment (road, rail, port or channel dredging) would require a formal Environmental Impact Assessment (EIA). However, the country lacks the technical capacity for carrying out, or even evaluating, such studies.
Safety
The introduction of legislation requiring the use of seat belts and imposing limits on alcohol consumption by drivers could help reduce the deaths significantly. The institutional capacity of the both the police and MPW to deal with safety issues is limited and needs to be strengthened.

Vehicle Weights and Dimensions
There appears to be no legislation on total vehicle weight and the axle load limit of 8 tonnes is almost certainly too low\(^1\). Further, the current legislation is incompatible with that of neighbouring countries. The legislation needs to be revised, preferably in cooperation with Guyana, CARICOM and the EU, (and in coordination with the negotiation of the international road transport agreements) to set limits appropriate to modern transport conditions.

Transport Infrastructure Demand
The Study assessment of current transport capacity (described in Technical Appendices V, Sections 1, 7, 10, 11 and 12) showed clearly that, after taking account of committed investments, notably the rehabilitation of Nieuwe Haven and the paving of the road to the Guyana Ferry at South Drain, infrastructure capacity is adequate for all foreseeable increases in traffic, with the possible exceptions of:

- Transport infrastructure to support the exploitation of bauxite in the Bakhuis mountains, which should be provided by the mining companies
- Channel dredging in the Suriname river, which will require a feasibility study before any recommendation can be made, and should probably be paid for by the bauxite exporters
- Urban road capacity in Paramaribo, which can be handled by traffic management measures, for which a detailed study is recommended
- A long-term need to rehabilitate sections of the inter-urban main road network, notably the Albina and Paranam roads. However, this should only be undertaken once the financial and institutional capacity to maintain the rehabilitated roads is in place.

There is therefore no requirement for publicly funded investment in expanding transport infrastructure capacity, beyond that already planned.

1.4 Policy Proposal
The policy proposals outlined below are designed to address the problems identified above and provide Suriname with a modern, efficient and flexible transport system that will help the country to compete effectively in the global market place. The key to the effective implementation of this package is to ensure that the economic regulation of the transport sector is done in a transparent way, by independent regulators, free of day-to-day political control. Key elements of the policy are:

**Monopoly Control and Promotion of Competition**
- Creation of an independent Transport Sector Regulatory Authority to deal with all aspects of economic regulation
- Promotion of competition in air transport, airport ground services and the port sector

**Transparency Measures**
- Removal of the responsibility for airfields from the DCA (CAA)

**Efficiency Measures**
- Part privatisation of the main State Owned Enterprises in the transport sector

---

\(^1\) Raising axle load limits permits trucks to carry heavier loads. This reduces the costs of transport, but increases the costs of road maintenance. Studies elsewhere have typically found the optimum axle load limit to lie between 10 and 13 tonnes.
Review of unprofitable bus services, inland waterways services and airfields and the identification and funding of explicit public service obligations or closure, as appropriate

**Sustainability Measures**
- Increases in the fuel levy and its extension to diesel, to ensure adequate funding for road maintenance by the Road Authority, MPW and MRD

**Road Safety**
- Measures to promote road safety, including legislation on the use of seat belts and drink driving

**Environmental Protection**
- Measures to protect the environment, including emission controls, regular monitoring of air quality and legal requirement for environmental impact assessment for new transport sector infrastructure.
- Measures to improve urban traffic management in Paramaribo

**Regional Integration**
- Negotiation of transport and customs agreements with neighbouring countries, in conjunction with CARICOM

**Infrastructure Rehabilitation**
- Rehabilitation of key infrastructure, including the Port of Nieuw Haven in Paramaribo, sections of the primary road system and minor repairs to the Saramacca Canal

A Policy Matrix, which summarizes the relevance, feasibility and sustainability of each component of the proposed policy is shown in Table 3.1.

### 1.5 Implementation Programme

In order to implement the Policy Proposal, an Implementation Programme consisting of 14 individual projects has been drawn up and is set out below. Some of the Programme can be undertaken directly by the Government, while other components will require donor assistance with consulting services and technical assistance. The total cost is €4.6 million, and the Programme will take at least 4 years to complete. Further details are given in Chapter 5 and Technical Appendix V-13.

Although the programme has been drawn up as a coherent whole, which attempts to bring a consistent direction to all aspects of transport sector policy, the successful implementation of any of the components would, by itself, be beneficial. However, the success of the Programme will depend critically on the Government’s commitment to carrying it out.
Table 1-1: Summary of Implementation Programme Components, Inputs and Budget

<table>
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<th>Activity</th>
<th>Lead Agency</th>
<th>Budget (€ 000)</th>
<th>Elapsed Time (mon)</th>
<th>Donor Assist</th>
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<tr>
<td>2 Creation of Rule-Based Licensing System</td>
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<tr>
<td>3 Liberalization of the Aviation Sector</td>
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<td>-</td>
<td>12</td>
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<tr>
<td>4 Separation of Domestic Airports from DCA/CAA</td>
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<td>-</td>
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<td>5 Private Sector Investment in State Owned Enterprises</td>
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<td>6 Review of Public Service Obligations</td>
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<td>7 SMS Closure</td>
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<td>8 Road Maintenance Funding</td>
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<td>-</td>
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<tr>
<td>9 Review of Road User Charges and Vehicle Weights &amp; Dimensions</td>
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<td>670</td>
<td>13</td>
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<tr>
<td>10 Establishment of Saramacca Canal Foundation</td>
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<td>-</td>
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<td>11 Road Safety Measures</td>
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<td>12 Environmental Monitoring &amp; Protection</td>
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<td>13 Regional Integration Measures</td>
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<td>14 Integrated Institutional Strengthening</td>
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<td><strong>Programme Total</strong></td>
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**Key:**
- MLTDE: Ministry of Labour, Technological Development and Environment
- MJP: Ministry of Justice & Police
- MPW: Ministry of Public Works
- MTCT: Ministry of Transport, Communications and Tourism

**Monitoring and Evaluation**

The progress of the Programme can readily be monitored, as most of the outputs consist of the passage of laws and decrees, the issuing of prospectuses for the sale of shares in SOEs, the sale of shares etc, which are matters of public record. Monitoring policy impacts is more difficult and will require careful (and possibly expensive) baseline studies to establish the initial basis of comparison. Indicators of impacts will include measurement of road conditions and long-run operating costs of the SOEs, and qualitative assessment of the effectiveness of the control of monopoly.

**1.6 Conclusions**

The policy proposals outlined here are designed to address the problems of the transport sector through a mixture of regulatory reform, the sale of shares in state owned enterprises to private investors, measures to encourage competition and measures to ensure the long-term sustainability of transport sector infrastructure and equipment. The policy also incorporates measures to reduce the environmental impact of transport operations and to ease traffic congestion in Paramaribo. The proposals are in line with the general direction of government policy, but will need to be formally endorsed by the Ministry of Transport, Communications and Tourism, the Board of Ministers and the National Assembly.

Implementation will involve an extensive programme of legislation and institutional strengthening. The donor community can assist this process with the provision of technical assistance and consulting services.

There is also an evident need to rehabilitate major elements of the transport infrastructure. The rehabilitation of Nieuwe Haven Paramaribo is already committed, but a large proportion of the main road network also requires rehabilitation and it is also necessary to carry out at least minor works on the Saramacca Canal. The donor community may wish to consider funding this rehabilitation work, provided they are satisfied both that progress is being made on policy implementation, and that the financial and institutional capacity to maintain rehabilitated infrastructure is in place.
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Volume I: Main Report

The Ministry of Planning and Development Cooperation

Suriname : Transport Sector Policy Study
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<tbody>
<tr>
<td>AA</td>
<td>Administrative Appendix</td>
</tr>
<tr>
<td>ABS</td>
<td>Algemeen Bureau voor de Statistiek (National Statistics Bureau)</td>
</tr>
<tr>
<td>ASFA</td>
<td>Associatie van Surinaamse Fabrikanten (Surinamese Manufacturers Association)</td>
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<tr>
<td>CARICOM</td>
<td>Caribbean Community</td>
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<tr>
<td>CASAS</td>
<td>Civil Aviation Safety Authority of Suriname</td>
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<tr>
<td>CDB</td>
<td>Caribbean Development Bank</td>
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<tr>
<td>DCA</td>
<td>Department of Civil Aviation</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EIU</td>
<td>Economist Intelligence Unit</td>
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<td>EPZ</td>
<td>Export Processing Zone</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FTAA</td>
<td>Free Trade Agreement of the Americas</td>
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<td>GoS</td>
<td>Government Of Suriname</td>
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<td>HI</td>
<td>Handel en Industrie (Trade and Industry)</td>
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<tr>
<td>ICAO</td>
<td>International Civil Aviation Organisation</td>
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<td>IDB</td>
<td>Inter - American Development Bank</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IMO</td>
<td>International Maritime Organization</td>
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<tr>
<td>JAP</td>
<td>Johan Adolf Pengel Airport (Zanderij)</td>
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<tr>
<td>MAS</td>
<td>Maritieme Autoriteit Suriname</td>
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<tr>
<td>MOP</td>
<td>Meerjaren Ontwikkelings Programma- Multi Annual Plan</td>
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<tr>
<td>MPW</td>
<td>Ministry of Public Works</td>
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<td>MRD</td>
<td>Ministry of Regional Development</td>
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<tr>
<td>MTCT</td>
<td>Ministry of Transport, Communications &amp; Tourism</td>
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<tr>
<td>NH</td>
<td>Natuurlijke Hulpbronnen (Natural Resources)</td>
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<tr>
<td>NIMOS</td>
<td>National Institute for Environment and Development</td>
</tr>
<tr>
<td>NVB</td>
<td>National Vervoer Bedrijf (National Bus Company)</td>
</tr>
<tr>
<td>NVB</td>
<td>Nationale Vrouwen Beweging (National Women’s Movement)</td>
</tr>
<tr>
<td>OBS</td>
<td>Organisatie van Bushouders in Suriname (Bus Operators Organization)</td>
</tr>
<tr>
<td>OW</td>
<td>Openbare Werken- Public Works (ministry)</td>
</tr>
<tr>
<td>PLOS</td>
<td>Ministry of Planning and Development Cooperation</td>
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<tr>
<td>PSO</td>
<td>Public Service Obligation</td>
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<tr>
<td>PPP</td>
<td>Public-Private Partnership</td>
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<td>PPSIP</td>
<td>Public Private Sector Infrastructure Programme</td>
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<td>REPA</td>
<td>Regional Economic Partnership Agreement</td>
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<tr>
<td>RO</td>
<td>Regionale Ontwikkeling (Ministry of Regional Development)</td>
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<tr>
<td>Ro-ro</td>
<td>Roll-on / roll-off</td>
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<td>RoS</td>
<td>Republic of Suriname</td>
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<td>SLM</td>
<td>Suriname Luchtvaartmaatschappij (Suriname Airways)</td>
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<td>SMS</td>
<td>Scheepvaart Maatschappij Suriname (Suriname Shipping Company)</td>
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<tr>
<td>Abbreviation</td>
<td>Meaning</td>
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<tr>
<td>SOE</td>
<td>State Owned Enterprise</td>
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<td>SOZAVO</td>
<td>Sociale Zaken en Volkshuisvesting (Ministry of Social Affairs and Housing)</td>
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<tr>
<td>TA</td>
<td>Technical Appendix</td>
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<tr>
<td>TCT</td>
<td>Transport Communicatie en Toerisme (Ministry of Transport, Communication and Tourism)</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nation Development Programme</td>
</tr>
<tr>
<td>VETAHOS</td>
<td>Vereniging van Taxihouders in Suriname (Union of Taxi Operators)</td>
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<tr>
<td>vpd</td>
<td>Vehicles per day</td>
</tr>
<tr>
<td>VSB</td>
<td>Vereniging Surinaams Bedrijfsleven (Surinamese Trade and Industry Organisation)</td>
</tr>
<tr>
<td>VWD</td>
<td>Vehicle weights and dimensions</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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<tr>
<td>ZAL</td>
<td>Zanderij Airport Limited</td>
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Currency and Exchange Rates

The national currency is the Suriname Guilder (SFl or SRG).

Official Exchange Rates (SFl per US $1.00)

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<td>2,200.0</td>
<td>2,200.0</td>
<td>2,600.0</td>
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Disclaimer

This report is financed by the European Development Fund and is presented by GOPA & ILACO for the Government of Suriname and the European Commission. It does not necessarily reflect the opinion of the Government or the European Commission.
1 Summary

1.1 Background

Suriname is a small country, with a land area of 163,300 sq. km, about the size of Portugal, and a population of approximately 440,000, about the same as Liverpool. Approximately 90% of the country is covered by forest, and the settled areas are all found in the north of the country within 50 to 100 km of the coast. More than half the population lives in Paramaribo and its suburbs.

Economic Policy

The economy has performed poorly, mainly due to misguided economic policy. The Government has been actively, but inefficiently, involved in the productive sector, and restrictive in its attitude to the private sector. Trade policy has been protectionist and the exchange rate systematically over-valued. Fiscal and monetary policies have been lax, resulting in periods of very rapid inflation. GDP per head, at US$ 1,900 p.a., has not increased significantly since Independence from Holland in 1975.

The Government runs chronic and substantial budget deficit, reaching 5.4% of GDP in 2002. Foreign debt has been rising alarmingly, so the scope for borrowing is becoming very restricted. The Government will therefore have to find ways to both cut its costs and increase its revenue.

The Government has accepted the need for greater liberalization and is committed, in principle, to reducing its role in the productive sector, and to opening the economy to international trade. Suriname has joined CARICOM, the Caribbean Community, which has free trade between its members and common external tariffs which are gradually being reduced. The CARICOM treaty was revised in 2001 at Chaguaramas, and the Community is now committed to developing a single market, which will include transport services.

If economic reform is actively and effectively pursued, growth rates of around 5% p.a. can be expected. Otherwise, the economy will only grow 1 or 2% p.a., meaning that income per head will continue to stagnate.

Transport Policy

The Government has gradually been moving towards a systematic separation of transport policy, regulatory and operational activities and is, in principle, committed to liberalizing the sector and to increasing the role of the private sector in transport provision. However, in practice, good intentions have been undermined by a determination to protect commercial positions of, and employment levels in, the state owned enterprises (SOE).

1.2 Features of the Sector

1.2.1 Roads and Road Transport

Road Infrastructure

The road network consists of 4,570 km of roads, of which only 1,125 km, mainly in urban areas, are paved. Traffic volumes are generally low and, outside Paramaribo, the flows rarely exceed 1,000 vehicles per day (vpd).

The roads are, with the exception of those that have been recently rehabilitated, in poor condition as Suriname has fallen into a classic cycle of road failure. Neglect of maintenance leads to road failure, followed by rehabilitation, a further period of neglect and the inevitable need to rehabilitate again. The cycle is costly and wasteful and adds to the country’s debt burden.

The Road Authority was created as a means to escape from the cycle, but is badly under-funded. The fuel levy of SGR 30 per litre (approximately 1 US cent) on gasoline (diesel is not levied) generates only US$ 1 million p.a. instead of the US$ 12 million required. The maintenance budget for MPW is also very small, at US$ 1.3 million, as is that of the Ministry of Regional Development (MRD), which has to maintain the secondary and tertiary roads outside Paramaribo with less than US$ 1 million. The total funding needed to maintain the whole national network is estimated to be around US$ 30 million per year.
Road Transport
The vehicle fleet has been growing at around 4% p.a. for the last decade, and there are now more than 115,000 vehicles in the country. Car ownership, at 1 per 7 people, is approaching European levels.

Bus services are run by the government owned National Transport Company, NVB, and by private owned minibus operators. Fares and services are regulated by the Ministry of Transport, Communications and Tourism (MTCT) NVB’s fares are low, on social grounds, and Government subsidies account for more than half their total revenue.

Trucking and other commercial vehicle services are entirely in the hands of the private sector are not subject to any kind of economic regulation.

Axle loads are limited by law to 8 tonnes, which is low by international standards, and is not consistent with the limits in the neighbouring countries. Suriname does not have any international road transport agreements with its neighbours, which is inhibiting the development of commercial cross-border transport services and trade.

There are about 65 deaths a year on the roads, which is very high in relation to the volumes of traffic. There is no legislation requiring the use of seat belts or setting a permitted level of blood alcohol, both measures known to help reduce fatalities. The technical capacity of the Police and the MPW to analyse accidents and to improve road layouts needs to be improved.

Urban Traffic Problems
The vast majority of traffic activity in the country is in the Paramaribo urban area, and many of the roads are close to saturation at rush hour. Traffic nuisance (noise and pollution) is unnecessarily high. Appropriate traffic management measures could make a significant improvement both to traffic flow and public amenity in the central area.

1.2.2 Ports and Shipping

Ports
The main public port is Nieuwe Haven in Paramaribo, with the port of New Nickerie now playing only a minor role. Both ports are now owned by the state enterprise, N.V. Havenbeheer. Private, specialist facilities for grain, petroleum products, cement and bananas are situated along the Suriname river in Paramaribo, outside the control of Havenbeheer. The port of Paranam, 45 km south of Paramaribo, handles the alumina exports and is owned by the mining companies.

Total throughput in Paramaribo (for all berths) is just over 1 million tonnes p.a., of which 55% goes through Nieuwe Haven, where berth occupancy is currently about 50%. The deck of the main wharf is in poor condition and the EC is funding a rehabilitation programme, at a cost of € 30 million. Once this is done, port capacity should be adequate for the foreseeable future.

Cargo handling is carried out by stevedoring companies, who provide their own equipment. Havenbeheer acts as landlord, being responsible for the maintenance of the infrastructure and for security. Revenues in 2002 were approximately US$ 3 million, on which the company makes a small profit but the rate of return on assets was only 2.4% p.a.

Draft Limitations
The size of vessels which can call at the ports is limited by the draft at the mouths of the rivers on which they are sited. The maximum draft on the Suriname river is 4.6 m at low water and 7.1 on high tides, which is not unduly restrictive for the vessels calling at Paramaribo, but means that the bulk carriers used to export alumina cannot sail fully loaded from Paranam.

A study, carried out in the 1960s, showed that dredging the Suriname river would be technically feasible, but maintenance dredging would need to be continuous. Preliminary estimates suggest that capital dredging would cost US$ 20 million and that maintenance dredging costs would be around US$ 6 million each year. Substantial savings in the shipping costs of alumina could be realized if the bulk carriers could sail fully loaded and there
appears to be a *prima facie* case for dredging the river. However, a detailed feasibility study would be required, covering environmental as well as economic questions.

**MAS**

Navigation services, such as pilotage and hydrographical surveys and channel marking are provided by the Maritime Authority of Suriname (MAS), an autonomous agency responsible to MTCT. MAS is also responsible for the registration and inspection of all vessels operating in Suriname. Income, mainly from pilotage charges, is approximately US$ 2 million p.a., on which the authority makes a small loss.

**SMS**

The national shipping company, SMS, has seen its role gradually reduced over the years. It no longer operates international services and its ferry operations have been cut back as the major rivers have been bridged. The company has expenditures of over US$ 1 million against revenues of less than US$ 300,000.

**International Ferry Services**

There are no bridges across the Corantijn and Marowijn rivers, which define Suriname’s borders with Guyana and France respectively. Most passengers cross using informal small boat services, but vehicles have to use the ro-ro ferries at South Drain (near Nickerie) and Albina. The EC has assisted in the development of these services, and is currently funding the paving of the road connecting South Drain to the main road system. Traffic volumes on the ro-ro ferries are low and there will be no requirement to increase capacity in the foreseeable future.

**Saramacca Canal**

The Saramacca Canal links the Suriname river, at Paramaribo, with the Saramacca and Coppename rivers, and was formerly a key link in the inland waterway route between Paramaribo and N. Nickerie. Traffic has dropped as the road system has been improved, maintenance has been neglected, and the Canal is now mainly important for irrigation and drainage.

**Competition in the Port Sector**

The Government views the port as a strategic industry and, on that basis, is prepared to protect Havenbeheer’s monopoly on general cargo facilities. However, this means that the company has no incentive to improve the quality of its facilities, to the detriment of the port users and ultimately the general public.

**1.2.3 Air Transport**

**Airfields**

The main international airport is Johan Adolf Pengel Airport (JAP), at Zanderrij, some 45 km outside Paramaribo, which handles about 1,700 international flights a year, with scheduled flights to Holland and airports in the region. A government owned company, N.V. Luchthavenbeheer is responsible for running JAP, although control is shared with Suriname Airways (SLM), who own and operate the departures building, and provide the baggage handling services. Luchthavenbeheer is marginally profitable, with a surplus of US$ 227,000 on revenues of US$ 3.1 million.

The other 58 airfields are run by the Department of Civil Aviation (DCA), part of MTCT. Of these, the busiest is Zorg en Hoop, in the city of Paramaribo, with over 8,000 flights a year, mainly internal, but with some charter flights to Cayenne and Georgetown. Traffic levels at the other fields are very low.

**Aviation Sector Regulatory Agencies: DCA and CASAS**

The DCA is also responsible for route and operator licensing, and is shortly to be separated from the MTCT and become an autonomous regulatory agency, known as the Civil Aviation Authority (CAA). The DCA receives nearly US$ 2 million p.a. from navigation rights, and makes a net contribution to the treasury of US$ 0.4 million.

The Civil Aviation Safety Authority of Suriname (CASAS) is responsible for pilot licensing and all other safety issues.
SLM

SLM is the national carrier, and runs scheduled services in the region and shares the operation of the Amsterdam route with KLM. It also has a statutory monopoly on ground handling at Zanderij Airport. The substantial operating profit, of nearly US$ 11 million, on the Amsterdam route is absorbed by the company’s very high overheads, and in 2001 profits were only US$ 130,000 on revenues of US$ 51 million. The rate of return on assets was less than 1% p.a.

Suriname has signed, and is about to ratify, the CARICOM Multilateral Air Services Agreement While it is not a true “open skies” agreement, as it places some restrictions on designated carriers, based on market conditions, it would permit regional other carriers, such as BWIA, to pick up passengers in Suriname and fly them on to the US or Europe. Ground services, however, are not covered by this agreement, so the monopoly on ground services at JAP granted to SLM will eventually have to be revoked under CARICOM single market rules.

The Government explicitly supports the joint SLM / KLM monopoly on the Amsterdam route, even though it is acknowledged that fares are unnecessarily high as a result. However, changes in European aviation law and the Multilateral Air Services Agreement will expose SLM to potentially intense competition on both regional and intercontinental routes. SLM, with its high cost structure, looks ill-prepared to operate in a more competitive environment.

1.2.4 Railways

There were, in the past, two railways in Suriname, the Paramaribo – Onverwacht – Brownsweg and the Apura – Bakhuys line, both of which failed to attract enough traffic to remain financially viable. There is, at present, no rational basis for reviving either of these lines. However, the potential development of bauxite mining in the west raises the possibility of the use of rail transport, on the old Apura line or on a new alignment, to carry alumina to a port for export. Any rehabilitation of this line should be done as an integral part of the industrial development and should be designed, built, paid for and operated by the mining companies. Government involvement should be limited to ensuring that environmental, safety and other planning rules are observed.

1.3 Key Sector Issues

Separation of Roles: Conflicts of Interest

The Government has not yet made a formal commitment to the separation of the roles of operation, regulation and policy-making for the transport sector. Lack of clear separation of these roles may lead to conflicts of interest in aviation, where the DCA as regulator may take decisions on route licensing which may affect its interest as an airport operator, and in bus passenger transport and ports, where the Government decisions on operator licensing may be affected by its desire to protect the commercial position of SOEs.

Regional Integration

The creation of a regional common market in transport services envisaged in the Revised CARICOM Treaty will require Suriname to negotiate an international transport agreement with Guyana, under CARICOM auspices, to set the conditions under which Guyanese transport companies can operate in Suriname and vice-versa. There is also a need to start similar negotiations with the European Union to facilitate road transport services crossing the border into French Guyana. Consideration also needs to be given to a general regional customs agreement, involving Guyana, the EU, Brazil and possibly, Venezuela, that will permit and facilitate transit traffic.

Public Service Obligations

The Government is providing substantial subsidies to SOEs to provide bus and boat transport services to remote areas, and DCA is cross-subsidizing airfields in the interior. However, these informal Public Service Obligations (PSO) appear to be a matter of custom, rather than social need. Careful and detailed review is required to establish what kind of services are needed and whether it would not be more efficient to subsidize private operators to provide the services.
**Road Sector Finance**
The Government is committed to a policy of “user pays” in the transport sector. However, it is clear that the funds provided for road maintenance are grossly inadequate, and that road user charges (taxes on vehicles and fuel) will have to be increased very substantially if the costs of maintenance are to be recovered from the users. The structure of the charges also needs revision, as the incidence and levels of road user taxes do not fairly reflect the costs imposed on the road system by trucks and buses.

**Road Maintenance Responsibilities**
In principle, the Road Authority should maintain all the primary roads. In practice, the Road Authority is only maintaining a small portion of the network, and MPW is still carrying out some maintenance on these roads. There needs to be a formal arrangement for handover, and a coordinated approach to expanding the Road Authority’s maintenance capability to fit in with the MPW programme for rehabilitation of main roads.

**Control of Monopoly**
State companies have formal monopoly positions in air transport (SLM) and in the ports (Havenbeheer) and in certain bus services (NVB). These companies are high cost operators and there is evidence of user dissatisfaction with their services. The regulatory framework should be changed to encourage competition in these sectors to stimulate improvements in commercial performance and quality of service.

**Public-Private Partnership**
The Government is committed in principle to the idea of public-private partnership, but private sector participation on the Road Board has been reduced and the Port Council functions only erratically. The Government should take steps to revive their commitment to working with the private sector.

**Future of SMS**
SMS no longer plays any strategic role in national development and there is no prospect of the company becoming financially viable. The company should be closed, with proper compensation and retraining being offered to the redundant staff.

**Private Sector Investment in State Owned Enterprises**
It is clear that the SOEs are both failing to give their owners, the taxpayers of Suriname, a decent return on their investment, and failing to maintain the infrastructure and equipment for which they are responsible. Private capital invested in the SOEs would offer a number of major advantages:

- Private sector management should improve efficiency, be more responsive to user needs and would have a strong incentive to ensure that infrastructure and equipment assets were properly maintained
- Government finances would be improved through
  - Sale of shares
  - higher profits under private sector management would increase dividend payments to the Government (as shareholder) and increase tax revenue

Many of the advantages of improved economic performance could be achieved with a minority private shareholding, with the Government retaining final control of strategic industries.

**Employment Practices and Human Resource Development**
Restructuring the SOEs will inevitably involve reducing the numbers of people employed. Modern practice elsewhere is to offer retraining and placement assistance, and it would be reasonable to introduce such practices to Suriname.

There is also a lot of scope for modernization and improvement, through the introduction of formal job descriptions and training programmes properly adapted to the commercial needs of the company, as well as to the needs of the individual employee.

**Transport Sector Indicators**
Transport statistics are collected by ABS, the National Statistics Service, but have a relatively restricted scope, which makes the long-term monitoring of transport sector performance difficult. The MTCT has recently agreed
to coordinate an effort to improve the collection and analysis of transport statistics, but ABS will require technical assistance to implement the new systems.

**Environmental Protection**

Once the Draft Environmental Law is passed, any major transport sector investment (road, rail, port or channel dredging) would require a formal Environmental Impact Assessment (EIA). However, the country lacks the technical capacity for carrying out, or even evaluating, such studies.

**Safety**

The introduction of legislation requiring the use of seat belts and imposing limits on alcohol consumption by drivers could help reduce the deaths significantly. The institutional capacity of the both the police and MPW to deal with safety issues is limited and needs to be strengthened.

**Vehicle Weights and Dimensions**

There appears to be no legislation on total vehicle weight and the axle load limit of 8 tonnes is almost certainly too low. Further, the current legislation is incompatible with that of neighbouring countries. The legislation needs to be revised, preferably in cooperation with Guyana, CARICOM and the EU, (and in coordination with the negotiation of the international road transport agreements) to set limits appropriate to modern transport conditions.

**Transport Infrastructure Demand**

The Study assessment of current transport capacity (described in Technical Appendices V, Sections 1, 7, 10, 11 and 12) showed clearly that, after taking account of committed investments, notably the rehabilitation of Nieuwe Haven and the paving of the road to the Guyana Ferry at South Drain, infrastructure capacity is adequate for all foreseeable increases in traffic, with the possible exceptions of:

- Transport infrastructure to support the exploitation of bauxite in the Bakhuis mountains, which should be provided by the mining companies
- Channel dredging in the Suriname river, which will require a feasibility study before any recommendation can be made, and should probably be paid for by the bauxite exporters
- Urban road capacity in Paramaribo, which can be handled by traffic management measures, for which a detailed study is recommended
- A long-term need to rehabilitate sections of the inter-urban main road network, notably the Albina and Paranam roads. However, this should only be undertaken once the financial and institutional capacity to maintain the rehabilitated roads is in place.

There is therefore no requirement for publicly funded investment in expanding transport infrastructure capacity, beyond that already planned.

1.4 Policy Proposal

The policy proposals outlined below are designed to address the problems identified above and provide Suriname with a modern, efficient and flexible transport system that will help the country to compete effectively in the global market place. The key to the effective implementation of this package is to ensure that the economic regulation of the transport sector is done in a transparent way, by independent regulators, free of day-to-day political control. Key elements of the policy are:

**Monopoly Control and Promotion of Competition**

- Creation of an independent Transport Sector Regulatory Office to deal with all aspects of economic regulation
- Promotion of competition in air transport, airport ground services and the port sector

---

1 Raising axle load limits permits trucks to carry heavier loads. This reduces the costs of transport, but increases the costs of road maintenance. Studies elsewhere have typically found the optimum axle load limit to lie between 10 and 13 tonnes.
**Transparency Measures**
- Removal of the responsibility for airfields from the DCA (CAA)

**Efficiency Measures**
- Part privatisation of the main State Owned Enterprises in the transport sector
- Review of unprofitable bus services, inland waterways services and airfields and the identification and funding of explicit public service obligations or closure, as appropriate

**Sustainability Measures**
- Increases in the fuel levy and its extension to diesel, to ensure adequate funding for road maintenance by the Road Authority, MPW and MRD

**Road Safety**
- Measures to promote road safety, including legislation on the use of seat belts and drink driving

**Environmental Protection**
- Measures to protect the environment, including emission controls, regular monitoring of air quality and legal requirement for environmental impact assessment for new transport sector infrastructure.
- Measures to improve urban traffic management in Paramaribo

**Regional Integration**
- Negotiation of transport and customs agreements with neighbouring countries, in conjunction with CARICOM

**Infrastructure Rehabilitation**
- Rehabilitation of key infrastructure, including the Port of Nieuwe Haven in Paramaribo, sections of the primary road system and minor repairs to the Saramacca Canal

A Policy Matrix, which summarises the relevance, feasibility and sustainability of each component of the proposed policy, is shown in Table 3.1.

1.5 Implementation Programme

In order to implement the Policy Proposal, an Implementation Programme consisting of 14 individual projects has been drawn up and is set out below. Some of the Programme can be undertaken directly by the Government, while other components will require donor assistance with consulting services and technical assistance. The total cost is €4.6 million, and the Programme will take at least 4 years to complete. Further details are given in Chapter 5 and Technical Appendix V-13.

Although the programme has been drawn up as a coherent whole, which attempts to bring a consistent direction to all aspects of transport sector policy, the successful implementation of any of the components would, by itself, be beneficial. However, the success of the Programme will depend critically on the Government’s commitment to carrying it out.
Table 1-1: Summary of Implementation Programme Components, Inputs and Budget

<table>
<thead>
<tr>
<th>Activity</th>
<th>Lead Agency</th>
<th>Budget (€ 000)</th>
<th>Elapsed Time (mon)</th>
<th>Donor Assist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establishment of Transport Sector Regulator</td>
<td>MTCT</td>
<td>290</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>2 Creation of Rule-Based Licensing System</td>
<td>MTCT</td>
<td>200</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>3 Liberalization of the Aviation Sector</td>
<td>MCTC</td>
<td>-</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>4 Separation of Domestic Airports from DCA/CAA</td>
<td>MTCT</td>
<td>-</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>5 Private Sector Investment in State Owned Enterprises</td>
<td>MTCT</td>
<td>970</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>6 Review of Public Service Obligations</td>
<td>MTCT</td>
<td>560</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>7 SMS Closure</td>
<td>MTCT</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Road Maintenance Funding</td>
<td>MPW</td>
<td>-</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>9 Review of Road User Charges and Vehicle Weights &amp; Dimensions</td>
<td>MPW</td>
<td>670</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>10 Establishment of Saramacca Canal Foundation</td>
<td>MPW</td>
<td>180</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>11 Road Safety Measures</td>
<td>MJP</td>
<td>1,015</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>12 Environmental Monitoring &amp; Protection</td>
<td>MLTDE</td>
<td>650</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>13 Regional Integration Measures</td>
<td>MTCT</td>
<td>110</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>14 Integrated Institutional Strengthening</td>
<td>MTCT</td>
<td>1,015</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Programme Total</td>
<td></td>
<td>4,600</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key:
- MLTDE: Ministry of Labour, Technological Development and Environment
- MJP: Ministry of Justice & Police
- MPW: Ministry of Public Works
- MTCT: Ministry of Transport, Communications and Tourism

Monitoring and Evaluation

The progress of the Programme can readily be monitored, as most of the outputs consist of the passage of laws and decrees, the issuing of prospectuses for the sale of shares in SOEs, the sale of shares etc, which are matters of public record. Monitoring policy impacts is more difficult and will require careful (and possibly expensive) baseline studies to establish the initial basis of comparison. Indicators of impacts will include measurement of road conditions and long-run operating costs of the SOEs, and qualitative assessment of the effectiveness of the control of monopoly.
1.6 Conclusions

The policy proposals outlined here are designed to address the problems of the transport sector through a mixture of regulatory reform, the sale of shares in state owned enterprises to private investors, measures to encourage competition and measures to ensure the long-term sustainability of transport sector infrastructure and equipment. The policy also incorporates measures to reduce the environmental impact of transport operations and to ease traffic congestion in Paramaribo. The proposals are in line with the general direction of government policy, but will need to be formally endorsed by the Ministry of Transport, Communications and Tourism, the Board of Ministers and the National Assembly.

Implementation will involve an extensive programme of legislation and institutional strengthening. The donor community can assist this process with the provision of technical assistance and consulting services.

There is also an evident need to rehabilitate major elements of the transport infrastructure. The rehabilitation of Nieuwe Haven in Paramaribo is already committed, but a large proportion of the main road network also requires rehabilitation and it is also necessary to carry out at least minor works on the Saramacca Canal. The donor community may wish to consider funding this rehabilitation work, provided they are satisfied both that progress is being made on policy implementation, and that the financial and institutional capacity to maintain rehabilitated infrastructure is in place.
2 Background

Economy

Suriname is a small country, with a land area of 163,300 sq. km, about the size of Portugal, and a population of approximately 440,000, about the same as Liverpool. Economic growth since independence from the Netherlands in 1975 has been disappointing, and GDP per head is no higher now than in 1980. GDP is currently estimated to be US$ 835 million and GDP per head a modestly prosperous US$ 1,900 p.a.

The economy is heavily dependent on the export of bauxite, which accounts for 16% of GDP, 10 to 15% of Government revenue and over 80% of export earnings. The gold mining in the informal sector is an even more important contributor to GDP than bauxite, accounting for 18.5% of GDP, but is effectively untaxed, so makes no contribution to Government revenue.

Agriculture accounts for only 10% of GDP. The Government was the major producer of the main export crops of rice and bananas, but failed to control costs and both industries have been in steady decline. The EC is helping restructure both sectors, but future prospects remain uncertain.

The Government accounts for only 15% of GDP, but is the major employer, with over 60% of formal employment being in the government or in state owned enterprises (SOE). Governments of all political persuasions have run chronic budget deficits, which were funded by foreign aid and borrowing. Revenues in 2001 / 02 were US$ 285 million (30 % GDP), while expenditures were US$ 330 million. Foreign debt is still relatively modest at US$ 337 million, but has been rising rapidly.

Settlement and Transport

Approximately 90% of the country is covered in forest, and the settled areas are all found in the north of the country within 50 to 100 km of the coast. More than half the population lives in Paramaribo and its suburbs. The second largest city in the country is Nickerie with a population of 30,000.

The road system, which connects all the major settlements, is also concentrated in the north and does not extend south of Pokigron, some 150 km south of Paramaribo. There is an extensive river system and some small settlements in the interior still depend on inland waterways for their connections to the rest of the country. The two major international ports are found on the Suriname river, with general cargo being handled at public wharfs in Paramaribo, and the output of the bauxite industry, alumina, being exported from the private port of Paranam, some 45 km further inland.

Maintenance of the publicly owned transport infrastructure and equipment has been poor, partly, but not entirely, due to under-funding, which has meant major, and recurring, expenditures on rehabilitation in all transport sectors, notably roads and ports. The rehabilitation expenditures are, naturally, beyond the financial capacity of the Government, and it has been necessary to seek donor assistance.

2.1 Policy Framework

2.1.1 Economic Policy

Recent Performance

Economic growth has been much affected by political developments. During most of the 1980s the country was under a military regime with a socialist development philosophy. Democracy was restored in 1991, but the average growth (measured in constant domestic prices) has averaged only 1.1 % p.a. since 1990. The exchange rate has depreciated very rapidly during this period, faster than GDP expressed in current Guilder terms, so GDP per head, expressed in US dollar terms, has fallen.

Misguided economic policies, by governments of all political persuasions, are the main causes of this poor performance. The state has been very active, but not very successful, in the productive sector, in particular in agriculture and in important elements of the transport system, such as the port, airport and aviation industries. The state employs more than half those working in the formal sector, and government employment used as a
form of political patronage by all the major political parties. There are also substantial social expenditures and subsidies, which together make up around 45% of total Government expenditure.

Until recently, import tariffs were high, in a failed attempt to encourage import substituting industries and the exchange rate was systematically overvalued, which damaged the export prospects of agricultural products. Requirements for exporters to convert their foreign exchange earnings at the official rate, while having to purchase imported inputs, such as fertilizers, at the parallel market rate acted as tax on exports and is believed to have seriously added to the difficulties of the rice and banana producers.

The revenues from the bauxite industry have played a very important, and perverse, role in encouraging these policies. The international prices of bauxite and alumina vary in a cyclical fashion. When prices are high, government tax revenues are also high and this encouraged governments to increase spending and expand government employment. However, when prices inevitably fall, it is not possible for the governments to reduce their spending, which has resulted in a chronic and growing budget deficit. Until recently, the government could rely on substantial donor contributions and borrowing to meet the deficit. However, donor contributions cannot be relied on in the future and external debt has been increasing very rapidly. The Government is now running a very substantial budget deficit and there are no easy solutions as both cutting costs and increasing revenues are both very difficult.

Regular budget deficits have often led the Government to borrow from the Central Bank, in effect printing money. This has resulted in periods of very rapid inflation, which has averaged over 71% p.a. since 1990. The present Government came to office determined to reduce both the deficit and inflation and, for their first two years in office, were relatively successful. However, two large increases in public sector salaries, with no attempt to reduce the number of state employees, have meant that the deficit has risen again, and is now around 5.4% GDP. The Government is again trying to control the exchange rate and has set unrealistically tight margins on the difference between the official (Central Bank) and parallel (cambio) rates. The unofficial, “street” exchange rate is now well above the parallel rate.

**Economic Reform**

The Government has recognized that the economy needs to be reformed if it is to survive in the modern world. There is a general commitment to a more liberal approach and the Government has instituted a policy of privatisation of state owned enterprises (SOE), though as yet none have been sold off. The Government is also committed to reducing both the size of the fiscal deficit and the size of the public sector, and to introducing a new investment law, which it is hoped will encourage foreign direct investment.

**Regional Integration**

Suriname is seeking to become more closely integrated into the world economy, and in 1995, joined the Caribbean Community (CARICOM). This regional grouping of Caribbean states has abolished duties on internal trade and has established a common external tariff, which is gradually being reduced. The recent revision to the CARICOM treaty, signed at Chaguaramas in 2001, is intended to create a fully integrated and free regional market in all economic sectors, including transport services.

There are no international road transport agreements with Guyana or France, and consequently there is no legal basis for operating cross-border trucking or bus services. An agreement with Guyana will need to be negotiated in conjunction with CARICOM. An agreement with France would involve negotiations with the European Union and would probably also have to involve CARICOM.

Similarly, despite the imminent opening of land routes between Brazil and Guyana and between Brazil and French Guyana, there are, as yet, no customs agreements on transit movements across Surinamese territory.

Suriname, through Caricom, has indicated its interest in joining the Free Trade Area of the Americas (FTAA) and may also associate with Mercosur.

**Economic Prospects**

The future development of the economy depends heavily on the success of the reform programme. If the current, unhurried, pace of reform continues, economic growth will be slow, in the range 1.5 to 2.0% p.a., only a little higher than population growth. If the Government is successful in carrying out radical reforms, reducing the size
of the state, privatising state owned enterprises and reducing the burden of taxation, the growth rate can be expected to increase gradually, reaching 3.0% p.a. by 2010 and 4.5% by 2020.

A more detailed description of the economy and its prospects, together with details of the major export industries can be found in Technical Appendices (TA) V-04 and V-05, in Volume III of this Final Report.

2.1.2 Transport Sector Policy

Ministry of Transport, Communications and Tourism

The policy statement of the Ministry of Transport, Communications and Tourism (MTCT), as presented in the Multi-Annual Plan, sets out the very general, and unexceptionable, goal of creating an efficient, sustainable, competitive and secure transport system that will support economic and social development. The principal means by which this is to be done are:

- Rationalization of state enterprises;
- Expansion and modernization of infrastructure; and
- Appropriate regulation and legislation

There is an acceptance of the “user pays” principal, and a corresponding acceptance that subsidies should therefore be reduced. It is noticeable that there is no stated intention to reduce the role of the state in transport operations, merely a commitment to rationalize state enterprises. Despite the general desire for a competitive transport system, there is also no general policy statement about monopolies.

Within the aviation sector, there is a general commitment to liberalization. At the same time, and in apparent contradiction to the liberalization policy, there is a clear commitment to protecting the position of SLM, the national airline, particularly on the Amsterdam route.

Ministry of Public Works

The remit of the Ministry of Public Works (MPW) includes areas other than transport. The policy statement in the Multi-Annual Plan, as it concerns transport, is geared towards the rehabilitation and maintenance of infrastructure, with a view to supporting production and exports. The specific policy priorities include

- rehabilitation roads and canals; and
- operationalising the Road Authority
- rehabilitation of the drainage system in Paramaribo

Comments on Government Policy

The MTCT policy statement reflects the tension, which is evident in policy practice, between a general commitment to liberalization and increasing the role of the private sector, and a practical commitment to protecting the commercial positions, and employment levels, in state owned enterprises. It will be very difficult to resolve these tensions without radical action. However, failure to do so will result in continuing economic inefficiency and may eventually result in the financial collapse of some of the state enterprises.

The MPW policy statement reflects the importance given, in practice, to rehabilitation over maintenance. This is a critical area, and is discussed further in Section 2.4.

Interestingly, the policy statements do not deal explicitly with the Government’s views on the proper role of the state. In particular, while the Government has, in practice, gradually been moving towards a systematic separation of policy, regulatory and operational activities, particularly within the MTCT sphere of influence, the policy statement does not mention it as a policy principle. This is an unfortunate omission, since a clear statement of the Government’s intentions in this regard would help ensure greater consistency in decisions relating to the roles, rights and responsibilities of state bodies, such as the Maritime Authority of Suriname (MAS), the Road Authority and the Port of Paramaribo.
2.2 Features of the Sector

2.2.1 Roads

The road network is relatively small, totalling some 4,500 km, and sparse, with a road density of 0.03 km per sq.km. (See Table 2.1) The spine of the system is the East-West road, running close to the coast and connecting the border towns of Albina, in the east, and Nw. Nickerie in the west, with the capital Paramaribo. The only other paved, inter-urban roads run south from Paramaribo to the bauxite production centre of Paranam and to the international airport at Zanderij. All other inter-urban roads are unpaved, including the road to Apura, built in the 1970s for the development of forestry.

The eastern section of the coast road, between Paramaribo and Albina, was rehabilitated in the mid-1990s, but is now in poor condition and, in many places, breaking up completely. The western section of the coastal road, from Paramaribo to Nw. Nickerie was rehabilitated in 1999 and is still in generally good condition. Most of the unpaved network is in bad condition.

*Photograph 2-1: Failed Section on Paramaribo – Albina Road*

There is an extensive paved network of over 270 km (approximately 40% of all paved roads) in the urban areas of Paramaribo, Albina and Nw Nickerie, all of which have had major rehabilitation in recent years. The unrehabilitated portions of the urban network are generally in poor condition.

*Table 2-1: Road Network (km)*

<table>
<thead>
<tr>
<th></th>
<th>Asphalt</th>
<th>Laterite</th>
<th>Concrete</th>
<th>Shell sand</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Authority (primary roads)</td>
<td>685</td>
<td>700</td>
<td>45</td>
<td>25</td>
<td>1455</td>
</tr>
<tr>
<td>Ministry of Public Works</td>
<td>440</td>
<td>-</td>
<td>135</td>
<td>320</td>
<td>895</td>
</tr>
<tr>
<td>Min. of Regional Development</td>
<td>-</td>
<td>510</td>
<td>-</td>
<td>1600</td>
<td>2110</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Ministry of Natural Resources</td>
<td>-</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>1125</td>
<td>1260</td>
<td>180</td>
<td>2005</td>
<td>4570</td>
</tr>
</tbody>
</table>

*Source: Road Authority*
Traffic Volumes

Traffic volumes are generally low. The most recent counts carried out by the Road Authority show that, outside Paramaribo, the flows rarely exceed 1,000 vehicles per day (vpd). Within Paramaribo, flows on some streets now approach 30,000 vehicles per day and moderate congestion is experienced at some times of the day. Unfortunately, there is no readily available data on traffic composition, so it is not possible to make an assessment of the proportion of traffic load (and road damage) that is attributable to heavy trucks.

Road Maintenance

Road maintenance has been badly neglected and the general condition of the network is poor. The problem has been exacerbated by poor road construction and design: road bases are too thin, and drainage provision is inadequate. Roads, which were rehabilitated within the last decade, have already failed or are showing signs of imminent failure. Suriname has become an exemplar of the classic road failure cycle. Newly built or rehabilitated roads seem to relieve the maintenance authorities of the need to maintain for a few years. Maintenance is neglected, and the roads fail. Donors and other lenders are then approached for funds for rehabilitation, which is often in practice, reconstruction, the country incurs debts but the road is in good condition for a while, so maintenance is neglected and the cycle begins again.

Failure to maintain roads is often the result of lack of proper funding for maintenance, and it is clear that, at present road maintenance funds are only a fraction of the amount required. This question is discussed further below. However, lack of funding is a sign that, at a political level, maintenance is not being given the priority it deserves.

Road Maintenance Organization and Funding

Until 2000, the Ministry of Public Works was responsible for the maintenance of all main roads in the country and of all secondary and tertiary roads in Paramaribo. Responsibility for all tertiary roads and all secondary roads outside Paramaribo lay with the Ministry of Regional Development.

The Road Authority

In an attempt to break out of the road failure cycle, the Government decided to set up an autonomous Road Authority (RA), with its own source of funding. The Road Authority was given responsibility for routine and periodic maintenance of the main road system, while the MPW remains responsible for rehabilitation and for the construction of new roads. The EC is supporting the Road Authority by helping with set up costs and by providing technical assistance. The Road Authority has no maintenance workforce of its own, and uses contractors to carry out the works and consulting engineers to supervise them.

The Authority is run by a Board, appointed by, and responsible to, the Minister of Public Works, and which consists of representatives of both government and transport sector stakeholders. The composition of the Board is not set out in the law, but the Government initially accepted that there should be a private sector majority. The present board, however, has a government majority.

The annual work programme is agreed between the Board and the Minister, and the Board reports annually to MPW on its activities.

The RA is funded by a fuel levy of SFl 30 (approximately 1 US cent) per litre of gasoline; there is no levy on diesel.

This arrangement, of a Road Authority, financed by a dedicated Road Fund, is becoming increasingly common in developing countries, normally at the behest of the donors, and with mixed success. The primary motive for this institutional innovation was a recognition that maintenance is chronically under-funded and that new mechanisms were needed to ensure a secure source of funding and to ensure that it was used on maintaining existing roads, rather than constructing new ones.

In Suriname, the new arrangements are not performing as hoped. The decision to set a fuel levy fixed in Guilders, given the inflationary history of Suriname, ensured that the Road Authority would be severely under-funded from the start. Current revenue is approximately US$ 1 million p.a., while current needs for routine maintenance are estimated to be US$ 4 million p.a. There is, in addition, a large backlog of periodic maintenance, work which has to be carried out on a cyclical basis, every few years. A 5-year programme,
designed to reduce, though not eliminate the backlog, would require a further US$ 8.7 million p.a., giving an annual total of US$ 12.7 million.

It is clear that the RA does not even have the resources to carry out routine maintenance and has had to postpone its planned expansion to its full complement of 30 staff. The agreed work programme has had to be cut back and the Authority is currently maintaining just over 200 km. Responsibility for the maintenance of the rest of the primary road system remains unclear, and MPW continues to carry out some maintenance on the main roads.

Ministry of Public Works
The MPW has budgeted over US$ 15 million for road rehabilitation in 2003. The maintenance budget has, however, been held constant in Guilder terms, and is now worth only US$ 900,000. There is currently no official estimate of the amount of money that MPW would require for long-run routine and periodic maintenance, but using the Road Authority’s estimated unit costs as a basis, it must be in the region of US$ 7 million.

Ministry of Regional Development
The Ministry of Regional Development’s budget for road maintenance is also very small at US$ less than US$ 1 million. The ministry has no central record of road condition, but allocates funds in accordance with requests from the local authorities. Work is carried out by contractors.

The MRD roads are generally unpaved and lightly trafficked, so the maintenance needs will be less than on the main road system. However, it is responsible for over 2,100 km, or 45% of the network. Optimal long-run maintenance expenditure for the local road system is estimated to be US$ 4,500 per km p.a., which indicates a requirement for US$ 9.5 million annually.

There is currently a programme to increase the autonomy of local authorities, which includes provisions for the transfer of road maintenance responsibilities from the central government to the local authorities. The authorities would be given the rights to raise local taxes to pay for roads and will be given technical assistance with maintenance planning and supervision. The programme is in its very early stages and it is not yet clear how it will develop. However, it will be important to ensure that the local authorities are fully empowered to raise the substantial sums of money required to maintain local roads.

The Road Maintenance Funding Problem
It is clear that the funds being made available for road maintenance are grossly inadequate. The current annual allocation for all roads in Suriname is approximately US$ 3 million, against a total requirement for effective long-run maintenance (both routine and periodic), which is likely to be around US$ 30 million p.a. Unless this is made available, either from general government revenues or from substantial increases in the fuel levy, the roads, including the roads planned for rehabilitation this year, will fail.

Adequate maintenance of the road system brings real and very substantial economic benefits, as the costs of maintenance are repaid many times over by savings in vehicle operating costs. The ownership of vehicles is very widespread in Suriname, as is the knowledge of the costs that poor roads impose on vehicle owners and all who use them, whether in their own vehicles or on public transport. It seems likely that a serious effort by the government to raise the necessary funds problem would attract general support.

Vehicle Fleet
The vehicle fleet has been growing at around 4% p.a. for the last decade, with particularly marked increases in private cars since the mid-1990s when the commercial importation of used cars started. There are now more than 60,000 passenger cars in the country and car ownership, at 1 per 7 people, now approaches European levels.

The commercial vehicle fleet is relatively small, with only 21,000 trucks of all kinds. Interestingly, in the light of the widespread belief that heavy trucks are responsible for the poor state of the roads, there are only 2,000 trucks in the whole country with a load capacity in excess of 5 tonnes.

Vehicle Weights and Dimensions
The technical regulations on vehicle weights and dimensions (VWD) are set by the Ministry of Public Works. The key limitation is the maximum axle load of 8 tonnes; there does not appear to be a legal limit on total vehicle weight.
Bus Operations
There are large numbers of bus operators active in Suriname, the main operators all being members of the OBS – Organization of Bus Operators. Fares are regulated by the Ministry of Transport, Communications and Tourism, normally after negotiations with the OBS.

The largest operator is NVB, the national bus company, which runs inter-city and urban bus services in Paramaribo is state owned. NVB, curiously, does not own buses, but leases buses from private operators. The fares on its services are lower than those for private operators, and more than half the company’s revenue comes from government subsidies. The Government’s current financial problems mean that the subsidy is often paid late and NVB cannot then pay the operators.

Commercial Vehicles
There is no economic regulation of commercial vehicles. The business has to be registered, in the same way as other businesses, the driver must have a valid driving licence and the vehicle must be insured. Most importantly, there is no regulation of the charges for carrying cargo.

Vehicle Inspections
In principle, all vehicles should be inspected annually to ensure that they are road worthy before the annual registration documents can be issued. At present, the inspection does not include any emissions tests. There is only one testing centre in the whole country, with a reported capacity of testing 100 vehicles per day, giving an annual throughput of 50,000 vehicles. This is clearly insufficient to inspect the whole national vehicle fleet, which now exceeds 115,000.

It is not clear how effectively the testing is carried out. Rumour and observation of the condition of a minority of vehicles suggests that testing is sometimes less than rigorous.

Road Safety
There are, on average, 65 deaths and several hundred personal injuries on the roads of Suriname each year. Though not high in absolute terms, these numbers are very large relative to population and the amount of traffic. Deaths per veh-km are estimated to be some seven times the rate for the UK and the Scandinavian countries.

As the roads are improved, speeds will increase. Higher speeds combined with growth in the vehicle fleet means that the number of fatal accidents is bound to increase.

The police record all accidents and analyse causes. There is, in principle, coordination with MPW on safety matters, particularly questions of road lay-out and marking etc. There is, however, an admitted lack of technical capacity in road safety, and in any event, funds are limited.

Urban Transport
It is clear from the Road Authority’s traffic counts that the vast majority of traffic activity in the country is in the Paramaribo urban area. It is also clear that many of the roads in the central area are, at certain times of the day, close to saturation. Traffic nuisance (noise and pollution) is nothing like as bad as many other developing countries, but is nevertheless, unnecessarily high.

Road capacity in the central area is visibly reduced by unplanned and uncontrolled parking. Most junctions do not have traffic signals, and many tend to jam, as drivers force their way through. It also seems likely that modifications to the one-way system could result in shorter journey times and distance. There is therefore considerable scope for improving both traffic flow and public amenity through the introduction of modern traffic management techniques.

Further Information
Further information on road infrastructure can be found in TA V-01. Road maintenance financing is covered in TA V-02, while institutional issues are dealt with in TA V-06. TA V-12 deals with urban transport problems.
2.2.2 Ports and Inland Waterways

International shipping is handled at the ports of Paramaribo and Paranam, both on the Suriname river, and Nw Nickerie, on the Nickerie river, a tributary of the Corantijn. Paramaribo handles general cargo, grains, petroleum products and other goods for the general population. Paranam, some 45 km from the sea, handles bauxite, alumina and the imports required for the bauxite industry.

Nw. Nickerie used to handle agricultural exports, principally rice and bananas, and imports of fertilizers and construction materials. The opening of the bridges on the east-west coastal road resulted in most of the international traffic switching to Paramaribo.

Draft Limitations on Surinamese Ports

The ports are all subject to draft limitations, the limiting point being the bars at the mouths of the rivers. The limitation at N. Nickerie is particularly severe, with a draft of 2.1 m and 4 m (at low and high tide respectively). This, combined with tight bends on the river, which limit the length of vessels, means that the port cannot accept vessels of more than 2,500 DWT. The draft at the mouth of the Suriname river is between 4.6 and 7.1 m, which permits the entry of general cargo vessels of up to 10,000 DWT and bulk carriers of over 45,000 DWT to the port of Paramaribo, but the bulk carriers exporting bauxite from Paranam have to sail part loaded, and on the high tide.

Dredging the Suriname river has been considered, with a technical study being carried out in the 1960s. That concluded that dredging would be technically feasible, but the heavy load of sediment in the river, combined with the coastal drift of sediment from the Amazon estuary would necessitate continuous maintenance dredging. Preliminary estimates suggest that capital dredging would cost US$ 20 million and that maintenance dredging costs would be around US$ 6 million each year.

There would substantial savings in the shipping costs of alumina, possibly as much as US$ 6.00 per tonne, if the bulk carriers could sail fully loaded. There therefore appears to be a prima facie case for dredging the river, but a detailed feasibility study would be required. In addition to establishing economic viability, consideration would have to be given to potential environmental damage to the river’s ecosystem, impacts on fisheries, and the problems associated with the disposal of dredged materials.

It should be noted, however, that the bauxite exporters would be the principal beneficiaries of this proposal. There seems little prospect of savings in shipping costs for other cargoes, as the size of vessel engaging in general cargo shipping is unlikely to increase; most general cargo is carried in containers, and container services are arranged around feeder services, which use the kinds of vessels currently calling at Paramaribo, to major hubs, such as Port of Spain.

Pilotage

Any vessel in international trade entering a port in Suriname is obliged to use the pilot service provided by the Maritime Authority, MAS. There is a permanent pilots’ station in Paramaribo. Pilots for Nickerie are also based in Paramaribo and their services are provided on request.

The Port of Paramaribo

The Port of Paramaribo consists of one public general cargo wharf of approximately 600 m (Nieuwe Haven), which belongs to the state owned company, N.V.Havenbeheer, and a set of privately owned specialist facilities for grain, petroleum products, bananas and cement. The general cargo wharf is in need of a major rehabilitation, as the deck is damaged and potentially dangerous for heavy machinery, and needs to be strengthened to allow the storage of loaded containers and the use of heavy top-loaders. The EU is funding a rehabilitation project, at a cost of € 30 million, which, in addition to repairing the quay, will improve the port layout and provide additional storage area for containers.

The total traffic in the Port of Paramaribo is around 1 million tonnes annually, of which 550,000 tonnes is handled at Nieuwe Haven. The capacity of Nieuwe Haven appears to be adequate for the foreseeable future, as berth occupancy is currently only 50%.
Photograph 2-2: Two Views of Nieuwe Haven

Port of Nieuw Nickerie
The port of Nieuw Nickerie, which also belongs to Havenbeheer, is in very poor condition. The quays are built of wood and of the original 150 m, only the central 50 m section can still be used. The load that can be carried across this section is limited, and containers cannot be handled at the port. There is a proposal, by the port company, to rebuild the quay, in reinforced concrete, at a cost of US$ 2.5 million, though it is not yet clear whether it would be economically feasible to do so.

Inland Waterways
Suriname has an extensive river system, though it is little used for north-south transport to the interior, in part because rapids and other navigational obstructions limit the navigational possibilities. However, in the past, the system was intensively used for east-west transport.

Saramacca Canal
Until the mid-1960s, travel between Nw. Nickerie and Paramaribo was by inland waterways. The route followed the Saramacca canal and Saramacca river to the estuary of the Coppenname river, then went inland, crossing to the Nickerie river at the Venlo Lock, then on to Nickerie. The distance by inland waterway is 420 km (against 200km by road) and the journey took 2 days. Transport volumes fell when the coastal road was constructed and ferry services provided on the major river crossings.

In recent years, the maintenance of the Saramacca Canal has been neglected, with the waterway becoming clogged with vegetation, logs and other debris. The depth of the Canal has also been reduced, due to siltation. The sluice gates at either end of the Canal have recently been replaced with Dutch aid, although only one gate (of the pair) is working at the Uitkijk (western end), which means that barges have to wait for the tide to enter.

Traffic levels have fallen, partly due to road competition and partly due to navigational difficulties. Around 40 vessels a week enter the Canal from the Suriname river, with deliveries to sawmills and building material suppliers. However, only 1 or 2 vessels per day enter from the Saramacca river at Uitkijk. The main function of the Canal today is for irrigation and drainage.

Other Inland Waterway Routes
Construction materials are still carried by barges from Apura in the west, down the Corantijn river, then by sea to the Suriname river, and delivered to small quays in the Paramaribo area. There are no statistics on the volume carried, but industry interviews suggest that around 200,000 tonnes p.a. is transported in this way.
Bauxite is carried in barges on the Cottica and Suriname rivers from the mines near Moengo to the Suralco plant at Paranam. There are also remote communities in the interior that depend on river transport for their links with the outside world.

**International Ferry Services**

Suriname’s borders with Guyana and French Guyana are, respectively, the Corantijn and Marowijn rivers, neither of which has been bridged. There are large numbers of small boats engaged in carrying passengers and small amounts of cargo across both rivers, a traffic which the authorities in all three countries find very difficult to control.

Vehicle traffic has to use the formal roll-on /roll-off (ro-ro) ferries, which connect Albina with Saint Laurent in French Guyana and South Drain (some 45 km south of Nickerie) with Guyana. There is one vessel operating at each location. The service to Guyana is run by a joint Surinamese-Guyanese company, SMS being the Surinamese partner, and the service to French Guyana is run by the French government.

There is only one crossing per day at both locations, but this is more than adequate to carry the small volumes of traffic currently using the service. As noted elsewhere in this report, the lack of an international land transport agreement inhibits the development of cross-border traffic, but it is clear that substantial growth in demand can easily be accommodated by increasing the number of daily crossings.

The EC has been active in supporting the development of these ferry services, having helped finance the purchase of the vessel for the Guyana service and the provision of ferry terminals on both sides of the Corantijn river and at Albina. The EC is also funding the paving of the road connecting the Suriname-Guyana ferry to the main Paramaribo-Nickerie road.

The French government is exploring ways of transferring the operation of the Albina-St Laurent ferry to the private sector and there is an active private sector proposal to take over the service, using an old SMS vessel and crew on contract to operate it. However, the vessel in question is a side-loader and its use would require major changes to the ferry ramps, which are designed for end-loading vessels. It seems unlikely that the proposal will prove either technically or financially feasible.
Some consideration has been given to building a bridge across the Marowijn river, but it would be necessary to build it some distance upstream from the ferry site, as ground conditions near Albina-Saint Laurent are poor. Preliminary estimates suggest that costs are likely to exceed US$ 60 million, and is unlikely to be economically justified for many years to come.

**Suriname Shipping Company (SMS)**

SMS is a limited liability company, wholly owned by the Suriname Government and reporting to MTCT. Besides being a shipping line, SMS was also originally active as a shipping agent and stevedoring company, but these areas of business have now ceased. As a shipping company, SMS formerly operated coastal services as far as Nieuw Nickerie, but no longer owns coastal vessels. The remaining inland waterway fleet includes two large ferries, one small ferry boat and two small barges. Several former ferry services, such as that across the Coppena river at Boscamp, have closed down as bridges have been built.

Current inland ferry services include (in addition to the Guyana service) one across the Saramacca river at Hamburg, and a temporary one across the Suriname river at Carolina while the road bridge is being rebuilt. Other ferry boats are used to carry sand and gravel, mainly on the Suriname river. The company’s largest vessel is the ‘Matapika’, a 50-metre vessel of about 700 dwt, which carries sand and gravel during the week and offers tourist services at weekends.

Financial results are very poor, with costs of over US$ 1 million per year, against revenues of approximately US$ 300,000. Government would like to privatise SMS, but believes that the company must first of all be put on a sound financial footing to attract potential investors.

**Institutional Developments**

Although NV Havenbeheer was created in the 1970s as landlord of the general cargo port of Nieuwe Haven, in practice, the ports and shipping sectors used to be run as departments of the Ministry of Transport Communications and Tourism. However, since the mid-1990s, there has been a systematic move towards separating operations from political control. A director was appointed for N.V.Havenbeheer and the company took effective control of the port. The Maritime Authority of Suriname was set up as an autonomous authority for the regulation of navigation and the provision of pilotage services and began operations in 1998.

There is no private sector representation on the Board of Havenbeheer, but a Port Council has been formed, with representation from the private sector port users, to facilitate public-private partnership. Unfortunately, various disputes between the Havenbeheer and the other members mean that the Council is not yet fully functional.

There is no independent port authority and regulation of the sector remains with the Ministry of Transport, Communications and Tourism. Power to license new port operations is vested in the President of the Republic.

**International Security Obligations**

Recent concern about international terrorism and smuggling of both people and goods resulted in a new International Maritime Organization (IMO) Convention on Port Security. From July 2004, all ports that engage in international trade will have to put in place a security system that complies with IMO standards, or run the risk that cargo loaded at that port will be refused entry at ports in Europe and the USA. It is not yet clear what this will mean for Suriname, though it appears that it is mainly a question of ensuring that security procedures are acceptable, rather than requiring the installation of expensive screening and X-ray equipment.

**MAS**

MAS’ responsibilities include:

- Surveying the navigable waterways
- Maritime safety
- Vessel registration, inspection and certification

The shipping companies and their agents regard this as one of the most important of MAS’s functions. Depths in the access channels are limited, and ship movements depend on the tides. Accurate charts of access channels and accurate tide-tables are critical to safe and efficient shipping operations.
• Provision of pilot services

Although the authority has important regulatory powers, it retains its autonomy through the provision of pilotage services, for which it is paid. The authority is run by a board of directors, appointed by the government.

Revenues are relatively small, at around US$ 2 million p.a. The Authority made a small surplus in 1999, but has made a loss every year since. Additional funds are likely to be needed for vessel replacement in the coming years, and MAS will have to find ways of reducing costs or increasing revenues.

NV Havenbeheer

The port company, NV Havenbeheer, owns the Nieuwe Haven quay and controls vessel movements. However, all cargo handling is carried out by independent competing stevedoring companies, which have their own equipment and labour forces. There are no quayside cranes and all cargo loading and unloading is by ships’ cranes.

The port’s income arises from rents charged on the storage space rented by the stevedoring companies and from charges on vessels and on the cargo handled. Despite the port’s monopoly position, there is no independent regulation of the charges it sets. However, after an initial, and contested, attempt by the port to impose charges on the port users, a system has now been put in place to negotiate rates between the port and the representatives of the stevedoring companies.

The port revenues in 2001 were around US$ 3 million, and are understood to risen to around US$ 4 million in the latest financial year. A modest operating surplus of around US$ 140,000 was achieved in 2001, but it is not yet known what the outcome for the latest financial year will be. The return on capital in 2001 was only 2.4%.

It is not clear that the port accounts adequately reflect the true long-term costs of capital provision, nor that it is generating enough revenue to ensure that it can meet long-term capital replacement expenditures. It is certainly not earning enough to recover the costs of the planned rehabilitation, if ever it were required to do so.

One of the major cost elements is labour and it is generally accepted that the port is over-staffed. The port currently hopes to provide employment for its surplus workers in the export processing zone it is about to set up.

The Port of Paramaribo has recently bought the port of N. Nickerie from SMS, the national shipping line. It is not yet clear what effect the purchase will have on the balance sheet.

Competition in the Port Sector

At present, NV Havenbeheer has a monopoly on all general cargo movements in and out of Suriname. There is no formal structure to determine if competitors will be allowed to enter the market.

There was a recent example of the problems arising from this lack of definition. The stevedoring company, Integra, recently imported consignments of used vehicles across an existing quay outside the port area. The desire to develop alternative facilities was at least partly based on dissatisfaction with the facilities for car imports currently available in the port. However, importing requires the permission of the Customs authorities, which is given by the President of the Republic. The permission was granted on two occasions, but was then withdrawn after protests from Havenbeheer, on the purely commercial grounds that it was damaging their revenue stream.

The Government views the port as a strategic industry and, on that basis, is prepared to protect the port’s monopoly. However, protecting the port from competition means that it has no incentive to improve the quality of its facilities, to the detriment of the port users and ultimately the general public.

Further Information

Further information on shipping services and maritime infrastructure can be found in TA V-01 and TA V-11. The financial status of the port sector is analysed in TA V-02, and institutional relations are discussed in TA V-06.
2.2.3 Air Transport

Airports
The main international airport is Johan Adolf Pengel (JAP), at Zanderij, some 45 km south of Paramaribo. It has a runway of 3.5 km and is capable of handling the largest intercontinental jets. Customs, immigration and security services are all based at the airport.

There are 2 other airports, classified as international, including Zorg en Hoop in the city of Paramaribo, and Nw. Nickerie. The Zorg en Hoop airport has a paved strip of 450 m long and 12 m wide, and handles small planes for general aviation, including charter flights to Georgetown and Cayenne. Customs and immigration facilities are available on request. There are currently proposals to extend the runway to 1,200 m and widen it to 30 m, which would allow 50-seater planes, such as the Dash 8, to operate. However, this would also require widening the runway and the demolition of hangars and offices, to ensure lateral safety margins.

There are a further 56 airstrips scattered around the country, used for tourism, general aviation associated with gold mining, and to serve isolated communities in the interior.

Air Traffic
Traffic Volumes
The busiest airport, by far, is Zorg en Hoop, with over 8,000 flights p.a. (22 per day), mainly charter flights and general business aviation to the interior; there are no domestic scheduled flights. JAP, by contrast, has only 1,700 flights p.a., consisting of 250 to 300 flights to Holland and scheduled flights to regional airports. The volumes of international passenger traffic at JAP was approximately 200,000 p.a. in 1990, and then fell to less than 140,000 in 1993, before rising again to a little over 240,000 in 2000.

Routes
SLM and KLM jointly operate the Amsterdam flight, normally 5 times a week. In addition, SLM operates the following regional routes.

- Port of Spain / Curaçao: 2 per week
- Cayenne / Belem: 2 per week
- Aruba / Haiti: 1 per week

Photograph 2-4: Zorg en Hoop Airport
Flights to Miami are operated on a code-sharing basis with Dutch Caribbean Airlines, via Curaçao. Security and other concerns mean that direct flights to Miami are not permitted by the American Federal Aviation Authority at present. However, at the time of writing, an audit is being carried out by the International Civil Aviation Organization (ICAO), which it is hoped will result in the country being given Category 1 status for aviation safety and security. It may then be possible to fly direct to Miami.

In addition, the following regional carriers provide services:

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Destinations</th>
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<tbody>
<tr>
<td>Dutch Caribbean</td>
<td>Curaçao, Miami</td>
</tr>
<tr>
<td>British West Indies Airlines</td>
<td>Port of Spain, Bridgetown, Georgetown</td>
</tr>
<tr>
<td>Universal Airlines (Guyana)</td>
<td>Georgetown, Miami</td>
</tr>
<tr>
<td>Meta (Brazil)</td>
<td>Belem, Cayenne, Georgetown</td>
</tr>
</tbody>
</table>

**Other Aviation Companies**

The two main companies operating domestic flights are Gum Air and Suriname Helicopters, both operating out of Zorg en Hoop. They provide charter services to the interior and occasionally to neighbouring countries.

**Institutional Arrangements**

The Government has been moving slowly to update its institutional arrangements, but has not yet achieved a clear separation between policy, regulation and operational activities.

**Luchthavenbeheer**

In 1996, the airport management company, Luchthavenbeheer, was set up. It was initially intended to run all the airports in the country. In the event, it was only given responsibility for JAP and is consequently known in English as Zanderij Airport Limited (ZAL).

The company shares responsibility for the airport with a number of other organizations, including the Department of Civil Aviation and SLM, which at one time ran JAP. In the late 1990s, SLM paid for the construction of the passenger departure building at JAP, and continue to operate it, and to receive the revenue from the concessions. SLM also run the catering service, and baggage handling systems. The airport company would like to take over the departure building and build a physical link to the arrivals hall, which they already run; discussions are ongoing.

**Photograph 2-5: Zanderij International Airport**
The company raises revenue from a substantial passenger airport tax of US$ 20 per person (shortly to be increased to US$ 25), together with landing fees and concession fees in the arrival hall. Its financial responsibilities include maintenance of the infrastructure, provision of fire-fighting and airport security services, purchase of air traffic control equipment, etc. The company is marginally profitable, with income of US$ 3.1 million against costs of US$ 2.7 million in 2001.

**SLM**

SLM is the national carrier is constituted as a limited liability company, with the Government holding all the shares. It owns two small planes (Twin Otters) for domestic flights and leases an MD 82, a 167-seater jet, for regional flights. Its major revenue earning route is Paramaribo – Amsterdam, which is operated jointly with KLM. The planes belong to KLM, while both companies provide crews and share operating expenses.

SLM have a legal monopoly on ground services at Zanderij Airport. There are complaints of high charges and suggestions that this has discouraged other airlines from using Zanderij.

All of the routes, including the regional routes, appear to cover their direct costs, and the Amsterdam route generates a profit of US$ 10.7 million, nearly 90% of the operating surplus. However, overheads are very substantial, and, in 2001, the company made an operating loss of US$ 2.4 million on revenues of US$ 50.8 million, though after adjustments, the final net income after tax was approximately US$ 130,000. It is understood that net revenue in the latest financial year was significantly higher, but the accounts are not yet finalized. The rate of return on total investment in 2001 was only 2%, and the return on assets was even lower, at less than 1% p.a.

The company employs nearly 500 people, which is one of the reasons for the large overhead costs. It is accepted by the company’s management that the number of employees should be reduced, but both the company and the Government are reluctant to lay people off.

**CASAS**

The Civil Aviation Safety Authority of Suriname was set up in 1997 to regulate all matters related to aviation safety. This includes monitoring flight operations, airworthiness, aviation safety and personnel licensing. CASAS is also responsible for the certification of the three air transporters registered in Suriname (SLM, Gum Air and Suriname Helicopters).

**The Department of Civil Aviation**

The Department of Civil Aviation (DCA), which is part of MTCT, is responsible for all other airfields, most importantly Zorg en Hoop. It combines this operational and revenue earning role with a regulatory role of licensing operators and the granting of route licenses.

The DCA’s annual income is around US$ 1.4 million, against costs of nearly US$ 1 million. The principal source of income is air navigation fees, currently 98% of the total. Landing fees in 2002 amounted to only US$ 74,500, most of which was generated at Zorg en Hoop, with revenue from other airfields being negligible.

Details of the operating costs are not available. However, it appears that the principal cost element is the operation and maintenance of Zorg en Hoop airport.

The Department is still part of the Government budget system, so all revenues are paid to the Treasury and its costs are paid by the Government. It is proposed to convert the DCA to an autonomous agency, the Civil Aviation Authority (CAA), at which time it would become financially independent.

Route licensing systems have been set up, which are claimed to be entirely transparent, although they remain untested. Any company established in Suriname can now apply for a license to operate services. When the

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3 CASAS recently grounded the Twin Otters
4 Information supplied by Universal Airlines (a competitor of SLM on regional routes) suggest that handling charges at Zanderij for a Boeing 767-300, at US$ 3,700, are more than 5 times those in Guyana (US$ 700) and 7 times those in Trinidad (US$ 500).
CARICOM “Open Skies” agreement is ratified, any community air transport company will be also able to operate in Suriname; this is discussed further below.

**Implications of Regional Integration**

As noted above, the Revised CARICOM Treaty of Chaguaramas commits the member states to creating a single market, which will include transport services. The treaty has not yet been ratified, but there is an understanding between the member states that they will start to take steps to open their markets in anticipation of ratification, and each country has agreed to prepare a programme to remove restraints on transport services by January 2005.

Air transport has been recognized as a special case and CARICOM has negotiated a Multilateral Air Services Agreement, which is more restrictive than a true “open skies” agreement, as it places some restrictions on designated carriers, based on market conditions. Suriname has signed the Agreement and should shortly ratify it. Once this is done, other CARICOM carriers, such as BWIA, would be able to pick up passengers in Suriname and fly them on to the US or Europe.

Ground services are not covered by the agreement, so the creation of the single market will mean that the monopoly on ground services at JAP granted to SLM will eventually have to be revoked.

Finally, it should also be noted that the Association of Caribbean States, of which Suriname is also a member, has recently prepared a draft Air Services Agreement that is considerably more liberal than the CARICOM agreement.

**Government Aviation Policy**

It is official Government policy to move towards liberalization in aviation. However, movement is slow, principally because it is also explicit policy to protect the position of SLM, in particular the joint KLM / SLM monopoly on the Amsterdam route. It is understood that no applications for regular flights from other European countries will be granted, although the Government has indicated a willingness to allow charter operations. It seems fairly clear that, as a consequence, the fares on this route are higher than they would be in a more competitive environment, to the benefit of the carriers and the detriment of the traveling public.

It is clear that the market and legal environment is changing and this comfortable arrangement may not last much longer. Firstly, recent EC legislation means that any European Community carrier has to be granted the same rights of access (to third countries) as the nominated carriers in existing bilateral agreements. The Netherlands is therefore under an obligation to renegotiate the existing air traffic agreement to incorporate this requirement. Legal challenges to the joint monopoly may well follow. Secondly, in the current, very difficult, market conditions in international aviation, KLM is having to review its route structure and is close to a merger with Air France. It is not yet clear how this will affect the partnership with SLM.

The profits from the Amsterdam route are the basis of SLM’s continued survival. There is a real danger that events beyond Suriname’s control will break up this arrangement and that SLM will be totally unprepared to deal with the consequences.

The Multilateral Air Services agreement should lead directly to increased competition on regional services. However, many of the regional carriers are facing financial difficulties. Air Guyana failed, and British West Indian Airlines is in trouble. The Caricom governments have recognized the problems facing the aviation industry in the region. There is a natural reluctance to commit regional air services to the care of an outside operator, such as American Airlines, and the governments are exploring the possibility of joint action, possibly in the form of an expanded regional airline, to ensure continuity of service and sufficient commercial strength to meet international competition.

**Further Information**

Further information on the aviation sector as a whole can be found in TA V-10, while information on the financial status of DCA, SLM and ZAL can be found in TA V-02. Institutional questions are discussed in TA V-06.
2.2.4 Rail

Role of Railways
The ingredients of success for railways include large volumes, preferably millions of tonnes of freight, or millions of passengers annually, or alternatively, high speed passenger services over distances of 200 to 500 km, between major urban centres, that can attract business passengers willing to pay the full cost of the service. There can also be a useful and socially valuable role for suburban services, when it can be shown that they divert traffic from the roads, thus reducing congestion.

Railways in Suriname
There are two state owned railways in Suriname, both disused, and neither of which, at present, has any chance of meeting the criteria for economic efficiency. They are the Onverwacht to Brownsweg railway, south of Paramaribo and the Apura to Bakhuys railway, in the west. Both were controlled by the Railway Foundation, under the Ministry of Transport, Communications and Tourism. The Foundation no longer functions.

Brownsweg Railway
The Onverwacht to Brownsweg railway ran for 90 km through lightly populated areas, and was used in the past for small volumes of mixed freight, passenger and occasional tourist traffic. It has failed twice, having been originally closed in the 1970s and then reopened in 1995, in the hope of attracting tourist traffic as well as serving local populations. The railway again failed to cover its costs and was closed shortly afterwards. There has been a recent proposal by a Dutch group to reopen this line, again with a view to tourist traffic. The proposal has attracted a certain amount of support, because it is argued that bus services in that area are infrequent and unreliable, and that the railway would serve the local communities better. The initial investment costs of this proposal are believed to be US$ 6 million, which it is understood would be provided by the government as start-up money. It is also proposed that the railway would be run as private company, though the details of ownership have not yet been determined.

If this project were to be undertaken entirely by the private sector, with no government investment, there would seem to be no reason to object to it, as the private investors would carry all the risks of failure. However, it is clear that this project would not be a good use of public funds. Relatively few people live in the area, and the railway will not be able to pay its way. Moreover, if it was more necessary to improve transport services in that region than in other areas of the country, US$ 6 million would be better used on road maintenance and improved bus services.

Apura Railway
The Apura railway runs from the port of Apura on the Corantijn river to the Bakhuys mountains. It was built in the late 1970s to serve an anticipated bauxite traffic from mines which were never opened. The railway never offered any regular service and has been completely disused for several years. Under present circumstances, there is no potential rail traffic in the region.

There is currently renewed interest in exploiting the bauxite deposits in the Bakhuys mountains, and it is possible that some use may now be found for the railway. Inspection of the line showed that the formation, bridges and rails were in good condition, but that the sleepers would have to be replaced. New rolling stock would also be required.

Longer Term Prospects
It is clear that current traffic demand means that is no possibility of developing an economically viable rail service in Suriname. However, if bauxite deposits are developed in the west of Suriname, there may a role for a mineral railway from the mines to the processing plant, and from the processing plant to the port, whether Apura or somewhere further downstream on the Corantijn river. Such a railway would form an integral part of bauxite processing and any attempt to introduce general freight or passenger services would almost certainly reduce the efficiency of the railway. The design, construction and operation of the railway, if it is decided to build one, should be left to the bauxite companies. The role of the state should be restricted to ensuring that the alignment and design are acceptable on environmental, safety and other planning grounds.
Further Information
Further information on the railway sector can be found in TA V-07.

2.3 Sector Stakeholders

The whole population of Suriname is, to a greater or lesser extent, dependent on the transport system to carry the goods they consume and for personal travel, for business purposes and leisure activities. The general population is also the ultimate provider of the funds necessary to maintain and operate the system. In designing policy improvements it the interests of this group, rather the sectional interests of government departments or transport operators, that should be paramount.

Beyond the general population, those with a direct interest in the transport sector include:

- Transport operators and their employees
- Government departments and their employees
- Contractors and other suppliers of services to transport companies and to government departments concerned with transport
- Commercial users of transport services

The main state owned transport companies include:

- SLM – Suriname Airways
- SMS – Suriname Shipping Company
- NVB – National Bus Company
- NVHS – Port Management Company: owner of Nieuwe Haven general cargo quay in Paramaribo and the Port of Nieuw Nickerie
- ZAL – Zanderij Airport Limited (Luchthavenbeheer)
The private transport operators are grouped into associations, the main ones being:

- OBS – Organization of Bus Operators
- VETAHOS – Union of Taxi Operators
- PLO – Minibus Operators Organization

The stevedoring companies are all private sector, the main ones being:

- Integra
- VSH – United Suriname Transport Company
- Continental Shipping Agency

The main ministries with transport sector responsibilities are:

- Ministry of Transport, Communications and Tourism
- Ministry of Public Works
- Ministry of Regional Development
- Ministry of Agriculture
- Ministry of Natural Resources
- Ministry of Justice and Police

There are also a number of semi-autonomous agencies working in the sector:

- Road Authority
- MAS
- Department of Civil Aviation (currently part of MTCT, but shortly to become an autonomous Civil Aviation Authority)
- CASAS

There is some private sector representation on the Road Board and MAS. The stevedoring companies are represented on the Port Council.

As far as is known, there are no active independent transport users associations in Suriname.

2.4 Problems to be Addressed

The transport sector is in a transition phase. The Government is gradually moving towards reducing its direct involvement in transport operations and concentrating on policy and regulatory questions. However, at the same time, it appears committed to protecting the position of the state owned transport sector monopolies. This will become increasingly difficult as the provisions of the Revised CARICOM Treaty of Chaguaramas, which envisages an open market in transport services, become effective.

There is a general acceptance that the sector needs to become more efficient. In particular, it is clear that the State Owned Enterprises, and Government departments, are failing to maintain the transport infrastructure and equipment for which they are responsible. Long-term sustainability will require greater private sector involvement in transport operations and infrastructure, and greater efficiency will require the spur of competition. There is therefore a pressing need for the Government to clarify its position on the role of private investment in the transport sector and the extent to which it is prepared to accept competition in sector.

Further Information

The sections that follow provide an overview of transport policy sector issues. A further and more detailed discussion can be found in Technical Appendices III: Analysis of the Relevance of Sectoral Policy and IV: Analysis of the Policy Options
2.4.1 Sector Policy Directions

The following are the key issues to be addressed in the general transport policy area.

Separation of Roles
The Government has not yet made a formal commitment to the separation of the roles of operation, regulation and policy making for the transport sector. This is a potential problem in the development of air transport, particularly domestic airports, where there is potential conflict of interest between the DCA’s role as a regulator and its role as an airport operator. It may also prove to be a problem in bus passenger transport, as regulatory and commercial interests are not clearly separated. Further, the protection of the market position of (and employment levels in) SOEs is not identical to the promotion of the public interest, though it is not always clear that the Government recognizes this.

Regional Integration
The Revised Treaty of Chaguaramas, which has been both signed and ratified by Suriname, envisages the creation of a regional common market in transport services. All member states are committed to preparing to remove all the obstacles to opening up the market. In particular, Suriname will need to negotiate an international land transport agreement with Guyana, under CARICOM auspices, to set the conditions under which Guyanese transport companies can operate in Suriname and vice-versa.

There is also a need to start similar negotiations with the European Union to facilitate road transport services crossing the border into French Guyana. Consideration also needs to be given to a general regional customs agreement, involving Guyana, the EU, Brazil and possibly Venezuela, that will permit and facilitate transit traffic.

Public Service Obligations
SOEs are spending substantial sums of money on providing subsidized transport services to remote areas on the grounds that the private sector would not be prepared to do so. Similarly, DCA cross-subsidizes airfields in the interior on social grounds. However, the provision of such services appears to be determined on grounds of custom rather than any objective assessment of need. The lack of an explicit public service obligation (PSO) makes it difficult to establish whether the level of subsidy is justified and whether the service could not be more efficiently provided by the private sector.

Road User Charges
Although the Government is committed to a policy of “user pays”, the incidence and levels of road user taxes do not fairly reflect the costs imposed on the road system by trucks and buses. Moreover, as noted above, the absolute level of road user charges needs to be increased very substantially if the long-run costs of road maintenance are to be recovered from the users.

2.4.2 Transport Investment Demand

In general terms, transport infrastructure is adequate for the demands placed on it. Traffic flows outside Paramaribo are low, and there is no immediate requirement for upgrading or extending the road network, although a large proportion of the paved network is in urgent need of rehabilitation. Airport capacity is also adequate for the foreseeable future, as is ro-ro ferry provision at the international river crossings. Once the European Development Fund financed rehabilitation of Nieuwe Haven general cargo quay in Paramaribo, is complete, port capacity should be adequate, even without the planned rehabilitation of the Port of N. Nickerie.

The main infrastructure problem thus is to ensure that adequate financial provision is made for maintenance. This is a pressing and obvious problem in the road sector, but will also be an important future issue for the port and airport sub-sectors.

There are four areas, however, where major infrastructure expenditure may be required:
Exploitation of Bauxite Reserves in the Bakhuis Mountains

If the bauxite deposits in the Bakhuis mountains in the south-west of the country are to be exploited, new transport links will be required. This may involve the rehabilitation of the existing, but disused, railway line and the development of a new port on the Corantijn river for the export of alumina or aluminium. It may also involve dredging in the river channel and at the bar. This could be an entirely private sector venture, although the bauxite companies will no doubt press for a state contribution. In any event, the Government will have to decide how large a role, if any, it wishes to play in the provision of transport infrastructure for this venture.

Channel Dredging in the Suriname River

Channel depth restrictions in the Suriname river and approaches limit the size of vessel which can be used for the export of alumina. It is thought to be technically feasible to dredge the channel and to maintain the depth, though maintenance dredging would need to be continuous. There is a *prima facie* case that the costs of dredging could be recovered in substantial savings in shipping costs, and the question should be subject to a formal feasibility study.

The present channel depth is adequate for the general cargo and other shipping calling at the Port of Paramaribo now and in the foreseeable future, so the major, probably the only, beneficiaries would be the bauxite mining companies. If the project proved feasible, the Government would have to resolve whether to treat the project as a public sector or private sector venture and what contribution, if any, it would make to the costs.

Urban Road Provision

Traffic in some parts of Paramaribo is approaching saturation levels, at least at rush hour, with attendant economic inefficiency and environmental degradation. In the short-term, there is a need for traffic management measures to improve the utilization of the existing road capacity. In the medium term, attention will have to be given to the possibility of developing a ring road system to improve traffic flow and to avoid congesting the central area.

Road Rehabilitation

As a result of poor quality construction and a chronic neglect of maintenance, much of the main road network, in particular the Paramaribo-Albina and Paramaribo-Paranam roads, is now in need of rehabilitation. Unit costs are likely to be in the range US$ 200,000 to US$ 300,000 per km, suggesting a total cost of US$ 30 – 45 million for the Albina road and US$ 10 – 15 million for the Paranam road.

Expenditure of this magnitude will require full economic and engineering feasibility studies to ensure that the road design is appropriate and that the investment is economically justified. However, given the unhappy history of recent road failures, it would be inappropriate to recommend carrying out such studies until it is clear that the institutional and financial capacity to maintain the rehabilitated roads is in place.

2.4.3 Sustainability

The failure to maintain key infrastructure continues to be a major public sector problem and has created an unhealthy dependence on donor finance for rehabilitation. Evidence of this cycle of failure is most apparent in the road sector, but it has also affected the ports, where failure to maintain the ports of Paramaribo and N. Nickerie has necessitated expensive rehabilitation works, in the airport sector, where Dutch aid was used to overlay the runway and in inland waterways, where Dutch aid has paid for the rehabilitation of the sluices on the Saramacca Canal. In the air transport sector, SLM has had its Twin Otter planes grounded, due to corrosion problems, presumably also a consequence of poor maintenance.

The achievement of sustainability will require a strong commitment on the part of the Government to providing the necessary funds, through taxation (in the case of roads) or through permitting adequate user charges for the revenue earning SOEs. It is clear that only profitable companies can ensure sufficient funds for the maintenance of infrastructure and equipment, and the managements of the SOEs will have to become more commercial in their approach. This will require ensuring that both the capital assets of the company and its labour force are appropriate to the company’s scale of activities. Private sector involvement in the SOEs will almost certainly be required if the necessary business disciplines are to be introduced.
2.4.4 Institutional and Management Issues

Road Maintenance

Although, in principle, the division of responsibilities for road maintenance between the MPW and the Road Authority is clear, in practice, the Road Authority is only maintaining a small portion of the primary network, and MPW is still carrying out some maintenance on the primary roads. There needs to be a formal arrangement for handover, and a coordinated approach to expanding the Road Authority’s maintenance capability to fit in with the MPW programme for rehabilitation of main roads.

Control of Monopoly

State companies have formal monopoly positions in the air transport and in the ports. SLM has an effective monopoly on the route to Europe (in cooperation with KLM) and a formal monopoly on ground handling at Zanderij International Airport. NV Havenbeheer has an effective monopoly on general cargo facilities, as the company controls the general cargo berths at Paramaribo and at N. Nickerie. Both companies are high cost operators and there is evidence of user dissatisfaction with their services.

The encouragement of competition in these sectors could prove a valuable stimulus to improvements in commercial performance and quality of service. However, the market in Suriname is small and it may prove difficult to attract new entrants. The creation of a formal, independent, Transport Sector Regulator, charged with encouraging effective competition where possible, may prove to be the best way to ensure that monopoly positions are not abused.

Public-Private Partnership

The Government is committed to the idea of public-private partnership, but in practice it is not clear that the commitment is firm. The private sector participation on the Road Board has been reduced and the Port Council functions only erratically. There is much to be gained from active partnership in these areas, and the Government should take steps to revive their commitment to working with the private sector.

Private Sector Investment in State Owned Enterprises

It is clear that the SOEs are failing to give their owners, the taxpayers of Suriname, a decent return on their investment. Private capital invested in the SOEs would offer a number of major advantages:

- The payment for the shares would reduce the Government’s budget deficit and the national debt.
- Private funds would be available to pay for capital investment, thus reducing the demands on the Government budget in the future
- Private sector management would help improve the efficiency of the company thus generating additional revenue for the Government through:
  - Improved dividend payments to the Government (as shareholder); and
  - Increased tax revenue from increased profits

It is also clear that the Government may consider it a matter of economic strategic importance that final control of key parts of the transport system such as, for example, the port, remain under state control. However, many of the advantages of improved economic performance could be achieved with a minority private shareholding and consideration should be given to which, if any, of the SOEs could reasonably be opened to private investment and what percentage of the shares could be privately held.

Transport Sector Indicators

Transport statistics are collected by ABS, the National Statistics Service, but have a relatively restricted scope. They record total volumes of international trade, by commodity, the number of air passengers arriving and departing, the number of vehicles registered and accident statistics. There are no estimates of total traffic activity (veh-km or tonne-km), or of expenditure on transport services by individuals or companies, or statistics on fuel usage, and no information at all on the inland waterways system or on pipelines.

The need for sector indicators was reviewed as part of this Study at the fourth workshop (see Administrative Appendix III – Consultation), where it was agreed that MTCT would take responsibility for coordinating the effort to improve data collection and presentation. However, much will depend on the effectiveness of ABS, the
National Statistical Service, whose offices were severely damaged in a recent fire. Donor assistance may be required to help re-establish the service.

**Employment Practices**

Restructuring the SOEs will inevitably involve reducing the numbers of people employed. Current practice appears to be to offer a relatively small amount of money as compensation and leave the employees to make their own arrangements for new employment. There is a significant amount of unemployment in Suriname and this practice, naturally, generates resistance on the part of the workforce. Modern practice elsewhere is to offer retraining and placement assistance, and it would be reasonable to introduce such practices to Suriname.

**Human Resources and Institutional Development**

The Study’s assessment of training practice in the public sector suggests that there is a lot of scope for modernization and improvement, through the introduction of formal job descriptions and training programmes properly adapted to the commercial needs of the company, as well as to the needs of the individual employee.

There is also a clear need to strengthen the ability of the Government to deal with the changing economic and policy environment. Technical assistance will be required in the following areas:

- ABS, the statistical service, to improve the quality of transport statistics
- MPW and the Road Authority to improve maintenance management
- The Police, to improve traffic management and road safety skills
- Ministry of Labour, Technology and Environment, to improve environmental management and monitoring capacity
- Transport Sector Regulator’s office (if established)

**Further Information**

TA V-08 discusses training and other personnel issues, while TA V-13 Annex 2 identifies the needs for institutional strengthening.

**2.4.5 Environmental and Socio-Cultural Issues**

Any major transport sector investment (road, rail, port or channel dredging) would require a formal Environmental Impact Assessment (EIA). There is no formal requirement in Surinamese law for EIA, though this will change as soon as the Draft Environmental Law is passed. However, the country lacks the technical capacity for carrying out, or even evaluating, such studies.

There are a number of relatively minor environmental problems associated with transport operations, notably vehicle emissions in central areas of Paramaribo and problems associated with disposal of old vehicles, batteries and tyres⁵. There is no data on the seriousness of the emissions problem, as there is no monitoring of air quality.

There are no major socio-cultural issues associated with transport infrastructure or services at present. However, it is recognized that the planning of any new road into forest areas would need to take into account the potential impact on ethnic and cultural minorities living in the project area.

**Further Information**

TA V-03 deals with environmental issues.

**2.4.6 Regulatory and Operational Issues**

**Safety**

There are approximately 65 deaths a year on the roads of Suriname, which is high in relation to the number of vehicles. The introduction of legislation requiring the use of seat belts and imposing limits on alcohol

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⁵ This is part of a more general problem of solid waste disposal in Paramaribo.
consumption by drivers could help reduce the deaths significantly. The institutional capacity of the both the police and MPW to deal with safety issues is limited and could usefully be strengthened.

**Vehicle Weights and Dimensions**
There appears to be no legislation on total vehicle weight and the axle load limit of 8 tonnes is almost certainly too low\(^6\). Further, the current legislation is incompatible with that of neighbouring countries. The legislation needs to be revised, preferably in cooperation with Guyana, CARICOM and the EU, to set limits appropriate to modern transport conditions.

**International Transport and Customs Agreements**
The development of the CARICOM single market in transport services means that it will necessary, urgently, to negotiate an international land transport agreement with Guyana (under CARICOM) auspices. A similar agreement should also be sought with France and the EC, to facilitate trade with French Guyana.

In the longer-term, there will be a need to reach customs agreements with all Suriname’s neighbours, to facilitate both direct trade and transit movements by land.

**2.5 Other Interventions**

**European Union**
The European Union is the major donor in the transport sector and funded rehabilitation of the road between Paramaribo and Nickerie in 1999 and the provision of a ferry system (vessel and terminals) between Suriname and Guyana. It also assisted in setting up the Road Authority. Current transport sector activity includes:

- Technical Assistance to the Road Authority
- Paving of the road to the Suriname-Guyana ferry terminal at South Drain
- Rehabilitation of the port of Nieuwe Haven in Paramaribo

**The Netherlands**
The Netherlands is the major donor to Suriname and is active in most sectors, though not currently in the transport sector. Past interventions in the sector have included road projects and rehabilitation of the sluices on the Saramacca Canal.

**Inter-American Development Bank**
The IDB is funding a programme of decentralization and local government strengthening, which includes a component for local road funding and maintenance. IDB is also providing assistance to NIMOS, the national environmental institute.

**Other Donors**
The People’s Republic of China has funded a cold store at Zanderij Airport and is active in the road sector, assisting with approximately 200 km of road rehabilitation in Paramaribo. The possibility of further road rehabilitation work on roads outside Paramaribo is currently under discussion.

It is also understood that the French Government may be interested in funding improvements to the arrivals terminal at Zanderij.

**Commercial Interventions**
The Government has been approached by international contractors, who have offered to fund road and bridge construction. No details are available at present.

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\(^6\) Raising axle load limits permits trucks to carry heavier loads. This reduces the costs of transport, but increases the costs of road maintenance. Studies elsewhere have typically found the optimum axle load limit to lie between 10 and 13 tonnes.
2.6 Documentation Available

There is very little documentation available that is specifically relevant to the transport sector. Feasibility studies have recently been carried out for the rehabilitation of the two international ports of Paramaribo and N. Nickerie, and the Road Authority prepares quarterly reports of its activities. The last national transport study was carried out in the late 1960s.
3 Intervention

3.1 Overall Objectives

The transport system is a central element of the economic and social life of the country. The current system is failing the users and those who, as taxpayers, pay for the provision of infrastructure. It is therefore important to develop a transport policy that remedies these deficiencies, while meeting overall national development objectives.

The policy outlined below has therefore been designed to meet the overall national objectives of:

- Sustainable economic growth
- Poverty reduction
- Good governance
- Equity

The achievement of sustainable economic growth and poverty reduction firstly requires measures to improve the efficiency of the transport system, which is best achieved by reducing the direct involvement of the government in transport operations and encouraging private sector provision where possible. A second requirement is to ensure that adequate provision is made for the maintenance of the transport system, through user charges of various forms. Efficiency and equity between users will also be promoted if global subsidies to transport operators are replaced by clear and targeted public service obligations to provide services to those who need them, but cannot afford to pay the market price.

Good governance requires transparency in the regulatory system and in all government decisions affecting the transport system, which is best achieved by the creation of an independent Transport Sector Regulator’s Office. Equity goals similarly require transparency and increasing competition in the transport system, so it serves all transport users effectively, and does not favour special producer interests.

3.2 Project Purpose

The policy proposals are designed to provide Suriname with a modern, efficient and flexible transport system that will help the country to compete effectively in the global market place. Taken as a package, they will reduce the costs of transport operations, prevent private or public companies from exploiting monopoly power and so ensure that the benefits of cost reductions reach the whole community, and that government powers to regulate the sector are exercised transparently.

Accordingly, the transport policy proposed here incorporates measures to:

- Control monopoly and promote competition
- Promote transparency
- Promote efficiency
- Promote sustainability
- Promote road safety
- Protect the environment
- Promote regional integration

Key elements of the policy are:

**Monopoly Control and Promotion of Competition**

- Creation of an independent Transport Sector Regulatory Office to deal with all aspects of economic regulation
- Promotion of competition in air transport, airport ground services and the port sector
Transparency
- Removal of the responsibility for airfields from the DCA (CAA)

Efficiency
- Part privatisation of the main State Owned Enterprises in the transport sector
- Review of unprofitable bus services, inland waterways services and airfields and the identification and funding of explicit public service obligations or closure, as appropriate

Sustainability
- Increases in the fuel levy and its extension to diesel, to ensure adequate funding for road maintenance by the Road Authority, MPW and MRD

Road Safety
- Measures to promote road safety, including legislation on the use of seat belts and drink driving

Environmental Protection
- Measures to protect the environment, including emission controls, regular monitoring of air quality and legal requirement for environmental impact assessment for new transport sector infrastructure.
- Measures to improve urban traffic management in Paramaribo

Regional Integration
- Negotiation of transport and customs agreements with neighbouring countries, in conjunction with CARICOM

Infrastructure Rehabilitation
- Rehabilitation of key infrastructure, including the Port of Nieuw Haven in Paramaribo, sections of the primary road system and minor repairs to the Saramacca Canal

3.3 Project Results
The proposed policy, if implemented, should result in:

- Increased transparency in decisions on licensing and rate setting
- Greater efficiency in transport service provision
- Sustainable operations, since higher efficiency and profitability will mean that the SOEs can be self-financing
- Reduced donor dependence, as there will be less need in the long-term for rehabilitation finance
- Immediate improvement of Government finances as a result of the sale of shares in SOEs
- Inflow of foreign exchange, if the SOEs are sold to foreign companies, which will help offset the later outflow of dividends
- Long-term improvement in Government finances, as increased profitability in SOEs will increase revenues in two ways:
  - Increased dividends on the shares still held by government
  - Taxes on the increased company profits

Table 3.1 below sets out the policy matrix, which summarizes the relevance, feasibility and sustainability of each component of the policy.

Further Information
Technical Appendix IV provides an extended discussion of the policy options and the basis for recommending the policy set out here.
3.4 Project Activities

The principal elements of the proposed policy are changes in legislation and institutional strengthening. Donor support activities will be concentrated on providing consultancy services and technical assistance, though there is also scope for funding some necessary rehabilitation of existing infrastructure, primarily in the road system in the longer-term, once adequate provision for maintenance has been made. Chapter 5 gives details of the activities needed to implement the policy programme.
### Table 3-1: Policy Matrix

<table>
<thead>
<tr>
<th>Policy</th>
<th>Relevance</th>
<th>Feasibility</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measures to Control Monopoly</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Transport Sector Regulation</strong></td>
<td>Creation of an independent transport regulator; or</td>
<td>Good Governance measure. Monopoly is leading to high costs and unresponsive service. Clear licensing rules will create a contestable market</td>
<td>Proposal consistent with national policy. Sector policy will need modification</td>
</tr>
<tr>
<td></td>
<td>Setting up rule based licensing system for transport service and infrastructure operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Air Transport Sector</strong></td>
<td>Implement CARICOM open skies</td>
<td>More competition will improve service quality, extend the range of services and reduce costs and prices. Removal of ground services monopoly is CARICOM commitment</td>
<td>Proposals consistent with national policy. Sector policy will need modification</td>
</tr>
<tr>
<td></td>
<td>Extend international aviation agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Removal of SLM monopoly on ground services</td>
<td>Transfer of control will encourage other airlines, and facilitate effective control of airport operations</td>
<td>Suitable compensation will have to be paid to SLM</td>
</tr>
<tr>
<td></td>
<td>Transfer control of Departures Terminal at Zanderij to Luchthavenbeheer</td>
<td></td>
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<tr>
<td><strong>Ports</strong></td>
<td>Rule based system for port development</td>
<td>Contestable market will encourage NVHS to become more efficient</td>
<td>MTCT currently oppose this policy proposal</td>
</tr>
<tr>
<td><strong>Measures to Promote Transparency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Airports</strong></td>
<td>Separation of airfields from CAA</td>
<td>Good governance measure to avoid conflicts of interest</td>
<td>Administrative measure; can be made when CAA is formed</td>
</tr>
<tr>
<td><strong>Measures to Promote Efficiency</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Part Privatization of SLM</strong></td>
<td>Will help reduce costs and improve competitive position.</td>
<td>Consistent with national policy</td>
<td>Will help SLM survive; partnership with major foreign operator could strengthen market position</td>
</tr>
<tr>
<td><strong>Part Privatization of ZAL</strong></td>
<td>Will help reduce costs</td>
<td>Consistent with national policy</td>
<td></td>
</tr>
<tr>
<td><strong>Airfield Public Service Obligations</strong></td>
<td>Subsidies should be explicit and need to be reduced</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part Privatization of Havenbeheer</strong></td>
<td>Will help reduce costs and improve service</td>
<td>MTCT is currently opposed to this proposal</td>
<td>Requires change of policy; sale process must be transparent</td>
</tr>
<tr>
<td>Policy</td>
<td>Relevance</td>
<td>Feasibility</td>
<td>Sustainability</td>
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<td>---------------------------------------------------------------------------</td>
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<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Inland Waterways</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Closure of SMS</td>
<td>SMS no longer has any strategic role. Losses are becoming unacceptable</td>
<td>Unavoidable; alternative of restructuring likely to be expensive and ineffective</td>
<td>Private operators will need subsidy for ferry PSO. Redundant workers should be offered retraining and placement assistance. Will require GoS commitment to pay subsidies</td>
</tr>
<tr>
<td>IWW Public Service Obligations</td>
<td>Subsidies should be limited to socially necessary services</td>
<td>Consistent with national policy</td>
<td></td>
</tr>
<tr>
<td><strong>Public Transport</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Removal of monopoly on big bus services</td>
<td>Will promote service improvements</td>
<td>Administrative measure: consistent with national policy</td>
<td>Bus transport industry is efficient and competitive, so there will be no shortage of market entrants. Will require GoS commitment to pay subsidies</td>
</tr>
<tr>
<td>NVB public service obligations</td>
<td>Subsidies should be limited to socially necessary services</td>
<td>Consistent with national policy</td>
<td></td>
</tr>
<tr>
<td><strong>Measures to Promote Sustainability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding Road Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road Authority – increase RA road levy</td>
<td>Road maintenance is badly under-funded. Roads are in a cycle of failure, which is creating donor dependence</td>
<td>Proposal is consistent with national policy of “user pays”, but may attract opposition. Increases should be phased</td>
<td>Requires firm GoS commitment. Levies should be set in US$ terms to avoid erosion through domestic inflation</td>
</tr>
<tr>
<td>Ministry of Public Works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road levy for MPW</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve maintenance management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Regional Development – increase funding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Control of Heavy Vehicles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase taxation on heavy vehicles</td>
<td>Taxes do not reflect costs of road damage and encourage use of heavy vehicles</td>
<td>Legal measure that should attract general support</td>
<td>Charges should be set in real (or US$) terms to avoid erosion by domestic inflation. Measure only advisable if road maintenance is improved</td>
</tr>
<tr>
<td>Modernize vehicle weights &amp; dimensions legislation</td>
<td>Axle load limits inefficiently low; VWD should be coordinated with neighbouring countries</td>
<td>Legal measure that should attract general support</td>
<td></td>
</tr>
<tr>
<td><strong>Inland Waterways</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formation of Saramacca Canal Foundation</td>
<td>Canal has been neglected; user involvement will ensure better maintenance</td>
<td>Requires acceptance by MPW</td>
<td>Prime use of Canal is irrigation and drainage. Sustainability will depend mainly on fee income from non-transport users</td>
</tr>
</tbody>
</table>
### Measures to Promote Road Safety

<table>
<thead>
<tr>
<th>Policy</th>
<th>Relevance</th>
<th>Feasibility</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Road Safety Improvements</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of seat belts and limits on alcohol</td>
<td>These are measures known to be effective at reducing road casualties</td>
<td>Legal measure; enforcement will require training, equipment and funding</td>
<td>Requires GoS commitment and funding</td>
</tr>
<tr>
<td>Increase effectiveness of annual inspections</td>
<td>Current inspection system is ineffective</td>
<td>Requires training and funding</td>
<td>Companies licensed for inspections will have to be monitored</td>
</tr>
<tr>
<td>Increase technical capacity of police and MPW</td>
<td>Improved capabilities should help improve enforcement, safety education and road layout</td>
<td>MPW and Police staff are able to benefit from training</td>
<td>Requires GoS commitment and funding</td>
</tr>
</tbody>
</table>

### Measures to Protect the Environment

<table>
<thead>
<tr>
<th>Policy</th>
<th>Relevance</th>
<th>Feasibility</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Monitoring and Protection</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring air quality in Paramaribo</td>
<td>Monitoring is needed to establish effectiveness of control measures and need (if any) for more stringent limits</td>
<td>Technically feasible</td>
<td>Requires GoS commitment and funding</td>
</tr>
<tr>
<td>Legal limits on vehicle emissions</td>
<td>Will improve air quality in central Paramaribo</td>
<td>Legal measure; enforcement will require training, equipment and funding</td>
<td>Requires GoS commitment and funding</td>
</tr>
<tr>
<td>Legal requirement for Environmental Impact Assessment</td>
<td>Need for a consistent national framework for environmental assessments</td>
<td>Draft Environmental Law expected to be passed in 2004. Implementation will require training and funding.</td>
<td>Requires GoS commitment and funding</td>
</tr>
</tbody>
</table>

### Urban Traffic Management Improvement

| Policy                                           | Relevance                                                                 | Feasibility                                                                 | Sustainability                        |
|-------------------------------------------------|---------------------------------------------------------------------------|                                                                            |                                       |
| Paramaribo is becoming increasingly congested; relatively simple measures could make a significant improvement |                                                                      | Technically feasible; will require training, equipment and funding         | Requires GoS commitment and funding   |

### Regional Integration

| Policy                                           | Relevance                                                                 | Feasibility                                                                 | Sustainability                        |
|-------------------------------------------------|---------------------------------------------------------------------------|                                                                            |                                       |
| **Promotion of Regional Integration**            |                                                                          |                                                                            |                                       |
| Securing an international transport agreement   | CARICOM commitment; needed to promote regional trade                       | Major negotiation effort required, involving CARICOM, EC, Brazil and (possibly) Mercosur | Sustainable, once negotiated           |
| Securing customs agreements on transit          |                                                                          |                                                                            |                                       |

### Infrastructure Development

<p>| Policy                                           | Relevance                                                                 | Feasibility                                                                 | Sustainability                        |
|-------------------------------------------------|---------------------------------------------------------------------------|                                                                            |                                       |
| <strong>Roads</strong>                                       |                                                                          |                                                                            |                                       |
| Rehabilitation of main road network             | Maintenance of unrehabilitated roads impractical; economic benefits from road improvement | Technically feasible. Economic feasibility had be assessed case by case     | Sustainable only if maintenance is improved |</p>
<table>
<thead>
<tr>
<th>Policy</th>
<th>Relevance</th>
<th>Feasibility</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road maintenance strengthening</td>
<td>Maintenance planning and control need to be improved; will become increasingly important as the expenditure levels increase</td>
<td>Technically feasible</td>
<td>Requires GoS commitment and funding</td>
</tr>
<tr>
<td><strong>Ports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rehabilitation of Nieuwe Haven, Paramaribo</td>
<td>EC committed project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redevelopment of N.Nickerie in collaboration with potential users</td>
<td>Potentially important to rice, banana and off-shore oil industries</td>
<td>Technically feasible. Economic and financial feasibility should be reviewed.</td>
<td>Depends on traffic guarantees or funding contributions from users</td>
</tr>
<tr>
<td><strong>Inland Waterways</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Rehabilitation of Saramacca Canal</td>
<td>Canal has important irrigation and drainage functions, as well as a minor transport role</td>
<td>Technically feasible. Economic viability depends on non-transport uses</td>
<td>Effective maintenance will depend on the formation of the Saramacca Canal Foundation</td>
</tr>
</tbody>
</table>
4 Assumptions

4.1 Assumptions at Different Levels

Government
It is a critical assumption that the Government of Suriname will accept the general direction of the policy proposal and will take the question of implementation seriously. Initial indications are that, with the exception of the proposals for the port sector, the proposals are broadly in line with government policy and should be acceptable.

A key requirement for the successful implementation of the regulatory proposals is that the independence of the Transport Sector Regulator should be assured. Direct political influence on the regulator could well result in licensing decisions being used for political patronage purposes and decisions on rates being subject to short-term populist considerations.

Government Implementation Capacity
Implementation will involve considerable amounts of technical preparation in areas where Suriname, particularly in the government sector, has no prior experience. It has been assumed that the donor community will be prepared to assist with funding the necessary technical assistance and consulting services.

Private Sector Involvement
The privatisation proposals assume, naturally, that private investors would be willing to invest in the SOEs. The initial indications are that, given a genuine commitment by the Government to private sector participation, there would be substantial private sector interest, both within Suriname and outside.

4.2 Risks and Flexibility

Although the programme has been drawn up as a coherent whole, which attempts to bring a consistent direction to all aspects of transport sector policy, the successful implementation of any of the components would, by itself, be beneficial. However, implementation can only be considered successful if the correct procedures have been followed. In particular, it is most important that any sale of state assets be carried out in a transparent and fair manner.
5 Implementation

For the purposes of developing an Implementation Programme, the activities identified in Chapter 3 have been grouped into 14 projects, as shown in Table 5.1. Some of these activities can be carried out by the Government of Suriname without assistance, while others will require the provision of technical assistance and consulting services.

Table 5-1: Summary of Implementation Programme Components, Inputs and Budget

<table>
<thead>
<tr>
<th>Activity</th>
<th>Lead Agency</th>
<th>Budget (€ 000)</th>
<th>Elapsed Time (month)</th>
<th>Donor Assist</th>
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<tr>
<td>1 Transport Sector Regulator</td>
<td>MTCT</td>
<td>290</td>
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<td>2 Rule-Based Licensing System</td>
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<td>3 Liberalization of the Aviation Sector</td>
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<td>-</td>
<td>12</td>
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<td>4 Separation of Domestic Airports from DCA/CAA</td>
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<tr>
<td>5 Private Sector Investment in State Owned Enterprises</td>
<td>MTCT</td>
<td>970</td>
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<td>6 Review of Public Service Obligations</td>
<td>MTCT</td>
<td>560</td>
<td>14</td>
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<tr>
<td>7 SMS Closure</td>
<td>MTCT</td>
<td>-</td>
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<td>8 Road Maintenance Funding</td>
<td>MPW</td>
<td>-</td>
<td>6</td>
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<tr>
<td>9 Review of Road User Charges and Vehicle Weights &amp; Dimensions</td>
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<td>670</td>
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<td>10 Saramacca Canal Foundation</td>
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<td>-</td>
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<tr>
<td>11 Road Safety Measures</td>
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<td>12 Environmental Monitoring &amp; Protection</td>
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<td>650</td>
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<td>13 Regional Integration Measures</td>
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<td>Program Total</td>
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Key:
MLTDE Ministry of Labour, Technological Development and Environment
MJP Ministry of Justice & Police
MPW Ministry of Public Works
MTCT Ministry of Transport, Communications and Tourism

5.1 Physical and Non-Physical Means

The major activities involved in the implementation programme are consulting services and technical assistance in a number of fields, including:

- Drafting legislation
- Preparation of prospectuses for share offerings
- Assessment of public service obligations
- Vehicle, weights, dimensions and taxation study
- Urban environmental monitoring
- Urban traffic management study
- Institutional strengthening
Table 5.2 below identifies the major inputs for each element of the Implementation Programme, while TA V-13 gives a detailed description of each activity.

5.2 Organizational and Implementation Procedures

For most of the policy actions, MTCT will be the lead agency, though MPW and the Ministry of Justice will also be involved. Details on lead agencies are given in Table 5.1 above, and 5.2 below.

5.3 Time Schedule

The estimated time to complete the individual components can be found in Table 5.2. Many of the activities can be carried out in parallel. However, some, notably setting up the Regulator and the subsequent technical assistance, must be carried out sequentially. Accordingly, the programme will take a minimum of 4 years to complete, even if there are no delays in implementation.

5.4 Cost Estimate and Financing Plan

Total cost is estimated to be € 4.6 million, all of which would be suitable for donor assistance.

5.5 Special Conditions

The MTCT should prepare a policy statement to be endorsed by both the Board of Ministers and the National Assembly.
Table 5-2: Implementation Programme

<table>
<thead>
<tr>
<th>Component Sub-</th>
<th>Activity</th>
<th>Lead Agency</th>
<th>Professional Inputs (month)</th>
<th>Costs (€ 000)</th>
<th>Budget (€ 000)</th>
<th>Elapsed Time</th>
<th>Donor Assist</th>
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<tbody>
<tr>
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<td>Intern’l</td>
<td>Local</td>
<td>Profess.</td>
<td>Other</td>
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## Implementation Programme

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<th>Sub-section</th>
<th>Activity</th>
<th>Lead Agency</th>
<th>Professional Inputs (month)</th>
<th>Costs (€ 000)</th>
<th>Budget (€ 000)</th>
<th>Elapsed Time</th>
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<td>Road Safety Measures</td>
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<td>4 Passage of legislation</td>
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**Key:**

- Lead Agencies: Responsibility for main project activities shown in bold; responsibility for sub-projects shown in italics
- ABS: National Statistical Organization
- MLTDE: Ministry of Labour, Technological Development and Environment
- MJP: Ministry of Justice & Police
- MPW: Ministry of Public Works
- MTCT: Ministry of Transport, Communications and Tourism
- TSRO: Transport Sector Regulator’s Office
6 Factors Ensuring Sustainability

6.1 Policy Support and Coordination

The policy proposal is consistent with the general direction of Government policy on the economy and regional integration.

The assistance of the Ministry of Foreign Affairs will be required in the negotiation of transport agreements with the neighbouring countries.

6.2 Regulatory and Operational Aspects

Enforcement
At present, road transport regulations are not enforced effectively. The policy proposal contains components designed to remedy this deficiency.

Private Sector Engagement
The policy proposal is specifically designed to attract private sector investment in the transport system.

6.3 Environmental Protection

The policy is consistent with the Draft Environmental Law, which is itself consistent with international best practice. In particular, the policy endorses the Draft Environmental Law’s provision that EIA should be required for all major transport infrastructure investments.

6.4 Socio-Cultural Aspects and Gender Issues

There are no inconsistencies between the policy proposal and cultural norms (except, possibly, that the policy will reduce the opportunities for political patronage in the transport sector.)

The policy is likely to lead to reductions in employment initially, as all the SOEs are over-staffed. It will therefore be necessary to design appropriate retraining and placement programmes to lessen the impact on those made redundant. It should be remembered that, for most SOEs, the alternative to reducing staff now is continuing financial weakness, which will result in even larger numbers of redundancies in the future.

6.5 Institutional and Management Capacity

The policy proposal is designed to encourage public-private partnership and the engagement of private sector skills and investment in the SOEs.

The consultancy services envisaged for the implementation programme will need to be led by experienced international consultants, but there will be considerable scope for participation by local consulting companies and professionals.

6.6 Demand, Economic and Financial Analysis

Not applicable.
7 Monitoring and Evaluation

7.1 Monitoring Indicators

Indicators of Progress
Details of the Implementation Programme are set out in Technical Appendix V-13. They include the passage of laws and decrees, the issuing of prospectuses for the sale of shares in SOEs, the sale of shares etc. Each of these is a matter of public record and can readily be monitored, by the EC Delegation and Review Missions as appropriate. The lead agency could be made responsible for formally notifying the EC where appropriate.

Monitoring Assumptions
As noted above, the key assumption is that the Government is fully committed to the general principles of the transport policy proposal. The following indicators can be used:

- MTCT issues a clear policy statement in accordance with the policy proposal
- The statement is then endorsed by the Board of Ministers and the National Assembly
- All relevant legislation clearly embodies the principles of the policy and is passed expeditiously
- The procedures for selecting the Regulator and his terms of employment ensure effective independence from political influence

Monitoring Sustainability
Sustainability is primarily a question of ensuring that adequate funds are available, whether raised through taxation (for roads) or through commercial operations, to ensure the long-term maintenance of assets and the continuing operation of the enterprises. Indicators that operations can be sustained are thus:

- Roads: adequate funds available, through the fuel levy and other sources, to the Road Authority, MPW and MRD
- Public Service Obligations: adequate funds made available, from taxation, to subsidize transport services to remote communities
- Transport operating companies:
  - Accounts should reflect the true costs of asset maintenance and replacement
  - Companies should operate profitably

Monitoring Impacts
Monitoring policy impacts is very difficult. Firstly, the outcomes of the policy changes may only be observed after many years, and secondly, outcomes are susceptible to other influences besides the policies, so it is not always possible to know which influence actually determined the outcome. In any event, careful (and possibly expensive) baseline studies are required to establish the initial basis of comparison and it is also desirable to establish a “counterfactual” case, indicating what performance could have been expected if current policies were pursued unchanged.

The list below is indicative.

- Road maintenance: road conditions do not deteriorate
- Road rehabilitation: road conditions improve and the improvement is sustained
- Transport Operating Companies
  - Long-run operating costs are reduced
  - Service quality improves
  - Infrastructure and equipment is maintained in good order
- Control of monopoly: range of services (e.g. air connections) is extended and improved

7.2 Reviews and Evaluations

The review and evaluation schedules for the individual components of the Implementation Programme should be determined when the detailed ToR are drawn up.
8 Conclusions and Proposals

The transport sector is in a transition phase. The Government is gradually moving towards reducing its direct involvement in transport operations and concentrating on policy and regulatory questions. However, at the same time, it appears committed to protecting the position of the state owned transport sector monopolies.

There is a general acceptance that the sector needs to become more efficient. In particular, it is clear that the State Owned Enterprises, and Government departments, are failing to maintain the transport infrastructure and equipment for which they are responsible. Moreover, the SOEs, which occupy key positions in the transport system, are all high cost operations, unresponsive to user requirements. Long-term sustainability will require greater private sector involvement in transport operations and infrastructure, and greater efficiency will require the spur of competition.

The policy proposals outlined here are designed to address these problems through a mixture of regulatory reform, the sale of shares in state owned enterprises to private investors, measures to encourage competition and measures to ensure the long-term sustainability of transport sector infrastructure and equipment. The policy also incorporates measures to reduce the environmental impact of transport operations and to ease traffic congestion in Paramaribo. The proposals are in line with the general direction of government policy, but will need to be formally endorsed by the Ministry of Transport, Communications and Tourism, the Board of Ministers and the National Assembly.

Implementation will involve an extensive programme of legislation and institutional strengthening. The donor community can assist this process with the provision of technical assistance and consulting services.

There is also an evident need to rehabilitate major elements of the transport infrastructure. The rehabilitation of Nieuwe Haven Paramaribo is already committed, but a large proportion of the main road network also requires rehabilitation and it is also necessary to carry out at least minor works on the Saramacca Canal. The donor community may wish to consider funding this rehabilitation work, provided they are satisfied both that progress is being made on policy implementation and that the institutional and financial capacity to maintain the rehabilitated infrastructure is in place.
SURINAME’S ROAD MAP TO REFORM
2008-2015
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THE ROAD MAP PROJECT

ONE
1.1 BACKGROUND AND TERMS OF REFERENCE

Suriname is in the midst of a series of substantial, long-standing public sector reform initiatives. A number of reform projects have already been completed, and other projects are currently underway. Modernisation initiatives have had some success, but the public service is still not seen as capable of completing complex projects on a national level and of a national scope.

Further, citizens and their elected representatives are not pleased with the service they receive from civil servants. In their minds, both accountability and performance are low. The support and ability the government needs to achieve national goals on social and economic issues is simply not strong enough.

Improving service bit by isolated bit will not bring about the kind of change that is urgently required in Suriname. Examples abound: automating an ineffective personnel system results in an ineffective automated personnel system; perfecting planning processes with no implementation capacity is questionable at best; expending resources to describe jobs before assessing what functions are required to carry out specific operations could be considered a waste of scarce resources; engaging the majority of the public sector in carrying out numerous disconnected projects designed to meet the agenda of competing international funding agencies does not serve citizens in an optimal way.

The entire public service and the way it works in Suriname must change from top to bottom. The secret to making changes that last is to create a detailed “Road Map” that sets priorities, channels resources, and integrates individual projects in a logical manner that reflects a nation’s own unique experience and wishes. It also means having ways to make sure the Road Map works. A high-level Road Map would be a guide to the changes Suriname’s public service needs to make, and the path toward them. This project was therefore called the “Road Map for Public Sector Reform in Suriname.” It was funded by the Inter-American Development Bank (IDB).

The Governance Network™ (TGN) was chosen early in 2005 to research and create the Road Map using a method that collaborated closely with Surinamese
leaders. In the months of March and April of 2005, TGN, IDB and Government of Suriname (GOS) officials reduced the scope of work and finalised the details of the contract. The result was a Revised Technical Proposal. The GOS, TGN, and the IDB agreed to these changes on May 4, 2005. The Minister of Finance, acting for the GOS, agreed that TGN would work on the Road Map. A contract recognising this was made on August 31, 2005.

Work on the Road Map began in September 2005. First, an Inception Mission was created. Next, the report based on the Inception Mission had to be approved. The Inception Report made clear:

- What work needed to be done.
- How this work would be done.
- The stages the work should go through.
- The amount of time to be spent on each stage.
- What the finished project would look like.

Based on extensive reform implementation experience, five points are fundamental for the success of Suriname's Road Map. These five points were discussed in the Inception Report and in the many Project Status Reports:

1. Everyone must agree about which reforms are essential.
2. Someone must take responsibility for the reform initiatives, and GOS leadership must be resolute.
3. The project’s administration must be strong and responsible. It needs skilled people and services to deliver tangible results.
4. People and groups contributing to the Road Map must work together and be open.
5. The Road Map Communications Plan provided in the Inception Report must be implemented with government officials, citizens, and stakeholder groups.

TGN created a way for people to reach agreements and solve problems. The planning and coordination of the project, particularly numbers two to five, had to take into account the many points of view at the “starting gate.” Then they had to move beyond the many concerns about today’s irritations and other specifics to arrive at the path toward the longer-term results.

Opportunities to reach agreement on principles were created. This allowed the project to proceed from these first principles to increasingly specific avenues of reform. The leaders involved from all sectors were generous with their time. Their work made agreement possible. Their efforts ensured that the Road Map is the work of the Surinamese people, and that reform will reflect Suriname’s own vision. Their hard work, commitment, and enthusiasm helped to build the Road Map. Thanks are due to these leaders for their very important help and wisdom.¹

The following Road Map for Public Sector Reform in Suriname reflects the Revised Technical Proposal and the Inception Report.

¹ See Appendix 1 for a list of people who contributed to the Road Map for Public Sector Reform in Suriname.
The pages that follow present:

- A discussion of how agreement was reached among all groups during work on the Road Map.
- A review of how GOS management works from top to bottom, and how management works across organisations. This includes:
  - how to keep track of money in government
  - how policy is created and made to work
  - how justice is worked out
  - how information is spread
  - how technology helps communication
  - how responsibility and power is shared in the government
  - comments on national and public sector ways of doing things
  - roles of partners and donors
  - an overview of current methods to change the public sector
  - a study of the public sector’s readiness for change

1.2   METHODOLOGY AND APPROACH

The Road Map project is based on international research and experience. But most of all it is based on Suriname’s experience. The Road Map is based on factors demonstrated to result in successful change in the public sector. These success factors include:

- High levels of government and citizen involvement and participation.
- Leadership.
- A clear, shared vision that makes a new future possible.
- Strong approaches to change.
- People, frameworks, policies and procedures, and government departments in place to manage the changes.

TGN’s work involved over 500 leaders from all sectors participating to make change. This broad involvement meant finding new ways to select reform options without making grand promises. The Road Map is based on the ideas of the national leaders and their national values and vision.

TGN worked with GOS leaders to find unique ways to improve how Suriname’s government works. TGN looked at Suriname’s resources and constraints to find the key improvements that will work best to create a national vision.

After the Inception Phase, TGN worked with national political and public sector leaders to develop a national vision. They identified key principles and values. Consultants and Surinamese officials looked at administrative and managerial ways of doing work. They focused on:

- Stakeholder involvement
- Links between public and private sectors
- Suriname’s political and social needs
- Methods used by international public administrators, including:
  - management based on results
  - value for money
A National Leader’s Forum was held with 270 participants. Their task was to find if consensus was possible, and on what points people could agree. High levels of agreement were found on:

- The Draft National Vision*
- Ways to make change
- The role of the public sector
- The role of elected officials and government
- The need to strengthen social partnerships and the private sector

After the National Leader’s Forum, a second workshop was held. Key political and public sector leaders participated. This workshop established reform goals and how progress would be measured and put in place. The result was the Road Map itself (see Chapter 4; see Chapter 5 for the phases of the Road Map).

In March of 2006, consultants received additional input from the Council of Ministers, other officials, and nationals with specific interests that were selected by the IDB. A draft of the Road Map was then written. The Road Map for Public Sector Reform in Suriname was finalised after review and advice from the GOS.

1.3 A CALL TO ACTION

TGN also conducted interviews and group meetings with hundreds of other key concerned individuals. Everyone involved was disturbed about how the public sector works. They were worried about the:

- Complex ways of doing things based on rules rather than achievement.
- Lack of accountability or results.
- Service that did not respond to people’s needs.

Research shows the number of Surinamese people living below the poverty line is as high as 70%. The problems caused by a growing informal economy are well known:

- More intense competition.
- Low wages.
- High costs to produce and use things.

It is widely understood that the country cannot prosper or compete without reform and a greatly strengthened public sector. To achieve the National Vision, the economy and the public sector must undergo lasting reform.

People are aware of the current national, regional, and international economic realities. To competing successfully under new international agreements and treaties depends on reform. The people involved in reform planning are aware that change in the public sector

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2 USA Central Intelligence Unit.

*This Draft National Vision was constructed by Senior Sovtent Officials and Cabinet Members at a two day workshop
sector is needed for a better future. They know that the GOS is aware of this as well. The people are looking for:

- Quick changes.
- A courageous, strong government to make the changes.
- Signs that GOS is serious and committed to change.

People involved in developing the Road Map stated that reform was important because:

- It will improve health and living standards.
- There needs to be a bigger investment in:
  » people
  » social services
  » education
  » national pride
- The public sector is a part of Suriname’s social and economic life, therefore it needs to be more efficient and open, and to serve citizens better.
CHAPTER 2: Building On a Strong Consensus: A Surinamese Road Map

2.1 SURINAME’S NATIONAL VISION FOR 2015

Leaders who participated in the development of the draft National Vision wanted it written in four parts, one for each of: citizens, public sector, private sector, and political leaders. They concluded that each of these sectors was intertwined and interdependent—improvement in one requires improvement in each of the four. The four visions are presented below.

A VISION FOR CITIZENS
In 2015, the citizens of Suriname enjoy an improved quality of life, personal safety and national security, a good education, excellent health care, equal access to services, and good jobs. They take pride in their nation and celebrate Suriname’s multiculturalism. The economy is stable and growing. Suriname’s society values and supports the well-being of all members of society, human rights, democracy, freedom, equity, the law, public services, and the environment and responsible use of natural resources.

A VISION FOR THE PUBLIC SECTOR
In 2015, Suriname has a public sector that is effective, efficient and highly motivated. Citizens are happy with the improved services. Civil servants have clear performance standards and are held responsible for their work. Civil servants are hired based on merit, managerial and technical skills, and paid appropriately for the work they perform. Every civil servant is focused on core tasks that contribute to Suriname’s goals. Government ensures that donor-funded projects contribute to national goals and priorities, and they are managed well.
A VISION FOR THE PRIVATE SECTOR
In 2015, Suriname’s healthy and productive private businesses employ most of the working population. Government strategies have helped private businesses grow. There is economic growth, prosperity, investment, and research and development. The private sector now shows leadership, creativity, initiative, and self-sufficiency. The economy supports the development of technology and partnerships. Government has decreased the rules that restrict businesses. Working together, the private sector and government promote internationally Suriname’s assets, products, and values. In partnership, GOS and the private sector include informal local businesses. Suriname can boast a strong, competitive, and productive private sector.

2.2 REFORM PRINCIPLES AND VALUES
Reform principles are guidelines for designing and applying the Road Map’s recommendations. These principles reflect central social and political values. They also provide standards of behaviour to follow when applying the Road Map. The following eight design principles were developed by national leaders:

1. Public sector reform is a national matter.
   It involves everyone, and should be applied in cooperation with key members of society. Continued discussion and cooperation should take place among:
   • All political leaders
   • Business
   • Government groups
   • Labour
   • Citizens

2. A more holistic, integrated approach to reform is essential. The long history of isolated administrative reforms has not lead to comprehensive national reform. This holistic approach will guide individual initiatives and direct reform energy at a few vital interventions that will have the greatest impact.

3. People in the civil service are treated fairly and with dignity. Every public servant has meaningful work to do that contributes to the achievement of national goals.
   • Fair treatment of all concerned equals successful reform and good working relationships for all.

A VISION FOR POLITICAL LEADERS
In 2015, the political leaders of Suriname support reform and continue building a national consensus on Suriname’s future. They put national interests before party interests, and consider all members of society and include them in their decisions. They are guided by accessible, open, and results-oriented methods. Political leaders promote national pride and goals and support teamwork and cooperation within government, with unions, in business, and in society. They have modernised the legal system and updated national laws.
• Civil servants should have meaningful work.
• The size of the public service matches the amount of work to be done to achieve public sector goals.

4. The Road Map understands the national realities in Suriname. It respects the constraints and limitations that are a part of Surinamese society. Society’s unity is an important value.
• All ethnic groups and regions in Suriname must work together on national projects such as public sector reform.
• Methods must be applied to ensure cooperation during this time of change.

5. Professional standards and conduct are important in the civil service, the broader public sector, and organisations that work with the government.
• The opportunity to work for the civil service must be based on merit.
• Public institutions must also be strong.

6. Public sector reform is key to stimulating the economy and private sector development.
• A properly working civil service promotes private sector growth and a healthy economy.
• Public sector reform must include a change in relationships among various groups in society. This will encourage private sector growth.

7. Ministries, institutions, agencies, and groups working with the government know their responsibilities and are accountable.
• Responsibilities of public sector organisations must be clear.
• Good government means accountability, openness, participation, and predictability.

8. Quality public services are provided efficiently and effectively to both individuals and groups in society, who are all valued equally.
• A goal of public sector change must be improved quality of services.
• It is important to decide which services can be most effectively provided by the public service, the private sector, or social organisations.

National leaders developed a set of values that should guide both the changes in the civil service and how the public sector is run over the long term. These values are:
• Inclusiveness: one nation = one people = a common future
• Partnerships between groups in society
• Fairness and equity
• Treating people with dignity
• Providing services to improve citizens’ lives
• Everyone in the public service should have a meaningful job
• National interests before personal gain
• High performance, results-driven, action-oriented public servants and institutions
• National and individual self-sufficiency
• Accountability and openness

These values are central to the Road Map. They guide the Road Map reform programme at its core, and the action plan to implement that programme.

2.3 CONSENSUS ACHIEVED

As sections 2.1 and 2.2 outlined, agreement was reached on the National Vision, reform principles, and underlying values. Agreement was also found on:

• Key responsibilities of government
• The role of political leaders
• Reform priorities

The majority of the participants in the National Leaders Forum agreed that government has seven main responsibilities:

1. Improving the investment climate
2. Providing education
3. Ensuring personal safety
4. Maintaining a stable economy
5. Delivering health care
6. Ensuring donor projects address national goals
7. Ensuring donor projects promote national pride

Participants in the National Leaders Forum want their leaders to have the following responsibilities:

• Focusing on achieving national objectives
• Making the National Vision a reality

• Being role models for citizens
• Demonstrating strong leadership
• Maintaining open and effective communication with citizens
• Dedicating themselves to the public good
• Making timely decisions

Priorities for targeting change were:

• Public service performance and accountability
• Organisation of services
• The private sector
• Significant cultural change

Leaders stated their priorities for a reformed public service were:

• Public servants must be motivated by results, not rules.
• Decision making must be consistent and open.
• Public servants must be qualified.
• Hiring and promotions must be based on merit, qualifications, and job requirements.
• Public servants must be motivated, service-oriented, productive, results-oriented, loyal, and dedicated.
• Public servants must follow a Code of Ethics & Professional Conduct.
• Procurement must be open, fair, and transparent.
• Ministry objectives must be clearly described, communicated, and budgeted for.
Public service must work with the private sector, civil society, and elected leaders to create positive change.

Public servants must receive adequate training to upgrade their knowledge and skills.

Participants agreed that accountability must be made clear in government ministries and in groups that work with the government. Ministers and public servants have to be held accountable for their performance. Participants also called for more cooperation with the private sector and civil society, to achieve:

- National objectives
- Alternative service delivery
- Decentralisation

Participants also wanted to see:

- The ability to work on major issues that cut across ministerial boundaries
- Simplified organisational structures and delivery of services

Priorities for the private sector were also set:

- The private sector should be less dependent on government.
- It should be more market and export oriented.
- It should be less burdened by excessive government regulations and red tape.
- It should be able to benefit from a more positive investment climate.
- Private sector entities should become positive role models of corporate responsibility and good governance themselves.
- They should conduct business openly, competitively, and fairly.
- The private sector should work at becoming healthier, which would increase employment opportunities for citizens.
THREE
CURRENT STATE ASSESSMENT
CHAPTER 3: Current State Assessment

This chapter highlights government management systems that cut across all departments (horizontal systems review), and highlights conclusions from a vertical review of how nine select ministries operate. It examines the Surinamese public sector culture and the critical roles played by private sector and civil society. An overview of current public sector reform (PSR) activity is presented and the case is made that there are some successes to build on. The chapter concludes with an analysis of reform readiness in Suriname today.

3.1 HORIZONTAL SYSTEMS

This section touches on key horizontal systems, the processes that cut across all government departments: policy development and decision-making; financial management and budgeting; access to justice; and decentralisation. These horizontal systems/processes are central to the governance of any nation.

3.1.1 POLICY DEVELOPMENT AND DECISION-MAKING

While policy debates occur in the Council of Ministers, policy positions are mainly the domain of the partners to the coalition. Developing policy to address national priorities and deciding among competing options for implementing policy are core activities of modern government.

The IDB has identified inadequate policy-making as a constraint on the nation’s development. Right now, GOS does not have a formal method for driving the development of policy to address government priorities. Support for government decision-making is limited to basic administrative services. It does not include the comprehensive information and analysis needed to ensure that policy decisions maximise desired effects and avoid negative consequences. This low level of staff support does not allow the Government to act effectively within CARICOM or on the broader international stage.
Government decision-making is often difficult. It deals with complex questions that affect the public good and political stability. Support for decision-making is needed to ensure that information is available, that options and implications have been analysed, and that the Council of Ministers has had the time and opportunity to reflect on the technical, policy and political aspects of decisions. Recent public sector reforms in many countries have included designing and implementing processes to facilitate the decision-making work of ministers. There are also many countries with long-standing traditions of coalition governments. Such countries often adopt measures to assist in the effective management and maintenance of the coalition itself.

Suriname’s “centre of government” limits its activities to those that are “administrative.” A very small office prepares agendas for the Council of Ministers, ensures that material is available, and prepares records of decisions (missives). The General Advisor to the Government of Suriname gives technical advice to the Vice President as Chair of the Council. Issues are often brought to the Council as urgent items, with incomplete information or analysis of impacts. This means that they are generally dealt with as independent items without considering their place in the government’s priorities.

The machinery of government, policy development and coordination, and implementation-monitoring continues to pose serious problems. There is no defined function to: facilitate strategic planning; coordinate policy across ministries; link government priorities with the fiscal framework in budget planning; maintain a legislative agenda; or the monitor the implementation of decisions.

There is an clear lack of organisational capacity to support the Council of Ministers with qualified, professional personnel who are responsible for optimising the use of ministerial time and ensuring that the Council receives as much information and analysis as possible on the issues it debates.

3.1.2 PLANNING, FINANCIAL MANAGEMENT AND BUDGETING

The Government of Suriname is in the process of modernising its financial administration systems and processes. The building blocks are in place for ongoing improvement to the way GOS plans and budgets. This includes better and more transparent budget documentation, and efforts to present more of the budget on a “policy” basis. However, three significant gaps remain.

<table>
<thead>
<tr>
<th>TABLE 1: Actual Revenues as a Percentage of Budget Revenues²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total direct and indirect taxes, of which:</strong></td>
</tr>
<tr>
<td>Income taxes</td>
</tr>
<tr>
<td>Import duties/customs duties</td>
</tr>
<tr>
<td>Sales/turnover tax</td>
</tr>
</tbody>
</table>

First, current practices do not enable government to use the budget as an effective and proactive tool to achieve its policies and priorities. For example, the revenue forecast that is available for budget-planning is only prepared once a year. It is largely a rough approximation based on past performance. This forecasting system has not proved to be reliable, with projected revenues varying from actual receipts by an average +/- 19% over the past few years, as the table below illustrates. The Ministry of Finance is working on a more rigorous approach that will improve the quality of revenue forecasts.

Without reliable revenue forecasts, it is very difficult to take full advantage of the available financial resources to finance ongoing government programs without putting the objective of fiscal discipline at risk. (GOS officials note that many initiatives are funded by donor agencies, so revenue forecasting is not critical for these initiatives.)

A second gap is the lack of a medium-term budget framework with spending allocations that reflect government priorities. Budget preparation currently involves setting initial expenditure ceilings (which are really starting points for the budget negotiation), and then negotiating draft expenditure budgets with ministries based on each ministry’s annual plan (set out in its annual policy document). Recent data shows that, in practice, ministries often do not have the capacity to spend the budgets that have been allocated, especially on capital projects, as illustrated in the table on page 17.

To address these issues, a multi-year budget framework was implemented in 2004. Budgets are captured for the budget year with projections for four future years. At the time TGN reviewed the budget system, the forward-projection part of the framework was not being used. It is planned to be implemented in 2008.

The third gap is how the budget itself is organised; however, considerable progress is being made in this area. It is important to establish budgets that categorise all expenditures—including salaries and wages, ongoing operational costs, capital, transfers, and other spending according to the appropriate policy or program area. Also requiring categorisation is the impact of revenue, expenditures, and balance sheet changes of parastatals. This information tells government the costs of current programs, and helps with estimating the cost of future programs. It also helps to direct resources away from lower priority activities to more important ones. For example, it is necessary to know all the costs associated with delivering basic education in order to forecast the cost of expanding the number of years of schooling, or the cost of an increase in the number of children attending school. To address this, GOS is considering a process of compiling strategic priorities so that the multi-annual development plan focuses on national priorities.

<table>
<thead>
<tr>
<th>CEBUMA’S DEFINITION OF LEVELS</th>
<th>Bureau Officials (Level)</th>
<th>Military (except administrative staff)</th>
<th>Police (except administrative staff)</th>
<th>Fire (except administrative staff)</th>
<th>Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>1-14</td>
<td>M01-M11</td>
<td>P01-P06</td>
<td>B01-B24</td>
<td>31-38</td>
</tr>
<tr>
<td>MIDDLE</td>
<td>9-14</td>
<td>M12-M14</td>
<td>P07-P10</td>
<td>B31-B33</td>
<td>39-42</td>
</tr>
<tr>
<td>HIGH</td>
<td>15-24</td>
<td>M21-M33</td>
<td>P11-P14</td>
<td>B41-B51</td>
<td>43-46</td>
</tr>
</tbody>
</table>
There are plans to implement a locally developed, automated financial management system that will handle budgets, expenditures, and commitments. The system will provide distributed access to financial data for ministries, and is intended to improve the budget process by enabling more timely and accurate reporting on expenditures (actual and committed) with a higher degree of analysis. The GOS Chart of Accounts was revised in 2005 in anticipation of implementing the new system.

An equally important consideration is the limited overall capacity of the Ministry of Finance, where people and equipment are in short supply, and formal budget controls over the use of approved funds and sanctions for transgressions are weak. In addition, there are similar capacity issues across all the spending ministries. These ministries lack the ability to link plans to financial budgets, as well as other capacity limitations.

### 3.1.3 THE CIVIL SERVICE

The civil service provides the human capacity to implement government policies. It represents the largest portion of the cost of running the nation. As one former minister described it, “Once salaries are paid there is no money left to fulfill any promises or make any improvements.” It is clear that public service reform is key to achieving Suriname’s National Vision.

For the ten years prior to 2004, the civil service (including public administration staff, the military, the police, the fire brigade, medical and nursing staff, and teachers), totalled around 35,000 people. The Ministry of Home Affairs reported that in November of 2005, 38,326 people were in the civil service. At the same time, there were 989 inactive public servants (sick, suspended, absent, on education leave, on leave without pay, etc.). There were 2,494 civil servants aged 55 or over, who have more than 35 years of service. There were 3,438 government workers who were between 55 and 60 years old.
The public service demography is illustrated in the figure below. Of the 16,520 employees in the youngest two cohorts, 62% are females. Males and females are relatively equally represented in the oldest cohorts.

**COMPOSITION OF THE PUBLIC SERVICE BY AGE AND GENDER**

![Graph showing the composition of the public service by age and gender.]

Dividing public sector work into three levels—low, middle, and high—shows that almost 78% of public servants are in the lowest level, as the graph above illustrates. Of the total number of public sector workers, 26,178 (68%) are permanent employees; 6,306 (16%) are on contract; and 5,498 (14%) are temporary employees.

The graph on the right shows the distribution of years of service for civil servants. The graph also clearly shows a recent increase in hiring into the civil service. The largest cohort is the group that has served from one to five years. Some 36% have worked in the civil service for one to five years, as they were recruited in the years 2001–2005. Another 6,711 individuals have between six and ten years of service, as they were recruited from 1996–2000. The next two cohorts are the groups that have between eleven and twenty years of service. The 13,203 people (36%) in these two cohorts were recruited in the years 1986–1995.

People have also been leaving the civil service. Retirements account for some of those leaving, although retirement information is not available. Turnover (personnel leaving the public service for other jobs) also accounts for some of the attrition. Information about the rate at which people leave the civil service for other employment is also not available. Today, the majority of the civil service is between 26 and 55 years of age, with about 7% older than age 55.

**DISTRIBUTION BY YEARS OF SERVICE**

![Graph showing the distribution of years of service.]

A public service hiring freeze has officially been in place for many years, although it is clear that considerable hiring has been taking place. Appointments currently require the approval of the Council of Ministers.

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...low wage levels at senior levels inhibit the recruitment and retention of skilled senior public servants.

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<sup>CEBUMA</sup>
As a whole, the public service has low education levels: approximately 62% have completed basic or middle school, while only 12% have completed college or university education. This educational profile reflects the fact that most of the public service is employed in the lower cadre of workers. Wages are correspondingly low, with a limited range of salaries between low and senior cadres. There is a common perception that low wage levels at senior levels inhibit the recruitment and retention of skilled senior public servants.

The Personnel Act of 1985 is the framework for employment, for the terms and conditions of work, and for guiding the relationship between the government as employer and the labour organisations as representatives of civil servants. There are some 1,800–1,900 job descriptions in the public service. A project to update these job descriptions has been going on for years, and is nearly complete. The Personnel Act is recognised by most key informants as being out of date for contemporary conditions.

Officially, the Central Staff Agency for Efficiency in the Ministry of Home Affairs is responsible for every aspect of staff management, including recruiting, designing organisation structures, size of the public service, job design, and qualifications. There are regulations to cover personnel matters such as promotion, demotion, and termination. The law includes sanctions for poor performance. However, in practice each ministry has its own personnel unit, which leads to inconsistent application of human resources management rules and open the door to patronage. Sanctions for poor performance are seldom, if ever, applied. While there is a role for ministerial human resources management units, the central authority must have the means to ensure that policy is being followed. Today it does not have this authority. This is perhaps because, as the arm of a ministry, it is obliged to be too sensitive to political needs of individual ministers to intervene.

**PUBLIC SERVANTS SHOULD BE HIRED ON MERIT**
(5: strongly agree; 1: don’t agree at all)

The common, but not universal, practice is that senior executives are appointed from the political party of the responsible minister. Party affiliation and trust are considered very important qualities, along with other qualifications for the position. Consequently, directors and their deputies are not seen as a resource for the whole of the civil service.

The International Monetary Fund (IMF) characterises the Suriname civil service as large and inefficient. The IMF points out that, when including employees of
parastatals, the public service accounts for as much as 60% of formal employment in Suriname. The government has recognised that this situation is creating negative long-term consequences and, with assistance from the IDB, has a major project underway to strengthen key aspects of the public sector (the Public Sector Management Strengthening Project, or PSMSP). One of the components of PSMSP is to reform the Personnel Act to reflect contemporary human resource management practices, and improve their application and transparency across GOS.

3.1.4 PUBLIC SECTOR CULTURE

The organisational culture that characterises a government is an important consideration for reform. Each government has its own context—the mix of history, how the roles of the state and its representatives are defined, cultural norms and values, ways of organising structures and tasks, and an approach to decision-making, communication and the organisation of work. By their nature, any insights about organisational culture are subjective, and therefore potentially contentious. For each statement about a certain tendency, evidence of a contrary tendency will be readily available. Even so, impressions about the organisational culture in Suriname are useful for preparing to implement public sector reform.

First, there is a strong commitment to planning in the public service. Dating from the end of the colonial period, planning is fundamental to how public administration is defined. However, the planning process tends to be linked to development goals rather than ongoing operational priorities. These development goals are in turn linked to donor-funded development projects. This means that the plans generated through inter-ministry work generally focus on development projects and reflect international donor priorities. These priorities do not necessarily match those of the nation. This idea alone would be enough reason for a policy-level Road Map to guide government priorities and allocate scarce resources.

As the 2006 National Development Plan clearly shows, there is some coordination of development projects through the Ministry of Planning and Development Cooperation. Sector plans in some areas have established a basis for a more strategic investment in development projects. Agriculture and Justice and Police are good examples. Future multi-year plans will incorporate measures, targets, and suggestions for a monitoring process, although enforcement and consequences for poor performance have not yet been addressed. However, many of the development projects are bilateral. This means that they involve the donor and the line ministry responsible for their execution, thus by-passing the opportunity for central priority setting and coordination of development activities.

In this context, planning often does not fully address the core responsibilities of government. In addition, development projects are often pursued because of the ability to attract financial assistance, without always planning for the costs of the projects in terms of human resources and time, or the impact of redirecting these resources from other government activities.

There is very limited capacity at the centre of government or in line ministries to support formal, calculated,
information-driven decisions that will maximise the achievement of government’s vision. Strategic policy decisions are often based on general discussions and negotiation. While planning may provide a broad framework for the policies that government adopts, it is not a substitute for the detailed crafting of policies and program designs. The Government of Suriname has not developed a strong policy capacity in the social or economic fields.

A second important part of the working culture is the influence of political parties on the day-to-day operations of government. It is the norm for considerations to political party to be made in job appointments and in the resolution of serious policy issues. There are a number of situations where a long-standing national problem has not been resolved because of political party considerations. The inability to decide which ministry is responsible for the national training centre for the hospitality and tourism industry is an example.

This aspect of the political process appears to be related to the maintenance of social stability and inter-ethnic relationships in the country. The concern for social stability can be a barrier to change. “Membership” is more important in the public service than accountability or performance. This leads to a culture in which following rules is much more important than getting things done or serving citizens. The emphasis on membership also drives wedges between various ministries and units within ministries. This prevents collaborative efforts to improve service or to solve public management issues.

There is no current evidence of a “cadre” of senior public servants joining efforts for improved public management of service to citizens or of services to the elected government. These individuals are not considered to be a “corporate resource.” Indeed there is no functioning head of the public service as found in other regional and international public sectors. Changing these deep-rooted practices will be challenging but necessary.

A third unique characteristic of the public service’s working culture is the importance of social partners: the representatives of civil society, organised labour, and business. Efforts are being made to find structured ways to bring the partners together on a regular basis (for example, in a new Social Economic Council). This approach to discussing issues is another way to maintain harmonious social relationships. However, the current approach of engaging social partners in discussions, along with the party-based decision-making within government, makes it very difficult to move beyond discussions to resolution of contentious issues. This is a consensus-seeking model, but without a way to resolve differences there is little scope for progress where consensus does not exist. Too often discussion substitutes for making decisions and for action. As a result, contentious issues are left unresolved.

Fourth, there appears to be limited information sharing inside government. The Council of Ministers meets weekly, but directors of ministries do not meet to share information of mutual interest. Further, information about government activities is not readily communicated within ministries. One respondent declared that communication between ministries is conducted through the newspapers. There is a practice of establishing cross-ministry commissions to work
on specific topics (such as environment, which is a multi-ministry jurisdiction). This suggests that a cooperative model exists, although with limited evidence of current application.

The formality of structures and the inflexible nature of the civil service hierarchy may be part of the barrier to communication among public servants within or across ministries. Ministries are characterised by small and isolated units performing well-defined administrative tasks. Every organisational change requires approval by the Council of Ministers.

3.1.5 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Like most developing nations, Suriname is taking steps to make use of recent technology. One of the difficulties often encountered with this is the establishment of a national ICT strategy and governance framework. The balance between individual ministries exercising initiative and going their own way and the potential delays and constraints of a more centralised approach is a delicate one. Countries who have experienced success in these matters take a more systematised approach to ICT within a sound governance and decision-making framework. These important matters are being dealt with by the Ministry of Home Affairs.

In the short term, and because of very scarce resources, emphasis needs to be made on the establishment of an ICT governance framework that can effectively coordinate ICT within Suriname’s political system. As well, there is an IDB-funded project, Connectivity Back-Bone and Public Sector E-Readiness, designed to deal with these issues.

3.1.6 DECENTRALISATION

An IDB-funded decentralisation project has been going on in Suriname for many years. The main goal is to foster the efficient development of management units at the district level. It is believed that this is an important way to ensure that all citizens participate in the benefits of reform. More importantly, it is the major mechanism to develop social capital throughout the nation. People need to be involved in the activities that govern their lives, including housing, life, health, work, education, and production. This is a cornerstone of well-functioning democracy.

At this point in time, specific institutional and financial authorities are being delegated in some regions. The goal is to ensure the equitable spreading of welfare and well-being of inhabitants to enable participation and income generating activities. District Strategic Plans will be developed in five pilot districts. These five districts will be authorised to handle many elements of their own finances and planning. By 2008, budgets will be established for certified districts. These budgets will be integrated with the District Strategic Plan to form the basis for further delegation of financial authority from central government.

To strengthen the capacity of local management, legal frameworks will be developed, and fiscal and administrative procedures will be introduced in the pilot districts. This will require capacity building, institutional building, and strengthening. A Knowledge Institute on Decentralisation will be developed. Improved welfare and well-being of the local population is expected, as well as improved physical and social infrastructure in local communities.
These initiatives are based on the 2003 resolution for financial decentralisation. The multi-year strategic policy is focused on making better use of existing resources to improve the financial position of districts. The success of these initiatives is yet to be demonstrated in a concrete way.

3.2 VERTICAL REVIEW OF SELECT MINISTRIES

The nine ministries selected for the vertical review are broadly representative of government agencies. Their characteristics and issues are those that would be expected to apply across the whole of government. The nine ministries selected were: Home Affairs; Finance; Planning and Development Cooperation; Regional Development; Labour, Technology Development and Environment; Trade and Industry; Justice and Police; Social Affairs and Public Housing; and Education and Community Development. Key observations from the reviews of these ministries follow.

3.2.1 NUMBER OF MINISTRIES

The number of ministries in the GOS is comparatively large, reflecting the political dimension of power-sharing in a coalition government. There may be an opportunity for consolidation if this harmonises with political realities.

3.2.2 ALIGNMENT OF MINISTRY RESPONSIBILITIES

Ministries are mandated by State Decree to fulfill specific responsibilities. They are not necessarily organised around the nation’s policy objectives, and are not necessarily aligned with a national public sector mission. This approach allows gaps and overlaps in public sector operations. Examples of overlapping responsibilities are:

- Planning for use of land, which involves Public Works, Planning and Development Cooperation (PLOS); Natural Resources; and Agriculture, Husbandry & Fisheries.
- Managing development cooperation, which involves PLOS; Ministry of Finance; Foreign Affairs; and Labour, Technological Development & the Environment.
- Coordinating international activities, which involves Foreign Affairs; Labour, Technological Development & the Environment; and Trade & Industry.
- Environmental management, which involves Public Health; Town & Country Planning; Land & Forestry Management; and Labour, Technological Development & the Environment.

Overlapping responsibilities create confusion over which organisation is really responsible and accountable for a given task. It also makes it a challenge to coordinate and communicate each ministry’s activities. As international experience demonstrates, overlapping functions and confusion foster corruption.

Even with the overlap, some key public sector functions are not completely addressed:

- Policy-based operational planning to promote government’s strategic objectives.
- Cross-ministry coordination.
• Government-wide human resource management policy development.
• Managing accountability for performance.
• Aspects of economic development, such as competition policy, consumer affairs, and domestic small- and medium-sized enterprise development, which are currently outside the “trade-related” mandate of the Ministry of Trade and Industry.
• Technical support for decision-making by the Council of Ministers, committees, and the State Council.
• Government-wide ICT governance.

3.2.3 MISSIONS AND PERFORMANCE
Ministries have documented mission statements. However, these are not adequately communicated, so civil servants often are not aware of their organisation’s mission. If they are not aware of the mission, they cannot be aware of their contribution to achieving it. Instead, they are working on routine administrative tasks, and see their responsibilities as fulfilling procedural requirements. They lack a larger context and purpose to guide and motivate them. This shows the need for management and leadership training in the public service.

It has been reported that there is a process to review ministries performances in the context of annual policy plans administered by the Ministry of Finance and PLOS. In addition, the Ministry of Finance attempts to track progress by circulating a performance assessment questionnaire. The questionnaire requests data on progress against budget and operational indicators, as well as an analysis of problem. PLOS indicated that multi-year plans, which will include ongoing operations as well as donor-funded development, will incorporate performance measures, targets, and a monitoring process. This was integrated into the 2006 National Development Strategy. But consequences for poor performance have not yet been determined.

Good communication with stakeholders inside and outside government is another key to effective performance. This issue does not seem to be addressed consistently across the public sector. This limits performance and the government’s opportunity to inform stakeholders about the benefits that government is delivering.

3.2.4 TECHNOLOGY
Technology is an important tool to leverage constrained human skills and financial resources to maximise the government’s effectiveness. The Ministry of Home Affairs is responsible for meeting ministries requests for ICT (information and communications technology). However, the deployment of ICT to support government operations is currently limited.

ITC is adopted in an ad hoc manner by individual ministries rather than under the guidance of a government-wide plan. This situation has been recognised by GOS which, with the assistance of the IDB, is implementing an ICT initiative. The purpose of this initiative, which began in early 2006, is to establish a communications infrastructure that will connect ministries, the President and Vice President, and other agencies through a connectivity backbone linking approximately fifty locations.
3.2.5 BUILDINGS, FACILITIES AND EQUIPMENT

The quality of supporting infrastructure varies from ministry to ministry and from location to location. There is sufficient evidence to suggest that inadequate supplies and the poor state of repair of buildings, facilities, and equipment is limiting the government’s overall effectiveness.

3.2.6 STRUCTURE OF THE PUBLIC SECTOR

The effectiveness of the public sector has much to do with the way the public sector is structured. Effectiveness is compromised if ministries have internal conflicts with different aspects of their mandates, or if they are responsible for very different activities that cannot be efficiently combined within the same organisation.

The effectiveness of the way the public sector is organised can be reviewed by assessing the relevance of the programs and projects that each ministry undertakes. Relevance means performing the functions that are most valuable to stakeholders, citizens, and the country.

The first question to ask is whether all the programs and projects undertaken by the ministries and parastatals address the government’s objectives. In some cases, programs exist that were once relevant but are not as important today. In other cases, projects are being implemented because they reflect donor priorities—which may not be government priorities.

It is outside the scope of the present study to suggest the optimal allocation of roles to ministries. However, a program map was developed by reviewing the mandates given to each ministry by State Decree. The program map was analyzed to determine if ministries were focusing on appropriate activities, if there were overlaps, and whether gains in efficiency and effectiveness could be made by reconsidering program realignment.

A key test of the relevance of government programs is whether they are in the public interest. A review of ministry responsibilities indicates that a number of responsibilities that are given to ministries could be worth revisiting. Some examples are:

- Granting employment licences (licensing often creates bottlenecks and provides an opportunity for corruption)
- Supervising state guest buildings (this may not have a public benefit)
- Cost of living controls (these measures generally disguise underlying fundamental problems in the short term by deferring structural adjustments, and allowing pressure to build that causes considerable economic stress when it is finally released)

As with public interest, another key test of the relevance of a government program is whether it is an appropriate activity for the state to be involved in. Contemporary government practice is to focus government attention on developing policy and establishing related regulatory and compliance frameworks. Policy is implemented through partnerships with other organisations that have the necessary skills, processes, technologies, and culture.

Analysis of the program map revealed that a large number of mandated government responsibilities relate more to actual delivery of services than policy matters.
A shift in focus is needed to encourage the public sector to develop the professional expertise essential to guiding the nation towards international competitiveness. This analysis also shows that there are many opportunities to develop the private sector by spinning off implementation responsibilities. Examples of services that could be devolved include:

- Providing energy (Natural Resources)
- Advising on modernising old technologies (Labour, Technological Development and Environment)
- Distribution of agricultural goods and services (Agriculture, Husbandry and Fisheries)
- Production, storage, and sale of agricultural produce (Agriculture, Husbandry and Fisheries)
- Maintaining a share interest in resident financial institutions (Finance)
- Delivery of air and sea mail (Transportation, Communication and Tourism)
- Owning shares in commercial hotel (Tourarica) (Transportation, Communication and Tourism)
- Housing development (Social Affairs and Public Housing)
- Management of public housing (Social Affairs and Public Housing)
- Maintenance of government buildings (Public Works)
- Maintaining civil and architectural works (Public Works)
- Building residents’ houses (Public Works)
- Maintaining state transportation (Public Works)
- Inspecting automobiles (Justice and Police)

### 3.2.6 JUSTICE SECTOR

The IDB report on Governance in Suriname presents an excellent diagnosis of both the horizontal and vertical issues regarding justice, access to justice, and the Ministry of Justice and Police. Some highlights of issues and progress since that report was written are added in this section.

The National Development Plan stresses that the proper application of the law and human rights are central to development. It maintains that the quality of life depends upon citizens feeling safe and being treated equally. The Plan states that at the base of development strategy is the need for citizens to have certainty and stability of their security, safety, and the laws that govern their lives.

A major step forward is the publication of the Justice Sector Plan last year. It outlines a plan of action to address these and other important issues in the justice sector.

GOS is planning an evaluation of the justice system, to ensure that human rights are adhered to. Crime prevention and border protection will be done in collaboration with international partners and neighbouring nations to become more effective. The Plan has the general goal of improving legal protection and safety, and the sub-goal of creating equity and improving law and order and safety. To do this, judicial power will be strengthened, new laws developed and old ones improved, more aggressive action will be taken to curb
domestic violence, and better control will be exerted over the coast and the nation's borders. Institutional strengthening is planned for the Ministry of Justice and Police. Improvements are planned for delinquent care for youth, assistance for victims, and the strict adherence to international human rights laws and agreements. The anti-corruption law written in 2006 will be implemented. Regional police stations will double in number over the next five years.

Past reports on the justice system have not been positive, to say the least. The 2001 IDB report on Governance in Suriname began its overview of the justice sector by saying that “the administration of justice has recently been in a state of crisis in Suriname.” While the crisis of appointments to Chief Judge and Prosecutor General has passed, many of the issues identified in the report continue to be worked on. There continues to be a shortage of judges and prosecutors. It is estimated by some experts (e.g., Professor Waaldik and the Suriname Bar Association) that the High Court’s one president and eight judges are not enough. There need to be more judges.

The main complaint about the justice system continues to be slowness. It was reported that many cases wait between six and twelve months for decisions or sentencing. Appeals can take as long as three years to be heard.

Another complaint about the system is unfairness. Some interviewees suggested that the perception of fairness is decreasing primarily because judges do not have enough time to deal adequately with the cases before them. The Suriname Bar Association reported that the burden is so heavy that a judge needs to cover 60 cases per session (a session starts at 9 a.m. and ends at 2 p.m.). Quite simply, judges do not have time to read each brief for the cases before them.

There is still a need for a Constitutional Court.

In addition, the concern over a threat to judicial independence and the separation of powers remains an important issue.

The Suriname Bar Association has stated that a new judiciary system is needed. They maintain that the number of judges should be greatly increased, and a new permanent institution for teaching and training judges is urgently needed. The Bar Association went on to report that there is no purpose-built court house, and better facilities are required in Paramaribo and in the districts. The Bar Association also reported that access to justice is particularly impeded for the poor. The legal aid system is not used enough because the payments offered to the legal community are too low.

The program-mapping exercise revealed that there is some fundamental incompatibility in the mandate of the Ministry of Justice and Police, which includes:

- Protection of human rights and freedoms
- Constitutional affairs
- Preparation of legislation
- Public order, protection of persons and property
- Prosecution of alleged criminals
- Execution of punishments
The incompatibility comes from the real potential for conflict between a) preparing legislation and adjudicating on constitutional issues that may challenge the legislation; b) maintaining public order while also protecting individual rights; c) protecting human rights and freedoms while prosecuting and executing punishments (with the temptation to ignore human rights for the purposes of successfully concluding a prosecution). The natural tension between the opposing objectives in these three areas tends to be resolved in favour of the government or ministry’s interests when they are all handled in the same organisation. Protection of human rights and freedoms and interpretation of constitutional provisions should be handled independently of writing and enforcing laws, and prosecuting and punishing citizens.

The issues of defining and allocating state responsibilities are important considerations during the reform process. Reform will have to begin by redefining the role of the state. The way that state responsibilities are allocated to ministries will also have to be redefined before action can taken to develop systems and processes to optimise efficiency and effectiveness.

3.3 ROLE OF POLITICAL LEADERS

When 250 national leaders responded to an open-ended question to identify the most important obstacle to successful reform, the existing political system topped the list.

Putting “tribal politics” ahead of the national interest is without question the major barrier. In response to the survey question, “Elected leaders should put national interests before party interests,” respondents were in complete agreement. When disaggregated into groups, politicians rated their answer to this question higher than any other group (business leaders, public servants, and civil society). An astounding 100% strongly agreed or agreed as the table below illustrates. Paradoxically, while they agree as individuals, action can only be taken collectively.

**Elected leaders should put national interest before party**

(5 = strongly agree; 1 = strongly disagree)

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Actual politicisation, best described as tribal politics, extends far beyond the bounds of the public service—it is firmly embedded in the business sector as well. The problem of land ownership exemplifies the enormity of this issue. Tribalism is so pervasive that it is blocking attempts to facilitate land ownership—the basis for collateral loans, business investment and development. The importance of membership, race, and political loyalties has more effect on business decisions than sound business practices or the public interest. The
social and economic cost of widespread nepotism and patronage is the creation and maintenance of a society of dependent people, and jobs that have little or no demand for performance.

Perhaps this cultural aspect has even deeper roots. One participant in the National Leaders Forum put it this way:

Too many people and groups in Suriname consider themselves “victims.” Victims of colonialism, of the business community, of foreign countries, of multinationals, of the public sector, etc. They cherish that position because it dismisses them from taking responsibility for their position and their country. It must change, and we have the lessons in our history: All of our ancestors started without any material wealth, but with the spirit of fighters, conquerors, winners—and not “victims.” We have lost that spirit and have to give it back to our people.

3.4 CRITICAL ROLE OF PRIVATE SECTOR PARTNERS

The assessment of the commercial sector in Suriname is outside the mandate of this project. However, it became apparent very early in the project that the symbiotic relationship between the public and private sectors is of extraordinary importance in Suriname.

The health of one is dependent upon the health of the other. This observation was underlined by participants, who stressed over and over the relevance of the private sector and the importance of strengthening its capacity to create jobs and wealth for the nation’s citizens, and a better future for the country. In fact, the role of the private sector in the overall reform of the nation was considered so important by national leaders that it has a dedicated element of the National Vision for the Private Sector. Challenges faced by the private sector are limited capacity, entrepreneurial skills, and access to capital, as well as over-regulation by government and over-dependence on government.

The commercial sector is made up of many different types of organisations. The major elements of the Surinamese private sector are the large multi-national resource-extraction companies, domestic small and medium sized enterprises (SMEs), and the financial sector. In addition, the government operates a large number of parastatal enterprises, many of which carry on commercial operations even though they are under public ownership.

Multi-national resource-extraction companies:

Multi-nationals are the mainstay of Suriname’s economy and royalties from their operations make a major contribution to government revenues. However, their activities are capital-intensive and create relatively few jobs. In general, their importance to the economy has resulted in favourable treatment by GOS, and no indication was received that they faced any major structural barriers.
Small- and medium-sized enterprises (SMEs): SMEs are reported to be under-skilled, under-financed and under-developed. The IMF considers Suriname’s trade system to be relatively open, with no significant non-trade barriers. Suriname’s entry into the CARICOM Single Market and Economy Treaty reinforces this situation. However, the IMF observes that there are a number of government-controlled factors that are hindering the development of this sector, including:

- Investment and tax legislation and certain price regulations are discouraging the foreign direct investment that is required for this sector to flourish.
- Public sector monopolies and state-owned commercial enterprises displace private enterprise, often having the benefit of unfair protection and favourable subsidisation.
- Economic data is inadequate to support major investment decisions.

In addition, the skills and capacity available to the private sector are inadequate to meet their needs and enable them to grow. Another barrier mentioned often by participants are the current labour laws and practices that make workforce adjustments difficult, if not impossible. This greatly inhibits investment in new or expanding enterprises.

The Financial Sector: The IMF’s 2006 Country Report for Suriname suggests that the financial sector is not fulfilling its role of protecting financial assets, and is vulnerable in a number of areas:

- Recent large corporate insolvencies and cases of fraud have resulted in an increase in non-performing loans. This suggests that banks’ capacity to assess risks and limit exposure are weak and should be addressed to maintain the bank’s financial strength.
- Inadequate staff resources, delays in data collection for compliance monitoring, and inadequate controls against money laundering in casinos and foreign exchange houses leave the system open to abuse.
- Three small state-owned banks that provide credit to low-income households for agriculture and accommodation are insolvent, and should be liquidated to maximise the salvage-value of their assets.

State-owned enterprises (parastatals): Parastatals are organisations that operate, often in connection with but outside of the operational control of ministries. They can be both commercial and non-commercial. They include “arm’s length” agencies that may or may not be funded by their own revenue. They often perform specific functions that operate better outside of ministerial control. There are over 100 parastatals in Suriname, of which a significant number are classified as commercial enterprises that have the potential to generate a return on investment. Commercial parastatal enterprises are important to Suriname’s economy. They are active in many sectors of the economy, including agriculture, banking, communications, gambling (lotteries), natural resources, shipping and transportation, tourism, utilities, and other services.
The commercial parastatals fall under the oversight of operating ministries. Appointments to parastatal management boards are made within the terms of the statutes that govern individual parastatals. These appointments are generally made with attention to achieving a representative spread among the political parties. The boards are reported to be responsible for employing the general manager or managing director of the enterprise.

The Ministry of Finance maintains a general overview of the commercial parastatals, documenting their number, whether or not they are operational, and whether or not they are operating at a profit or loss. Government is reported to have an accurate picture of the earnings for each enterprise through the participation of government representatives at board meetings and analysis of the financial reports of each business. A number of the enterprises pay dividends, which flow into the government's general revenue. Some enterprises are permitted to retain earnings for designated purposes.

The parastatals are important because of the scale of their operations and the impact they have on the economy—both positive (wealth creation and social benefits) and negative (opportunity costs and inefficiencies). Hence it is important that they are managed according to policies that reflect national objectives. These objectives may emphasise generating profits for use on other public goods and services, infrastructure in a difficult geographic setting, or other economic, social or cultural aims. It is important that the objectives be clearly understood, and when social and cultural objectives outweigh commercial or profit objectives, the cost to the country in terms of wealth lost should also be clear.

**Privatisation** will accelerate development, the National Development Plan points out. It will help reduce the national debt, attract capital, stimulate the economy, and increase the state's revenues. There have been several less than successful attempts to privatise certain public sector enterprises (e.g., bananas and lumber). However, there has been no centralised effort to move the privatisation agenda forward. Furthermore, there is no government policy on privatisation. Although much of it has been undertaken by the Ministry of Agriculture, there has been no established centre for privatisation.

Three main privatisation problems are:

- There is no privatisation office or centre of expertise.
- Failed privatisation efforts began before the development of a government policy on privatisation.
- Privatisation is seized upon as a last resort, and done by default with government agencies that are in trouble.

GOS has not established the capacity to develop and implement policies to direct the operations of public enterprises to achieve desired social or economic benefits. Expertise is not available to determine whether and how the government should engage in certain activities, or to ensure that publicly owned corporations are operating toward their maximum potential. There is not a locus of policy capacity with respect to economic
development of the country or the role of commercial parastatals in contributing to that development.

It must be noted that some larger parastatals are reported to be very well governed. However, management controls over parastatals have more often been weak, with little requirement for accountability. In many cases, parastatals do not have government representation on their boards. Utilisation of revenues generated by parastatals is determined by the Ministry of Finance and the boards of directors of parastatals. There is generally an absence of transparency with respect to parastatal operations. The Economic Affairs Department has a unit responsible for monitoring parastatals, but the lack of available information limits the effectiveness of this activity.

The IMF has called for a comprehensive plan to deal with the large number of public enterprises and monopolies. GOS has indicated that it intends to strengthen its enterprises and improve management practices, and is in the process of divesting banana, rice and saw-mill enterprises, an insurance company, and the postal service.

Current GOS initiatives include tightening financial control so that deficits are no longer automatically funded by central government. Parastatals are required to submit quarterly reports and subsidy requests which are negotiated with the Ministry of Finance. Additional funding is subject to a review by Treasury Inspection Department staff who perform a diagnosis and suggest remedial actions.

The Dutch government in its 2004 Policy Note, A Rich Relationship notes that an improvement in the investment climate will encourage investments in Suriname by Dutch investors, and further support of trade and investment by the Dutch government.

Responsibility for managing the commercial sector appears to be held jointly between the Ministry of Finance and the Ministry of Trade and Industry, although this does not seem to be formally established. The two ministries are working on a number of initiatives to improve the business environment and promote private sector growth:

- Modernising stock exchange regulations.
- Strengthening annual financial reporting regulations.
- Developing the audit profession.
- Working with IDB, World Bank, and the Chamber of Commerce on a new Investment Law, and related Investment Promotion Agency and Trade Promotion Agency.
- Developing competition policy and draft laws for consumer protection, anti-dumping, and competition, to harmonise with CARICOM regulations.
- Working on bilateral trade deals with Canada, Venezuela, and Brazil, among others.

Considerable progress has been made on the new Investment Law, with a draft almost ready to be presented to the Council of Ministers. This law establishes the
rights and obligations of investors, and introduces fiscal regulations that will harmonise with CARICOM rules. Several ministries have responsibilities for contributing to CARICOM compliance, including Ministry of Trade and Industry for trade regulations, Ministry of Labour, Technology Development and Environment for labour mobility, and Ministry of Finance for free movement of capital.

Present contract laws are considered to be adequate to guide and protect parties to business relationships. However, timely resolution of disputes under the law is a problem. Company law reportedly needs modernising and strengthening. In addition to efforts to improve the legal and regulatory environment, the Ministry of Finance and the Ministry of Trade and Industry have a pool of investment funds which are available to entrepreneurs who can provide a business plan. The Ministry of Finance and Ministry of Trade & Industry are also working with the Ministry of Justice and Police on improving protection for intellectual property.

It is evident that GOS is engaged in many directions on improving the business climate. Human capacity in the civil service is, and will continue to be, a considerable constraint on these efforts, as economic skills like trade negotiation are difficult to find—particularly at present civil service salaries. The development of these skills will be an important aspect of trade development.

Because of some of the difficulties mentioned and the relatively small size of the private sector, it has become over-dependent upon government, and not as competitive as it needs to be. Further, there appears to be a lack of well-thought-out sector plans with strategies developed and supported by both government and the private sector. There seems little analysis of current or future labour force requirements. Finally it is observed and noted by many key informants that there is a lack of trust between the public sector and the private sector. This lack of trust plays out in an unproductive “blame game” where each side talks about the faults and shortcomings of the other. Again, talking about a problem often substitutes for taking action.

It must be pointed out that the private sector has frequently taken a leadership role in addressing public sector reform issues. For several years it has carried out analysis of barriers to private sector development, including financial and capital markets, business formation, labour, workforce adjustment, trade barriers, and taxation. While efforts are being made to collaborate more effectively with the Business Forum, the full benefits of private/public sector collaboration are not being realised. Collaboration and partnering skill development is required. As well, opportunities need to be developed for consolidating and focusing scarce creativity, expertise, and energy by collaborating on important national issues. This will improve much-needed mutual trust.

### 3.5 CIVIL SOCIETY

Civil society and non-government organisations (NGOs) have been the subject of considerable study in Suriname. The information in this sub-section is based on the 2005 assessment of civil society conducted by the IDB, participation of civil society spokespersons in Road
Map events, and numerous interviews and meetings. The 2005 IDB study identified a number of areas where civil society contributed to Millennium Development Goals (MDG). These included:

- Completion of education
- Life skills
- Agricultural technologies
- Literacy
- Safe drinking water and sanitation
- HIV/AIDS and malaria prevention
- Strengthening citizens’ voice in government policy making
- Domestic violence and violence against children

At the same time, they identified areas where NGOs had little impact, including: malnutrition, environmental sustainability, and private sector partnerships.

Echoing much of what the Road Map says, the report concluded that:

- More engaged contributions are needed to increase effectiveness.
- In Suriname, NGOs have become a substantial asset for communities, the government, and donor agencies.
- The policy environment to support the effective functioning of civil society is poor.
- The lack of national development frameworks and state leadership prevents progress.
- There is a policy vacuum.
- Individualism and lack of human and financial resources are weakening the basis for effective coordination and cooperation.
- Activities are not results-oriented.
- There is little documentation of results.

The IDB NGO report goes on to discuss the government’s capacity to collaborate effectively with NGOs. This capacity, points out the report, has been very low, indicating GOS needs to considerably develop its collaboration and partnering skills. This applies as much to the situation with the private sector as it does to civil society. For example, the main finding about partnership is

...that there is no state–civil society forum (or structured coordination) to discuss at the national level one another’s complementary roles and to come to an agreement with regard to a structured partnership for more effective development achievements.

The National Development Plan lists, as a central goal of the state, development strategies that will recognise civil society and extend their strategic involvement. The government wants to develop strategic partnerships with civil society. This would more adequately utilise their delivery capacity so that national development could be accelerated. Government policy priorities for civil society are to make better use of civil society’s human and organisational capacity, and to work more closely with them as partners in development. Microcredit programs are one area where such a partnership could flourish.
GOS also aims to increase the representation of civil society in national councils and commissions. Developing and strengthening the NGO network is seen as the first step in improvement of cooperation between government and their civil society partners.

Reform will not succeed without unlocking the energy of civil society. Civil society can play a major role in the reform of Suriname with improved public sector capacity, coordination, a policy framework, and sustained leadership.

3.6 BUILDING ON SUCCESS: CURRENT PUBLIC SECTOR REFORM (PSR) ACTIVITY

The 2006 Year Plan identifies some 317 donor-funded development projects that are underway or planned. Several of these are projects directly related to public sector reform.

Coinciding with the Road Map Project, the United Nations Development Programme (UNDP) commissioned a study called Current and Planned Public Sector Reform Activities Executed by the Government of Suriname (October 25, 2006). Highlights of this report follow.

- The UNDP report identifies several major projects directed at public sector reform. The funding agencies and the amount of funding is shown below in US dollars.
- Public Sector Management Strengthening Facility (IDB: $5,000,000/GOS: $1,250,000)
- Civil Service Reform
- Improvement of the Civil Registry
- Improvement of the Public Procurement System
- Connectivity Back-bone and Public Sector E-Readiness
- Road Map for Public sector Reform (IDB: $684,400/GOS: $25,200)
- Study of Public Sector Reform, of which $300,000 was for the current Road Map Project
- Policy Dialogue for Consensus Building (follows approval of Road Map)
- Decentralization and Local Government Strengthening Program (IDB: $7,000,000)
- Development of a Strategic Plan for Public Sector Reform in Suriname (UNDP: $ not reported)
- Privatisation of State Owned Enterprises (EU/Ministry of Agriculture: $ not reported)
- Under the umbrella of SWAT (Sector Wide Approach), several other public sector reform initiatives are underway in Health, Education, Regional Development, PLOS, Finance, Social Affairs and Housing, Agriculture, Justice and Police, and Home Affairs (many Dutch funded: $ not reported)
- Three major public sector reform programs funded by The Netherlands:
  - Institutional Strengthening of the Ministry of Finance ($13,290,000)
  - GLIS-Land Register ($13,670,000)
  - Grants for Capacity Building and Sector Programs ($ 26,330,000)
Clearly there are major and minor players in the effort to support Suriname's public sector reform initiatives. The Dutch, for example, have significant funds earmarked for systematic and sustained Surinamese public sector reform (73%). Other funding agencies have lesser amounts (27%), and there are many other bi-lateral and multi-lateral donors with a sharp interest in public sector reform in Suriname.

The National Development Plan has set the following policy priorities to guarantee basic existence: security, certainty in the law, education, health care, housing, and the accessibility to these for every citizen. It has also placed decentralisation high on the policy agenda so that all citizens can be a part of the processes and institutions that govern their lives. They have also given high priority to expanding partnerships, increasing earning capacity, and developing new economic sectors that will broaden and deepen economic activity in Suriname.

These policy priorities reflect the fact that many other reforms are underway that are directly or indirectly linked to public sector reform. For example, extensive reform initiatives are underway in the Ministries of Agriculture, Health, Education, and Justice and Police.

The Agriculture Sector Plan presents an integrated sustainable plan with three main goals:

- To ensure food certainty and safety for all
- To create income and growth for workers in the sector
- To increase the contribution to the national economy by increasing production, jobs, and exports

The goal driving reforms in education is to develop a system that will become just, equitable, and internationally competitive. Education is seen as the platform upon which sustainable development is built, and therefore it deserves and requires attention.

Improving medical and health care is getting exceptional attention. There is a focus on preventative medicine, wellness, and front-line curative care.

There is some confusion overall as to the roles and responsibilities for reform matters. For example, PLOS has official responsibility for development cooperation between GOS and donors. Home Affairs has recently established a well functioning and staffed Reform Coordination Unit responsible for a number of IDB projects involving other ministries as well as their own. Finance is coordinating yet other projects, as are many other ministries such as Health, Education, Justice, and so on. Hence, there is considerable confusion within GOS about coordination and reform leadership.
Suriname has a great deal of experience with reform projects. Yet, there is no “locus of learning” or mechanism in place that can maximise the benefit of this experience. This is particularly problematic when reform itself is essentially an organisational learning process. Lessons from experience are clear, and the actions needed for successful reform are relatively simple and few in number. However, there is little evidence that the lessons learned are being applied.

Three actions must be taken for GOS to maximise its chances of achieving its vision:

1. Identify a champion at the highest level
2. Take ownership of the reform agenda
3. Establish a well-funded and expertly staffed Reform Management Office

GOS needs to take ownership of reform projects and provide an overarching strategic framework. As things stand now, donors (for the most part) design and market projects which may or may not be priorities for GOS. TGN estimates that more than half of the public service is involved in specific reform projects. Various actors in the government system spend extraordinary amounts of effort securing funds for individual vertical projects. Experience has shown that the sum of these will not likely add up to sustainable and substantial reform.

GOS would do well to take a page from the Government of Jamaica’s approach to reform. Several years ago, the Cabinet of the Government of Jamaica was extremely frustrated at having lost control of the reform agenda to international bureaucrats in Washington, New York, London, Brussels, and other locations. The effect of this feeling was a belief that they had lost a good portion of their own sovereignty. In response to this situation, they focused on developing their own comprehensive reform strategy, identified a champion (the Prime Minister) and established a well-funded and expertly staffed Public Sector Modernisation Unit in the Office of the Prime Minister. They are now in control of their own reform agenda, and donor-funded projects need to fit into and support the government’s strategy. To do the same thing in Suriname would entail considerable capacity building and preparation in Suriname. The approval of the Road Map is the first step in this direction.

It is clear and has been stated in virtually every other public sector reform document that a strong champion or leader is required for the multiplicity of reform efforts. Only in this way will GOS be able to take ownership and maximise its chances of successfully reforming the public sector.

3.7 REFORM READINESS: RISKS AND CHALLENGES

The main difficulty with launching a comprehensive reform programme in Suriname is not capacity or knowledge, although these are incredibly important. Instead, the main difficulty is the perception that there is no obvious urgent need, or threat serious enough to ensure action. This lack of the ability to see and clearly understand the impending impacts of CCSME plus other international agreements and treaties is based largely on there being little policy analysis capacity in Suriname. Furthermore, geography, language, and travel patterns limit interaction with neighbours who
are better prepared to take advantage of the opportunities about to be made available. Other countries in the region with much more liberalised economies and entrepreneurial cultures will have access to markets and business opportunities in GOS. Open competition of contracting services and other measures will, it seems, catch Suriname quite off guard. Unless immediate action is taken in several important areas that affect the performance of the nation, the tax base that now appears relatively healthy is likely to be eroded. Business opportunities and existing commerce will be lost to those who are more productive and better positioned.

Reform is a difficult, time-consuming, detailed, sometimes painful, and always challenging process. It is also fraught with risk. If this were not the case, reform would have already occurred, and many more nations of the world would be enjoying a greatly improved quality of life. Given Suriname’s history and very short period of democratic independence, it is certain to have its share of challenges.

One of the most important challenges to public sector reform in Suriname is the political culture and context in which government operates. The political environment in Suriname is characterised by multiple political parties (some newly emerging), and shifting political alliances. Political history suggests that parties can cooperate to achieve certain specific objectives. The formation of a coalition government is an example. However, parties find it difficult to establish more durable or committed partnerships among themselves (or the parts of society they represent) to achieve national ends.

The fragmented public policy environment reflects the political environment. The result is that any concerted effort to bring about social change is difficult. The Constitution of Suriname and supporting legislation reflect and reinforce this political tendency.

These issues are well outside the scope of developing a Road Map for public sector reform. Yet the discussions leading to the Road Map frequently echoed the concern that the nation’s political processes would, without question, prevent reform from happening. For example, proportional representation is understood to reinforce the authority of the political party, making it more difficult for members of the Council of Ministers—whether they are political or technical ministers—to act decisively against the status quo. Without endorsement and support from all of the political parties in the country, a sustained effort to develop a modern public sector and a more thriving economy will not happen.

This unique political situation also exacerbates the matter of who will “win” and who will “lose” from reform activity—all of whom are parts of one political group or another. Membership, after all, has become an integral part of the national social security system.

At first sight, it would appear that the large lower level of the public service has the most to lose. However, mechanisms can be put in place to ensure that they are treated with both dignity and fairness. For example, departure can be softened with extended social benefits. Other incentives can be developed to encourage voluntary separation. Opportunities can also be created for groups of these individuals to privatise their services for building maintenance, security, and other functions (as was done in Guyana).
Reform winners are many. Citizens themselves should experience an improved standard of living and greatly improved services. The Road Map requires a knowledge-based public service that steers rather than rows. This means that public servants will get the opportunity to develop marketable skills, receive adequate remuneration, and get paid for performing well. The private sector will benefit as well, through an improved business climate, regulatory framework, and strategic partnerships with government and other sectors. Ministers will benefit as they too can focus on steering rather than rowing—nation-building rather than day-to-day transactions.

Equally important is the awareness of the very substantial internal challenges to launching public sector reform. National leaders from all walks of life talked about the importance of consensus and commitment, and the diffusion of political power and responsibility in Suriname, which serves to sustain social and political stability but also inhibits social change.

National leaders also stressed the importance of a shared vision and nation-wide ownership as part of the modernisation of the public sector. This means that communication and citizen engagement are very important. Finally, national leaders noted the under-development of the private sector is a challenge to changing the role and size of the public sector.

There is strong consensus on the general intent of reform, but there is also widespread scepticism about the ability of the country to embark on such a complex and long-term project. The Road Map is a tangible sign that government is prepared to take the first steps to reform.

Many reports, including this one and the UNDP report cited above, have noted that the capacity to manage individual reform projects, let alone the reform process itself, poses a major problem. This capacity is not only skill-related. The failure to appoint a champion at the highest level and to provide a governance/management framework for projects of national interest reflects a serious lack of management know-how and change knowledge. Empowering a champion, providing the tools to do the work, and holding individuals accountable for performance is the only way to realise success.

Implementation skills are also lacking. However, this may be more suggestive of a cultural characteristic where talking about an issue seems to substitute for doing something about it. For example, discussions and processes about a full spectrum of reform initiatives have taken place for some time. In many instances, the existence of a report on a matter is provided as evidence that the matter has been dealt with. However, solid evidence about successful implementation of recommendations is scarce. This clearly indicates that much more emphasis must be placed on performance-action-achieving results. On the positive side, the creation of the Project Coordination Unit in the Ministry of Home Affairs demonstrates that appropriate structures and processes can be put into place. It remains to be seen whether one minister will be given enough power
by his or her colleagues to succeed, and if the GOS governance structure described will actually meet and govern the project.

The current situation (where a reform leader is not empowered, an appropriate governance structure is not provided, and sufficient human and financial resources are not in place), suggests that the readiness for reform is low. If these basic steps cannot be taken, a major re-form effort should be delayed.

However, 75% of national leaders from all sectors strongly believe, and another 17% believe (total 92%), that now is the time to address public sector reform. Only with reform can living standards be raised or the quality of life improved.

In summary, Suriname needs to take some decisive steps. A focus on building capacity is required. Building expertise includes not only providing reform champions with the skills they need, but strengthening the entire senior civil service—making sure that they are an effective corporate-wide resource. However, we are now getting into the Road Map itself, which is the subject of the next chapter.
FOUR
THE SURINAMESE ROAD MAP
Successful planning must result in work. This Road Map, therefore, is about work. Because not everything can be done at the same time, some things have higher priority than others. Priority is based on the contribution to building capacity, achieving the strategic initiatives, removing the impediments to progress, and sustaining a commanding presence for reform in the public sector as it relates to the citizen–public sector relationship.

The actions for the first two years are designed for high impact and sustainability. Each action should become a step that relentlessly leads to reform with no backsliding. In particular, the first two years—Phase I—are intended to build a sustainable capacity to deliver results on national goals, starting with the management of the reform process itself. It is also intended as an opportunity to use strategic communications to give the public a chance to understand the objectives and support them.

4.1 STRATEGIC INITIATIVES – THE NEEDED OUTCOMES

The strategic initiatives on page 48 represent broad agreements of the participants in the Road Map’s development. The initiatives concentrate on delivering the end results of reform, but include some that are calculated to improve the reform process itself. The participants agreed on a view of what the results of these initiatives should be, and their view of results is an important driver of the Road Map. It leads to the development of a reform programme, described below and amplified to a work plan in the next section that constitutes the main direction of the Road Map.

The following expresses the end results that would reflect full completion of the strategic initiatives.
4.1.1 REFORM LEADERSHIP AND GOVERNANCE – THE NECESSARY CONDITIONS

The reform leadership must visibly engage the highest level of authority of the GOS: the President. The commitment of the President must be clear to all ministers and senior officials need to feel the obligation to consider the Road Map in their plans and deliberations.

The detailed planning and monitoring of the Road Map programme needs to have a single centre acting on behalf of the President and reporting programme participation, activity, and results to him. The centre needs to be led by a senior government official, such as the Vice-President. This leader can lend the day-to-day political impetus, and has the stature and authority to ensure that ministers and parastatal heads are engaged, and that matters that become stuck in discussion can be dislodged and progress made.

The Road Map office will be a visible and proactive advocate of public sector reform. It will know how to use the media effectively to get the message across, yet know how to stay at the level of the programme and its implementation and not overstep its brief into the public policy discussions that are the realm of elected officials.

4.1.2 ORGANISING FOR SERVICE AND RESULTS

This initiative envisions a public sector that is efficient, knows what it wants to achieve, knows whether it is achieving that, and does so with due consideration for the treatment of citizens.

Government ministries and their subordinate organisations will be restructured to improve the division of policy domains they address, and to reduce the overlap to a minimum. Transfers of organisational units between ministries and other entities will be completed.

The number of ministries will be right for the needs of Suriname. The process will determine whether the right number is more or less than what there is today.

The private sector will be strengthened by transferring of parastatal organisations and by spinning off secondary tasks that can readily be contracted out (e.g., maintenance services, printing services, basic IT support).

Service to the public will be more accessible and more responsive to needs through a planned and monitored programme of service improvement executed by the ministries and parastatals themselves.

The governance structure of parastatals will follow a set of legally enshrined common principles. Specified in law would be: the parastatals’ manner of establishment; their mandate; their internal governance structure; the nature and avenue of their accountability to the government; the authority over them of ministers; their authority to initiate operations within their mandate; their authority to incur debt. Specific laws to set up specific parastatals should only require special provisions for deviations from the general law, which should be rare.

STRATEGIC INITIATIVES
1. Reform leadership and governance – The necessary conditions
2. Organising for service and results
3. A renewed public service: human resources management and design
4. Empowering the whole nation: decentralisation
5. Managing, planning, and budgeting for results
6. Private sector development
7. Engaging the civil society
8. Strengthening policy capacity
9. Making every effort count: coordination of current reform initiatives
4.1.3 A RENEWED PUBLIC SERVICE: REDESIGN
HUMAN RESOURCES MANAGEMENT

The basic personnel processes of the public service will be modernised to address the needs of the work to be done. Determining the jobs and their numbers, setting the classifications and levels of the jobs, and determining their remuneration will be done systematically and in accordance with modern principles that focus on the needs of the job.

The size of the public sector will first be controlled, then reduced until it demonstrably has the right number of persons (not more and not less), where they are needed, doing what needs to be done.

An agency outside the political sphere will be established to make appointments to ministries and agencies so as not to exceed their requirements based on the needs of their public programmes. These needs will be determined by an organisational review (described later).

A central programme of training public servants in the concrete practices associated with the Road Map’s implementation and with the principles and practices of good governance will be put in place. This will be a standard part of the development programme for public servants in the senior cadre.

Resource savings from a reduced public service establishment will be used, in part, to improve the remuneration of public servants.

4.1.4 EMPOWERING THE WHOLE NATION:
DECENTRALISATION

The government will establish in law a requirement for all ministers and heads of agencies to formally delegate authority to offices (positions) at specified levels of the organisation, to be exercised by the then-current person fulfilling that office. Learning delegation skills is a prerequisite to effective decentralisation.

A citizens’ charter will be developed and publicised so citizens of Suriname will know their duties to government and what they have a right to expect from government.

Services that benefit from being close to the taxpayer will be provided outside Paramaribo, with planned and managed standards of service.

Businesses dealing with government will be able to obtain a large portion of the services they need near their own communities.

4.1.5 MANAGING, PLANNING
AND BUDGETING FOR RESULTS

The government’s budget will be prepared and approved in terms that relate directly to the programmes that it conducts, what those programmes cost, and how much they are projected to cost on a multi-year basis.

Accounting for the receipt and use of funds by parastatals and their incurrence of obligations will be regularised and made explicit in the national budget. Transfer of funds to and from the government will be made explicit in the public accounts.
Profit-making parastatals will fall under the tax regime as does any private enterprise.

Revenue forecasting will be improved through the use of a reliable model.

4.1.6 PRIVATE SECTOR DEVELOPMENT
Where the tests for appropriateness of privatisation are positive, the private sector will be significantly expanded as a result of being joined by parastatals.

Many of the impediments to business will be removed. Businesses will be able to meet their obligations to the government more efficiently. Decisions needed from the government for businesses to act will be given quickly.

Business management will be considered a worthwhile career path supported by public education.

The business environment in Suriname will support investment, innovation, and the adoption of modern practices in tune with international practices.

4.1.7 IMPROVING POLICY DEVELOPMENT AND IMPLEMENTATION CAPACITY
The Council of Ministers will be advised of emerging issues by a policy coordination unit with good intelligence and knowledge of stakeholders in Suriname.

Cross-cutting issues will be identified and appropriately considered. Ministries will consider the views of their stake-holders inside and outside the government.

Policy issues and choices will be analysed, and alternatives identified for consideration.

Policy decisions will be recorded, formalised, and disseminated so as to guide other deliberations and actions.

Policies will be implemented through programmes developed and executed by responsible ministers, and are centrally monitored.

When ministries disagree, the central policy coordination unit will expedite decisions on allocation of authority and accountability.

4.1.8 ENGAGING CIVIL SOCIETY
Civil society will be represented in forums where they are able to contribute to the national policy agenda, and advise on organisation of programme delivery.

Senior public servants will be knowledgeable about modern trends in citizen-centred programme delivery in other jurisdictions and their potential application in Suriname.

Programmes to implement government policy that can be delivered accountably and with a high standard of service by willing and competent actors outside the government and close to the people will be delivered there in whole or in part.

Capacity will exist to train and support those in civil society in implementing government standards for service and accountability.
4.1.9 MAKING EVERY EFFORT COUNT: COORDINATION OF CURRENT REFORM INITIATIVES

Reform initiatives, including international reform projects, will be planned recognising that Suriname cannot do everything at the same time. Suriname will concentrate on executing initiatives well and sustainably with a clear sense of priority and with recognition of the preconditions needed to ensure success.

Reform projects will be negotiated and managed centrally according with national priorities. Planning and implementation of reforms will be the responsibility of ministries. Monitoring and reporting will be conducted centrally.

The central policy coordination unit will expedite decisions on allocation of authority and accountability when ministries find themselves in disagreement or unable to collaborate.

4.2 REMOVING IMPEDIMENTS TO REFORM

Some of the factors described in Section 3 work as barriers to public sector reform. Some even reinforce each other to double the difficulties. Reform actions should tackle these impediments as directly as they can, in addition to the immediate contribution they make to the strategic initiatives. Reform issues are intertwined in the nation—the public, civil society, enterprise, personal and family initiatives/concerns—as well as in the government and the public sector beyond the government.

The experience of other governments around the world has shown that government action has a significant impact on public attitudes. The impediments are identified here so as to suggest the programmes and the actions within them that could effect the necessary changes.

4.2.1 THE STEALTHY THREAT OF THE BULGING PUBLIC SECTOR WORKFORCE

In a country where 60% of the workforce is on the public payroll, changes to public sector employment can constitute a major source of resistance to progress. This resistance exists not only to change in public administration, but also in the culture underlying politics. The perquisites of a government job become too important. The electorate assesses a politician’s and a government’s performance by the jobs they hand out, not by policies and their implementation.

4.2.2 THE UNFAVOURABLE IMAGE OF THE PRIVATE SECTOR AS AN EMPLOYER

Not only do people generally prefer to seek employment in the public sector over the private, they will resist leaving government employment even if other opportunities open up to them. In comparison to the public sector, private sector jobs are seen as less well paid, providing poorer benefits and emoluments, less stability of employment, more exacting duties, and comparatively unfavourable working conditions. The influence and protection of public sector unions are lost when a government employee moves to the private sector.

The World Bank has reviewed this issue extensively. Jit Gil of the Bank has written a number of excellent papers relating tax administration to effective national governance and political culture.
This not only reinforces the ongoing public expectations of politicians as providers of perquisites to their supporters, it reduces to a trickle any voluntary departures by civil servants to private sector employment.

4.2.3 GOVERNMENT RESOURCES – THE VICIOUS CIRCLE
The current tax regime and tax administration does not meet the government’s needs. However, improvements in tax collection would likely be absorbed by handing out more public sector jobs than could now be funded. Of the factors controlling the number of public sector jobs, this is the most important. Changes to the fiscal regime are needed, but they are difficult to implement if compliance cannot be achieved because of destructive public cynicism.

The tax regime is well known to be highly influential in how taxpayers engage with their government, in how they understand the role of their government, and in elevating their view of government responsibilities and their own responsibilities as citizens. The size of the tax base is important in providing fiscal flexibility. A focus on larger taxpayers can be very effective in incubating a modern, results-based public service and then seeding those competencies elsewhere in the public service.

4.2.4 LACK OF A COMMANDING PRESENCE OF REFORM
Although much has been written and the support of the President has been clearly enunciated, public sector reform has not seized the consciousness of the public leaders and administrators to the point where it is an ever-present factor in their deliberations. Instead there is the belief, common in public services around the world, that “if we wait long enough, and keep talking long enough, this too shall go away.” This belief is reinforced by the difficulty in assigning responsibility for action and results at the political and bureaucratic levels.

Ownership of the reform programme has to be public. It needs a champion at the highest level and ministers and senior appointed officials need to feel consequences for lack of concrete support.

4.2.5 INABILITY TO MANAGE ACROSS GOVERNMENT
The lack of horizontal capacity for both policy and programme development and implementation was described in Section 3. Besides being a major concern for national social and economic issues, this lack threatens the reform process itself. It has been a major contributor to the sparseness of results from a long stream of reform projects, and threatens the success of Road Map implementation.

4.2.6 THE LONG PERIOD OF PREPARATION
A major challenge, essentially political, is inherent in the unavoidably long period of behind-the-scenes preparation that starts the Road Map. Heads of government typically do not expend political capital on matters invisible to their constituency. They do so only when they have no choice, a condition that has arrived in Suriname. Short-term wins will be needed regularly to keep supporters on board, gain widespread public support, and communicate a sense of resolve.

5 The World Bank has reviewed this issue extensively. Jit Gil of the Bank has written a number of excellent papers relating tax administration to effective national governance and political culture.
4.3 THE ROAD MAP PROGRAMME

This section describes the Road Map to follow to reach the results outlined above while avoiding the impediments to reform. They are discussed here under each of the strategic initiatives, describing the activities and pointing to the challenges for each. In later sections these will be recast as specific actions to be taken during successive phases of the reform. Most of these actions will provide results for more than one of the strategic initiatives and will help mitigate more than one of the impediments to reform.

The Road Map Programme described in this section will be executed by the Government of Suriname itself, by its own officials, and led by its own political leaders. Technical support will be required, supported by international agencies. Perhaps other forms of international support will be required, too. However, the programme is to be a programme of action by Suriname itself.

4.3.1 REFORM LEADERSHIP AND GOVERNANCE – THE NECESSARY CONDITIONS

A Road Map Management Office (RMO) will plan and coordinate a structured programme of reform. This office will initiate and lead an ongoing dialogue and engage stakeholders. Leading the reform will be difficult. The issues are complex and broad. Success is dependent on effective management and judgement gained by broad experience.

The personal championship of the President is required as will a short and direct path to the President for matters that will be deliberated at the Council of Ministers. The day-to-day leadership will need the strong presence of the Vice-President or a senior minister who will have ready access to the President as well as respect and influence among ministers and agencies. As the visible leader of reform for the President, this person will be a catalyst for public engagement around reform.

The official appointed to manage the reform should have a solid understanding of the political situation of Suriname, its dynamics, and its interaction with governmental machinery. This person must be seen as fair and equitable, standing above tribal interests. The reform will be carried out by each minister. The experienced and skilled staff of the RMO will support the Council of Ministers in leading the work of formulating a government-wide reform plan. This reform plan will be arrived at with broad consultation and with commitment from those (especially ministers) who have a part in implementing it. They will assist and advise ministers in their implementation of the plan, and will monitor progress and prepare objective reports to the Council of Ministers.

They will also look out for opportunities to create news events that inform the public about successes along the way. This is an important part of building national support.

The Road Map Action Plan will be delivered, in a preliminary version, after the Ministerial self-assessments described in the next section are completed. The plan will depend on the findings of the self-assessment, the resources available in the short term, and the actual
The framework of the action plan should be developed with the leadership of the RMO. However, all responsibilities for action should be with a Ministry, agency, or parastatal whose Minister or top most official would be accountable for achievement of the plan. The plan monitored by the Council of Ministers every quarter should reflect end results whose achievement and non-achievement are clearly discernable. That is, the RMO’s plan should be expressed in terms of specific results to be delivered at a particular time. This will then allow RMO to report ministerial results objectively to the President and Council of Ministers, without interposing their judgement for the ministry’s. They would simply report the ministry’s actual and currently forecasted achievements against its last approved plan.

The leadership of the RMO must be careful that it not be seen as simply a “whistle blower.” The RMO needs to be seen as helpful to ministries. It needs to brief senior ministry officials well in advance of potential problems arising, giving suggestions about courses of action if possible. It may have to provide an extra set of eyes and ears for the senior officials. Yet it must be careful not to put the officials executing the plan in jeopardy. This is demanding work, requiring judgement and discretion. Much of it cannot be put into a procedure manual. Thus, the calibre of officials in the RMO must be high.

The RMO will not be responsible for plan implementation, except for matters that address the RMO itself. It will be up to each minister to ensure that his or her officials prepare and execute their own work plans to achieve that ministry’s share of the national plan.

No multi-year plan, as this will be, can survive without being brought up to date periodically. Measuring deliverables that are slipping against a long-obsolete deadline is meaningless and casts doubt on the whole process. Plans must be kept realistic. If an event can be foreseen, such as the major reviews mentioned above, plan reviews can be scheduled as part of the plan itself. Otherwise a review can be scheduled annually.

The RMO will establish a national consultation forum. This forum for national leaders of labour unions, business, and civil society will provide information on reform to the stakeholders and the public. It will also seek information and advice from the same groups.

The forum should not become a vehicle for endless dilatory discussion. The government’s decisions will sometimes differ from the advice it receives; however, the RMO should ensure that the flow of information to the forum is regular, and that consultations are genuine. The forum should serve for stakeholder consultations on any aspect of the Road Map and its implementation.

**PROGRAMME REVIEW TESTS**

1. **Public interest test** – does the programme area continue to serve the public interest?
2. **Government involvement test** – is there a necessary or mandatory role? Can the service be delivered another way?
3. **Decentralisation test** – is this programme area a candidate for realignment with local government?
4. **Partnership test** – could some or all of this area be transferred to the private or voluntary sector?
5. **Locus of responsibility test** – in which ministry is it best delivered? Are there incompatible activities?
6. **Efficiency test** – can the process be made more efficient by merging with others? Can skills be improved by clustering?
4.3.2 ORGANISING FOR SERVICE AND RESULTS

Suriname's national leaders and public officials agree that improving the organisation of ministries and services is fundamental to public service reform. Such improvement forms the largest part of this initiative. To ensure that the benefits of an improved organisation can be realised, enhancing the capacity of officials to design and manage programmes must be addressed as part of this initiative.

Ministerial assessment and programme review

Organisational self-assessment involves assessing each ministry for its capacity for implementing the reform programme. The assessment will be carried out by the ministries themselves, with the support of the RMO. It will look at their ability to do the work of a national reform plan, but also their capacity to plan, exercise management control over ministerial actions, and identify and take corrective actions as needed.

It will be up to the Minister to ensure that the needed capacity is developed before formulating and executing the reform plan. This project will provide the RMO with necessary experience in conducting cross-ministerial initiatives and in the coordination, expedition, analysis, and synthesis of required conclusions. It will also familiarise them with the use of technical support personnel in a mentoring and coaching role, since the technical experts will not be writing reports, but helping GOS officials produce them. Ministers will be introduced to the role of the central office guiding reform, and will be able to adapt their ministry's approach to working with such an office.

Programme review will be conducted once the ministerial assessment is completed. The programme review will examine the activities of each ministry and agency, and the spending carried out or managed by each, until the whole organisation and the whole budget is covered (including non-discretionary programme spending). Each activity will be subjected to the programme review tests outlined in the accompanying text box, to determine where the right thing is happening in the right place in the right way.

The collective result of this review will ensure that the government is ready to embark on the formulation of its reform plan. The information provided by such a review is essential for detailed reform planning, and for each ministry to fully participate in both the planning and the execution of the plan. The Road Map and its vision, principles, and values will guide reform.

Parastatal review and policy framework

To develop a parastatals policy, the RMO will prepare a policy proposal with the business case needed to support establishment or continuance of a parastatal, the conditions and mechanisms for privatising or otherwise ending and transferring the responsibilities of a parastatal, and for governance of parastatals. The result should be a policy paper approved by the Council of Ministers as the basis for future actions on parastatals.

Legislation for uniform governance of parastatals will be developed that forms the basis for the governance of future parastatals, and with which existing parastatals will have to comply within a determined time span. The legislation should require a specific mandate for the parastatal, and disallow operations that exceed that
mandate. The legislation should cover the institutional governance of the parastatal. It should also cover its officials, their appointment and remuneration, term, and duties. It should ensure that the parastatals’ financial operations, accumulated and accrued debt, and earnings are accounted for and reported uniformly.

This reporting would include a detailed accounting of expenditures made that were not for its own needs (for example, goods, services, and remuneration for ministries and other agencies or governments). This reporting should make explicit any de facto subsidisation of inputs. It should include commercial parastatal activities falling under the provisions of the tax regime.

A programme review for parastatals, similar to the programme review of ministries, will be conducted under the leadership of the RMO. The same tests will be done with the appropriate change of focus to parastatals. The results of the review do not exclude the possibility that a parastatal, or part of it, may best be integrated into a ministry. A more likely result, however, is that during the subsequent operations review the parastatal will be examined for privatisation or devolution to the local government or the volunteer sector, or other sectors of civil society.

The parastatal review should be conducted in a number of phases. A pilot phase of a handful of agencies should be chosen. On the basis of this pilot, subsequent reviews can be planned for appropriate combinations of agencies. Technical support will be required to conduct of these reviews. Given the volume of effort being undertaken by RMO officials, these reviews should probably be organised as a project executed under contract.

Programme management capacity development

Two measures would be immediately useful. First, a senior official from a country with experience in central programme oversight and policy coordination could effectively act as a mentor to the members of the Council of Ministers while they are coming to terms with the introduction of new staff functions at the centre of government. The official could come from the political side (such as a former minister’s chief of staff) or the appointed side (such as a former cabinet secretary). In either case, the mentor official should be very conversant with the constructive interplay of the central coordinating function with both the ministerial and official levels.

The second measure would be study visits to governments that have a tradition of central staff support to cabinet and coordination of policy and programmes. Such visits should include both national governments and elected governments at provincial or state levels.

EXISTING IDB HRM INITIATIVES

1. **Designing a new HRM process**
   Includes the core of sound processes that the GOS needs: merit-based staffing, job description and classification, compensation framework, labour relations framework, improved ethics.

2. **Drafting a new Personnel Act**
   This project will give effect to the new processes above.

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*Regional leaderships that are appointed by unitary central governments tend to provide only bureaucratic direction on its behalf, and are not a good model for Suriname.*
4.3.3 A RENEWED PUBLIC SERVICE: HUMAN RESOURCES MANAGEMENT (HRM) AND DESIGN

New HRM system and legislation
The completion of IDB initiatives (see the two projects referenced on the right) are important to public service reform. If the timing allows, they should be included under the overall management of the RMO. The projects should be allowed to go to conclusion under their original terms of reference to avoid delay and additional cost. When the time comes to enshrine the final design decisions regarding the HRM regime, including the central HRM agency described below, extending these projects may be one of the suitable measures available.

The results of these two projects will contribute to a policy on the establishment of a new HRM system and embodying legislation approved by the Council of Ministers and passed by the legislature.

Establishing a central HRM agency
The United Kingdom and its Dominions, when they were in approximately the same political and administrative position that Suriname is in now, achieved the reform of human resources management in their civil services only through the establishment of a politically neutral HRM agency, along with centralised payment of civil servants. A similar solution was subsequently adopted in other countries where political distance was required from the management of people in their civil service.

The resulting agencies were able to introduce a system of establishment control, approval of appointments, and control of pay that was able to control the growth of their civil services, subsequently reducing them to the level needed for the work to be done. These agencies also introduced a human resource management system with important features like those needed in Suriname:

- Merit-based rules for hiring and selection for appointment
- Effective approach to job description and classification
- Compensation framework and control over payment of remuneration
- Labour relations framework
- Improved ethics

It is part of the Road Map for Public Sector Reform in Suriname to establish such a politically neutral agency for GOS-wide human resources management. The nucleus of the agency, supported by appropriate technical assistance, will direct the design of the new HRM system, obtain approval, and support the preparation of the required legislation.

Development capacity for senior management cadre
HRM should specifically address the responsibilities of executives and senior managers. The future system should ensure that executives within public sector organisations (ministries or parastatals) are required to
provide strategic direction to deliver their performance obligations. This leadership towards organisational goals should take precedence over personal and political party objectives. Executives need to provide the internal capacity to do the right things well, and they need to be held accountable.

Building the capacity and knowledge of the government’s senior executive group will require a systematic and comprehensive capacity-building initiative. Defining and coordinating capacity-building activities should be assigned to a central unit. This unit will build expertise in training and development, including executive development. This could well be the HRM Agency, but need not necessarily be, providing that whichever entity it is reports centrally.

Define mandate and establish new capacity-building unit
The mandate for the new capacity-building unit needs to be formalised. It may well be included in the personnel legislation, but it could be established initially by administrative directive of the government.

The unit should have a clear client relationship with the RMO, as it will be implementing a major element of the Road Map. The RMO will define the needs and will monitor the results of the capacity-building.

Establish a capacity-building programme for good governance practices
This programme will be developed for permanent secretaries (directors), deputy permanent secretaries, and ministers. A large portion of the programme will concern the sound practices that underpin good governance in modern government. The topics in the text box to the right are essential components.

Participants should be able to go beyond knowledge transfer to personal interaction with experienced officials from other governments. They will be able to discuss their own concerns, and learn from the discussion about the concerns of others. The programme needs to recognise the transitional nature of practices in Suriname, and learn about transition issues—not only about the practices in mature environments.

Right-size the public service
Government has attempted to limit the size of the public service by instituting a hiring freeze. However, despite the ongoing hiring freeze, large numbers of civil servants continue to be recruited through political connections. The result is that the civil service continues a trend of slow but steady expansion. Introduction of rigorous establishment control by a central HRM agency is crucial for right-sizing the public service, and is addressed above. However, it must be supported by measures that reduce the pressures for growth. The actions below will address this.

Reduce the relative attractiveness of public sector jobs
The present perception is that civil service jobs are valued because they provide important health and other benefits, do not require a high level of skill, effort, or attendance, are totally secure, and are better paid than equivalent positions in other sectors. Reasons that civil service jobs are attractive, especially for low-skilled individuals, should be confirmed through an employee survey. A combination of changes to civil service conditions of employment plus an extension of benefits beyond the public sector would address these issues.

GOVERNANCE TOPICS
- Policy development process
- Decision-making support for governments
- Program-based budgeting
- HRM processes
- Creation of a professional public service
- Sectoral policy development and planning
- Labour relations
- Evaluation and monitoring
- Challenges in defining the respective roles of political parties, governments, and the public service
- Management processes and the management cycle
- Executive leadership
GOS should consider the following actions:

- Extend health and other benefits to the whole working population, using a mechanism that is affordable now and sustainable in the future (initial discussions with the Ministry of Finance indicate that this is feasible, especially given how many citizens currently receive these benefits through their government employment, although this too should confirmed).
- Amend employment conditions so that all civil servants are required to meet attendance and performance objectives or risk losing pay, job status, or employment.
- Ensure government remuneration packages are consistent with market rates.

Make it more demanding to get government employment
The tendency for citizens to seek employment for which they are not qualified can be discouraged by establishing and enforcing minimum educational and skill requirements for entry into the public service, and further requirements appropriate to the positions that are available.

Make it less difficult to terminate civil servants
Civil service employment conditions should be amended so that civil servants who do not perform at required levels or who are otherwise surplus to requirements can be terminated through an appropriate process—and with appropriate compensation if the termination is not because of poor performance. In addition, where individuals are recruited to provide political leaders with trusted advice and other support, those appointments should be limited to the term of office of the sponsoring politician.

Ensure each ministry’s personnel establishment is appropriate
To discourage the tendency to provide employment to more people than are needed to deliver government services, ministries should be required, through the programme-budgeting process, to minimise labour inputs and to justify the labour requirements for each programme based on demonstrated operational needs. Budget allocations for labour-related costs should be based on how many people are required to deliver the programs. This will ensure that all civil servants are engaged in meaningful work.

Provide an attractive early retirement option
Significant resistance to public sector reforms can be expected from people who feel they are best served by the status quo. These people are often civil servants who are underemployed and enjoy the benefits of civil service conditions without having to earn them. Providing attractive conditions under which these individuals can leave the civil service will reduce the size of the establishment and remove potential sources of resistance to modernisation.

Accordingly, plans should be made for an attractive early retirement option that may be voluntary or imposed. It is important that GOS structures the retirement plan so that it targets surplus or undesirable employees and does not result in high-performing employees leaving the service.

Create conditions for other sectors to absorb surplus labour
Another element of this Road Map addresses how to create the conditions for growth in the private sector so that new employment opportunities will be created to absorb surplus labour as redundant public sector positions are closed.
Ensure a soft landing for affected civil servants
It is very important that the reform of the public sector, and re-sizing in particular, does not create “losers” among civil servants who may be affected. The government has many options to consider, including:

- Using the treaty funds offered by the Netherlands to mitigate social adjustment.
- Allowing personnel to volunteer for early retirement on attractive terms.
- Providing adequate compensation for workers who are involuntarily displaced.
- Encouraging (or requiring) private sector contractors who wish to deliver devolved or privatised services to hire the civil servants who previously fulfilled these functions.
- Providing training opportunities for civil servants to give them the skills to participate successfully in the private sector.
- Arranging for public sector benefits to be transferable when civil servants are displaced (this will not be necessary if the governments proceeds with an initiative to make social benefits universal).

Promote positive civil service culture
The public service needs to redefine its culture so that:

- The public service is recognised as a professional entity committed to meeting appropriate standards.
- Public servants are hired according to need and capability.
- Public servants recognise the need to deliver acceptable levels of performance.
- Each public servant has a meaningful job
- Compensation and advancement reflect performance.
- A job in the civil service is not necessarily a job for life.
- Public servants are respected by other members of society and are respectful of the roles of others.
- Public servants redefine their objectives from “controlling” to “serving” and “enabling.”
- Public servants ensure that plans are implemented.
- Public servants recognise that private endeavour is the source of a large part of national wealth, and that this national wealth is important for the nation’s future development and standard of living.
- Public servants are accountable for the proper custody and use of public resources in the delivery of public benefits.
The communication of these values must come from the centre of government in a sustained manner. While the new culture and its values must be supported by communication within ministries, it cannot be left up to them alone. Communication is problematic within a vertically oriented organisation whose structure is made up of small isolated units. This is magnified when units are focused on limited objectives rather than on contributing to an overall mission. Reform can only be achieved through active collaboration of well-informed participants. Improved horizontal communication, like the rationalisation of the organisation and the focus on results, is an essential building block for reform.

4.3.4 EMPOWERING THE WHOLE NATION: DECENTRALISATION

GOS has identified decentralisation as a key part of its strategy to improve government services across the country. Suriname’s government currently operates on a centralised model, where national ministries and parastatals have responsibility for delivering most services including those at the local level. This centralised structure reflects the size of Suriname’s population and its concentration around the nation’s capital compared to the nation’s physical size. There are many good reasons to maintain the locus of government in the Paramaribo region: it enables quick and easy communication among ministries; and government benefits from existing infrastructure, skilled and qualified human resources, and other resources that may not be available elsewhere. However, the continuing strong tradition of maintaining the regional identities of the nation’s ethnic communities coupled with the lack of effectiveness of central government in meeting local needs for services has gradually created increased demand for local self-management.

Various initiatives over the last two decades have attempted to address this issue. However, as of early 2007, district governments created in 1989 function largely as branch offices of the Ministry of Regional Development (MRD) without significant sources of revenue other than transfers from central government, and without budget autonomy. To address this, the IDB has funded a Decentralisation and Local Government Strengthening Programme (DLGP) to be executed by the Ministry of Regional Development.

Decentralisation comes in two basic forms:

- Devolution of policy and programme responsibility to local government.
- Using local government as the delivery agent for national programmes.

The DLGP project focuses on the first of these forms, devolution, but in doing so establishes an entity that is capable of fulfilling the second, delivery agent, form. It not only prepares the way for this strategic initiative, it provides opportunities for streamlining national programme operations in a way that could be well received by the public. The public would find improved service and attractive employment opportunities close to home.

The decentralisation initiative should be integrated within the scope of the public sector reform programme. Decisions for DLGP should be made in the context of the broader programme—particularly those decisions that concern ICT deployment and devolution, and privatisation of services.
**Decentralisation and Local Government Strengthening Programme (DLGP)**

The three main goals of the programme are:

- Create fiscally and administratively viable local government institutions.
- Empower the local governments with a core legal framework and institutional capacity for fiscal self-management and managing public works.
- Raise the administrative, financial, and technical capacity of each district so they can plan, prepare, and implement financially sustainable programmes that meet local demands.

The DLGP is organised into five components:

1. Intergovernmental Reform – This involves developing and implementing legislation, regulations, and procedures to give districts the authority to levy local taxes and handle their own budgeting and expenditure management.

2. District capacity building – A set of institutional capabilities will be developed to cover financial management, administration and planning, local revenue generation, and citizen participation.

3. Institutional strengthening of the sector – This component will strengthen the ministries of Finance and Regional Development, including a strategic development plan, and acquisition of equipment.

4. Pre-investment – This will provide funding for district capacity building and capital investment/service delivery projects in support of expanded sector development plans.

5. Programme support – A Programme Implementation Unit will be created in MRD to execute the programme. In addition, a comprehensive marketing and public outreach campaign will also be funded to promote the programme, build consensus, and obtain stakeholder input as well as a performance monitoring and evaluation system.

Participants in the DLGP are:

- Districts
- District Councils
- The Civil Technical Agency of the MRD
- The Budgeting, Accounting and Financial Affairs Unit Ministry of Finance
- The Office of Tax Administration of the Ministry of Finance
- The Government Accounting Office (CLAD)

Considerable progress has been made on this project, including the installation of ICT networks in pilot districts to connect the District Administrator and Finance personnel. Decisions on how best to enable localised participation will be influenced to a considerable degree by the deployment of ICT across the country. ICT will provide the communications capacity to enable widespread participation. Similarly, service delivery options will be impacted by decisions made on what core functions local governments should execute and what activities might be provided in partnership with other sectors. Local civil society or private sector partners may be able to facilitate both local participation and provision of services.
Identification of policy and programme areas for devolution

While it is important to the RMO in the reform of the public sector, this element will not be under the RMO’s direct management. It is clear, though, that the project and the RMO-led initiatives for streamlining will require coordination. This will likely take place with the DLGP moving to establish local capacity, and the RMO following to build on it and take advantage of it.

Contracting with local delivery agents

Using third parties, including local governments, to provide services is called outsourcing. Outsourcing can be successful if a comprehensive agreement can be reached on: the exact services to be provided; the performance standards (including manuals, instructions, laws, and regulations) to be adhered to; the means of handling revenue and costs; and the rights of the national government, in this case, to inspect and audit the operations and records of the provider of the outsourced service. All of these aspects have to be foreseeable, stable, and in place. All the formerly unforeseen cases need to have already been dealt with. These cases will be included in the manuals and instructions so that the actions of local civil servants will not catch the minister off guard.

A programme that is undergoing significant change generally cannot be delegated in this manner. Quick decisions are frequently needed, often with national impact as with the unforeseen cases mentioned above. These decisions are usually on things like uniform standards of service and interpretation of legislation. Only when the situation settles down can delegation become feasible.

An example of a government operation that meets the necessary criteria for delegation is the issuing of motor vehicle licence plates, which can be done even without supporting computer systems, as can issuing fishing and hunting licences. With computer systems, some jurisdictions have outsourced operations with more regulatory content, such as renewal of driving licences.

Where there are potential problems that could lead to questions of accountability of the minister for programme delivery, limits may be put on outsourcing. Thus, fewer jurisdictions outsource driving tests because of the questions this could lead to in the case of a serious accident. Similarly, few jurisdictions outsource operations that require delegation of the state’s monopoly on enforcement action against persons (for example, police and income tax enforcement), and those that have done so have found it problematic.

Still, the range of programmes whose front-end delivery to citizens can be outsourced is likely more than a just a handful. This includes registration functions, assistance with understanding government programmes, and receipt of applications for programmes along with assistance in preparing them.

Generally, the receipt and disbursement of payments should be carefully planned. Managing cash can cause difficulties for government offices of all sizes. Many governments favour using banks as collection points for any debt to the government. Others use the national system of tax offices to collect payments of all kinds, including those to local governments. However, such separation of duties leads to citizens having to stand in line several times. The most confident outsourcing to
local governments, then, requires good ICT systems with adequate built-in controls, and regular inspections and reconciliations of the local delivery unit’s records. Also required is the authority for the national government to take corrective and disciplinary action.

Setting up the framework for local delivery
The conditions for acceptable outsourcing of programme delivery to local governments need to be drawn up and approved. The national government roles in relation to such decentralisations need to be planned. The responsibilities of ministries whose programmes are to be decentralised also need to be determined. Ministries must establish methods to be followed, systems to be used, and performance standards to be met. They will be responsible for providing the work instruments (manuals, instructions) and keeping them up to date, and providing initial training and on-the-job oversight during an agreed break-in period.

The ability of ministries to live up to such a framework should be part of the self-assessment planned under the second strategic initiative.

MRD should have a well-defined role in these important aspects of decentralisation:

- Overall programme oversight
- Coordination with RMO
- Identification of local governments with delivery capacity
- Developing individual transition plans
- Developing local capacity for acceptance of delivery responsibility
- Inspection and operational audit of local offices
- Authority to take corrective action (e.g., suspending authority, assuming trusteeship responsibilities, initiating financial audits, and initiating investigations into breaches of the law)

The framework will need to include acceptable ways of funding the delegated operations. Are they to be funded out of local taxes, from user fees, from transfers from the national treasury? If they come from national treasury transfers, will they be per unit of output, an amount for a fixed level of staffing and resourcing, or a mixture of these?

IDENTIFICATION OF PROGRAMME OPERATIONS FOR DECENTRALISATION
Identification of which programme operations are candidates for decentralisation will take place as part of the second strategic initiative. The framework for local delivery will be included in the tests for identifying core functions versus those that can be done by others (mentioned in Section 3). It will be an important part of the process in the second strategic initiative to ensure that the central civil service establishment is reduced in relation to the workload being decentralised, and that the oversight and monitoring function be appropriately sized.

Because programme operations will most likely be decentralised to one local government at a time, the programme must be amenable to such progressive decentralisation.
IDENTIFICATION OF LOCAL GOVERNMENTS WITH DELIVERY CAPACITY

Once the framework for local delivery has been established, there needs to be a systematic test of the readiness of local governments to undertake the delivery of services. MRD should take the lead in defining this general test, in cooperation with the main affected ministries. This framework should be approved by the Council of Ministers.

The test should look at:

- Ability to provide good service (location, quality of premises, general service orientation of officials and staff, operating hours).
- Availability of office infrastructure, including ICT and technical interconnections.
- History of sound financial management.
- History of transparent operations.
- Ability and willingness to manage to a performance standard.
- Ability and willingness to be subject to inspection and audit.

MRD should also provide overall coordination and guidance in the decisions reflecting individual decentralisations to individual governments. It will rely on the expertise of the ministry concerned, but will advise the minister and the Council of Ministers regarding the soundness and objectivity of ministerial recommendations.

DEVELOPING INDIVIDUAL TRANSITION PLANS

In most cases, the transition to decentralisation will take place one local office at a time, as it is unlikely that the DGLP will deliver a complete set of capable local governments by the time the GOS is ready to decentralise any programme operations. MRD will work with the ministry concerned to develop a plan for each office. It will monitor and report on the progress against that plan.

The plan is to ensure that a capable local office will be staffed, equipped, and trained to deliver the service, and that it will receive the guidance it needs during the inception period of the decentralised services.

MRD’s central position is ideal for developing training and manuals regarding the decentralisation programme, performance standards and their management, financial management, and inspections and audits. The programme ministry will be responsible for the delivery of up-to-date work instruments and training materials. It will also be responsible for the delivery of programme-related training, both in classrooms and on the job. This will be done in accordance with the transition plan for that office.

ESTABLISHING INSPECTION AND OPERATIONAL AUDIT CAPABILITY IN MRD

MRD will need to carry out a regular programme of inspection and operational audit on the units in local governments providing the decentralised services. Regular inspection and audit will be the principal way of maintaining accountability of the decentralised
delivery to the programme ministry. Much of this can be conducted by MRD itself. Some of it will require the participation of officials or experts from the programme ministry.

Inspections will ensure that local government managers know that GOS is serious about performance: “What is watched gets better.” It will address deficiencies on the spot with managers, and report on the performance of the office in this respect. Inspectors will get to know the offices they visit, and what improvement or deficiencies to look for. The benefits of inspection are immediate.

Operational audits will check that the local government is delivering services in accordance with the contract. They will check that programme rules are being followed, service standards are being maintained, staffing levels and skills are as agreed upon, and operational reports reflect the situation on the ground. Operational audits will become part of the contract management process. The reports will be formal. They will be submitted to the local government for their review, and to the MRD for review and action if needed.

Financial audits will be carried out by those responsible for financial audits in GOS. The inspectors and operational auditors will recommend financial audit or investigation if they encounter resistance or evidence of ambiguities.

Inspectors and operational auditors should be selected among experienced programme officers with proper education and training for their role. They should not be selected from among financial auditors, as the required skills and mindset are quite different.

4.3.5 MANAGING PLANNING AND BUDGETING FOR RESULTS

The capacity to develop budgets in a medium-term planning framework, and to link planned outputs to resources expended are essential to public service reform. These things are needed to: provide better information about projected revenues and programme costs for use by the Council of Ministers; improve resource allocation and priority setting; and make better budgets that are more reliable and less vulnerable to unforeseen events. This should be addressed through five linked initiatives:

- Implementing programme-based budgets
- Improving revenue forecasting and establishing a formal budget framework
- Eliminating the cash flow trap
- Improving multi-year forecasting capacity
- Reviewing and revising financial management policies

Suriname is already engaged in reforming and improving its system of budgeting and financial administration. This essential part of reform is strongly supported by workshop participants, because the budget is the basic tool whereby government implements its decisions regarding programme priorities. It does this through allocating resources among competing projects and programmes, and monitoring whether ministries are executing policy decisions. The creation of a programme-based budget is linked to the ministry review of programmes discussed in section 4.1, and will enable ministries to analyse costs and plan more effectively.
Implementing programme-based budgets

An important development in best practices of international public expenditure management has been the adoption of programme-based budgets. Instead of concentrating on types of expenditure incurred by governments (e.g., salaries, accommodation, supplies, fuel, etc.) and setting budgets on the basis of historic expenditure levels, budget should make clear the linkage to programme results.

This means looking at, for example, not just the cost of salaries and supplies incurred by an education ministry, but how much was spent on the kindergarten programme, primary education, administration; and how much a new proposed programme would cost in its entirety. Over the past twenty years, governments have fundamentally changed the way they develop ministerial and national budgets, now concentrating on the key question, “What resources do we need to deliver each programme activity?”

This question requires a major transformation in how public sector financial planning takes place. It moves from the simple control of input, traditionally exercised by establishing ceilings on different types of expenditures, to a new focus on what the public resources are being used to achieve. A complementary element of this Road Map, which is discussed later, is a cross-cutting initiative that will enable the Government of Suriname to focus on results and strengthen its monitoring and evaluation capacity. In this phase, however, the focus is on strengthening the budget process to give national leaders a better sense of how resources are being allocated among national priorities.

The starting point is to establish programme-based budget categories that identify all the costs associated with a programme activity, then use these to forecast costs by programme. So the costs of, for example, staff, offices, supplies, and so on associated with each ministry’s ongoing programmes and donor-funded development projects can be separately budgeted. This gives decision-makers an understanding of what each programme or development project costs the government compared with its relative benefit to the country. It also provides the basis for subsequently monitoring and controlling those costs. The Chart of Accounts recently introduced across GOS should be reviewed to determine that it will support this requirement, and if any necessary adjustments need to be made.

This approach will also enable the costs of any government programme activity (such as garbage collection, automobile inspection, cleaning of public buildings, provision of security in public buildings, etc.) to be readily identified.

Programme-based budgets can be developed by each ministry for each of the responsibilities they have been tasked with. The budgeted costs will represent what human and other resources the ministry estimates it will need to deliver each programme, rather than basing costs on the historical status quo. In this way, programmes will only receive the resources that they demonstrate they need, and excess resources will be available to implement other priorities.

To satisfy this requirement, ministries will have to define their programmes (which should align with
the responsibilities allocated to them in the process of rationalising government operations described above in Section 4.1). The Ministry of Finance should take responsibility for developing definitions and related accounting structures, developing instructions to assist and guide ministries in implementing programme-based budgets, and configuring the future automated financial management system to reflect the new budget structure.

**Improving revenue forecasting and establishing a formal budget framework**

At the same time that ministries are developing programme definitions for the expenditure component of the budget, the Ministry of Finance should continue its current work on improving its multi-year revenue forecasting model. This model will be based on macro-economic projections (for government revenue) and business plans (for revenue from commercial parastatals), rather than historical performance. It will generate a reliable forecast of the revenues available to government, creating a firm basis for setting fiscal policy and approving budgets for spending ministries. This revenue forecast is an important step in enabling GOS to plan its expenditures. As the capacity to implement programs grows, it will become increasingly necessary to know the real limitations on expenditures.

A reliable revenue forecast is also an essential ingredient for a medium-term budget framework that includes both revenue and spending allocations over several years. This budget plan should be endorsed by the Council of Ministers. It can be used to make decisions about expenditures on programs that are no longer needed or are devolved, and to increase or reallocate expenditures to new priorities.

**Eliminating the cash flow trap**

Countries with spending patterns like Suriname’s typically face a continuous juggling of available cash against the most immediate needs. While it is possible to build central accounting systems that report expenditures on a programme/activity basis, this cash flow trap makes it impossible to develop programme-based budgets that are not simple fictions. Programme-based budgeting is intended for policy makers, but also must be followed by ministerial officials. If every month their request for beakers and chemical reagents must be traded off against someone else’s urgent need for printing, compliance with the budget on the part of these officials is impossible, as is a major plank of the financial administration reform platform.

One important step in this direction has already been addressed: the need to reduce the size of the public service to free up funds for other purposes, whether these are other programme spending or increasing the remuneration of the remaining public service.

The second important step to removing the cash flow trap is improving revenue through better revenue administration. The invigoration of the private sector and the improvement in commercial and trade activity that should result will make changes in the revenue structure possible (for example, less reliance on import duties). The modernisation of fiscal administration is a major undertaking that is of interest to international funding agencies. It should be pursued as a national priority under the project management of Reform Programme Management Unit.
Improving multi-year forecasting capacity
The fourth element of budget reform is to improve the tools and skill capacity that are related to it. This effort will involve all ministries under the leadership of the Ministry of Finance in a comprehensive training and development initiative. With the right skills and tools, government will be able to make proactive policy decisions and accurately forecast associated programme costs for future years, taking into account population changes, inflation and wage increases, and changing social needs.

While capacity improvements mean solid plans will be able to be developed, ministries must be held accountable to ensure those plans are executed. Functional capabilities built into the new financial management system can help with this, providing a timely and accurate reporting mechanism that can track progress to date. This will involve early implementation of the existing plans for a computerised financial management system, and ensuring that internal audit units in all ministries are fully staffed, equipped, and meaningfully engaged.

Reviewing and revising financial management policies
With better tools and capacity, it is possible to review the existing financial management policies and determine if revisions are required to make use of new capabilities, and establish new obligations that are supported by the new tools. Special subcommittees should be established to review and revise (as necessary) the following aspects of financial policy.

A new, comprehensive budgetary policy should be formulated and implemented. It would include:

- Allocating resources to activities with the best return in accordance with an integrated national plan.
- Linking resource allocations to programs.
- Providing a meaningful control on public sector spending.
- Forecasting revenue more accurately.

A new, comprehensive financial management policy should be formulated and implemented. It would include:

- Giving appropriately authorised ministry officers the authority to make spending decisions that are in accordance with controls over purpose of spending, value, and cash availability.
- Tracking expenditures to programs.
- Requiring proper financial records to be maintained by every public sector organisation.

A new comprehensive accountability policy should be formulated and implemented. It would include:

- Guidance for ministry internal audit functions.
- Ensuring adequate external audits are performed according to contemporary international best practices.
- Holding public servants accountable for efficiency, effectiveness, custody of assets, and value for money in their management of public sector operations.
A new, comprehensive procurement policy should be formulated and implemented. It would include:

- Streamlining current procurement processes.
- Encouraging outsourcing.
- Procuring with fairness and transparency.

A new asset management policy is required to ensure public assets are properly recorded, maintained, and utilised. It would include:

- Keeping an inventory of public sector infrastructure, which records existence, custody, condition, utility, ownership, location, etc. to provide an important control over public assets.
- Developing a comprehensive maintenance plan so that future maintenance funds are directed towards maximising the productivity of public assets.
- Outsourcing maintenance work to stimulate the private sector and provide employment opportunities.
- Rules covering the disposition of assets, including processes for valuation, bidding, and use of sale proceeds.

4.3.6 PRIVATE SECTOR DEVELOPMENT

The private sector is seeking to reduce time and resources spent complying with government processes, to strengthen the investment climate, to reduce government overlap and duplication, and to increase the opportunities for state–private sector partnerships.

Four complementary initiatives will help strengthen the private sector:

- Transferring selected state responsibilities to the private sector.
- Removing obstacles to private sector development.
- Building capacity in the private sector.
- Improving the business environment.

A vibrant private sector will generate personal wealth and tax revenues that will benefit Suriname and create employment opportunities. Experience around the world has shown that the private sector and NGOs can deliver many services more efficiently and effectively than the public sector. They will be more flexible to meet the challenges of a more competitive international environment.

Funds can be redirected from current public sector payrolls towards outsourcing many activities, such as maintenance of government infrastructure, public works, garbage collection, automobile inspections, security services, and janitorial services. The Road Map vision emphasizes the importance of the private sector in building Suriname’s future, and the opportunities for a simpler and more efficient public sector by transferring activities to the private sector and NGOs.
Workshop participants expressed support for the following actions:

- Establishing a special board to reduce the burden of forms, paperwork, and permits to streamline government services to business (a “red-tape commission”).
- Establishing a CARICOM Single Market and Economy Strategy Committee to promote businesses’ understanding of the potential of the new market environment.
- Establishing public–private partnerships to deliver selected government programmes.

The first two of these priorities, establishing a red-tape commission and a CARICOM Single Market and Economy Strategy Committee, can be done relatively quickly. They present an opportunity for a quick success story to demonstrate progress made toward reform, which will motivate continued commitment to the reform process. Other quick wins can be achieved by integrating several ongoing private sector development initiatives under the Road Map umbrella. These would include:

- Regularising the programme that makes investment funds available to entrepreneurs, including good communication of the programme’s availability, transparent criteria, and technical assistance for applicants who may need it.
- Continuing to work with the Chamber of Commerce on investment law and trade promotion, and considering setting up a “help desk” to answer technical questions.
- Working with the CARICOM regional skills development unit to upgrade skills.
- Rationalising the programmes being run by different ministries to make it easier for industry to comply with regulations and access government services.

During the process of developing the Road Map, private sector representatives expressed their lack of trust in government and their skepticism about taking on a greater role in building the local economy. Several initiatives are needed to build bridges between the private sector and government, and to build the capacity of the private sector itself. The Road Map includes the initiatives that follow.

**TRANSFERRING STATE RESPONSIBILITIES TO THE PRIVATE SECTOR**

The diagnostic phase of Road Map development identified that there are activities presently undertaken by government that could be devolved or privatised. Government officials have a positive attitude towards divestment. A few examples have been cited frequently, such as automobile inspections, some security duties, promotion of craft industries, distribution of agricultural produce, and garbage/waste collection. These opportunities will be further considered during the process of rationalising government operations described in Section 4.1, and should be subject to discussion with potential private sector partners. The actual process of transferring some state activities to the private sector will require a policy and regulatory framework to guide successful devolution. These opportunities need to be developed in discussion with potential private partners,
and within the policy and regulatory framework established for successful devolution. The following steps will be required:

- Government should establish its policy goals and communicate these to the private sector.
- Once the private sector has had an opportunity to comment on the policy direction, government can draft the policy and present it for approval by the Council of Ministers.
- With the policy in place, government officials can begin drafting enabling legislation, and the regulations and procedures needed to implement it.
- The goals for devolution and privatisation should be established.
- A government organisation should be tasked with implementation responsibility and accountability.
- Performance standards/service level agreements will be developed, and agreements pertaining to financial and legal obligations as well as the transfer of required assets will be established.
- Training will have to be developed and delivered.
- A mechanism for transferring civil servants along with their affected functions will be required.
- A monitoring and evaluation capability will be required to ensure expected outcomes are achieved.

REMOVING OBSTACLES TO PRIVATE SECTOR DEVELOPMENT

Representatives of the private sector have noted that government does not consider the impact of the regulatory requirements it imposes on private sector operations. One area that has received considerable mention is the amount of paperwork involved in obtaining necessary licences and permits to carry on business ventures in Suriname. Efforts to reduce this burden by establishing a “single window” for service are reported to have been unsuccessful, although the reasons are unclear.

The volume of paperwork and the amount of time required to establish and to register a company is another issue—one which ties in closely to concerns about the size of the informal economy in Suriname and how to integrate it into the formal economy. Making the registration of businesses a straightforward and inexpensive operation encourages their establishment in the formal economy.

While there are suggestions that modern information technology can streamline these processes, it is also important to streamline and reduce the underlying regulator requirements and processes as well. The initiative to remove obstacles to private sector development consists of several elements.

ESTABLISH A RED-TAPE COMMISSION

With professional assistance as required, determine ways to reduce the burden of “red tape” for businesses, including ways to reduce the time involved and the multiple licenses that are required, and ways to
improve ease of access and to streamline all processes. Establish a public sector task force charged with significantly reducing the burden of paper work, forms, and permits now imposed on the private sector.

An advisory group of private sector leaders would be established to identify the issues and to advise on better approaches. The special commission would be charged with finding more efficient ways to approve the establishment of businesses along with ways to reduce the time involved in obtaining other forms and essential permits.

LAWS AND REGULATIONS
Create the legislative and regulatory environment necessary to empower government to implement new streamlined processes. Develop a pilot programme, including education for civil servants and information about the new processes for potential business registrants.

PILOT PROGRAMME
Run the pilot programme for a limited time under the direction of a government task force that can be held accountable. Create incentives for the success of the pilot. Create an opportunity for recording the experiences of participants, capturing lessons learned, and giving recognition for successful completion of the tasks. Cabinet retreats could be convened to discuss results in a deliberative fashion.

FULL-SCALE IMPLEMENTATION
Once pilot objectives have been achieved and any necessary modifications have been made to the programme, the new processes should be fully implemented. Given that one of the expected results of the streamlining exercise will be to decrease the number of forms and processes, there will be an opportunity to evaluate the potential for reducing the civil service establishment that is involved in these activities. This should be addressed within the context of a special programme for handling a reduction in the size of the civil service (see section 4.2).

BUILDING CAPACITY IN THE PRIVATE SECTOR
While there is widespread agreement on the importance of private sector growth in Suriname, there is at the same time recognition of weaknesses in the private sector as it currently functions. Strengthening the private sector is complementary to public sector reform—it will ensure that there is a strong and growing source of quality employment opportunities for individuals who are no longer working for the state.

Government is already looking at ways to improve management of the parastatal sector. This could include establishing qualification requirements for occupying executive and management positions. This would mean formal business training and/or prior business experience. Government and business associations could also consider providing business training to citizens, both as part of the formal education curriculum and as adult education.

Various prior studies have identified a number of potential growth areas for Suriname business, notably agriculture, mining, housing, infrastructure, and tourism (especially eco-tourism). GOS should convene multi-lateral working groups involving all stakeholders (e.g., employers, employees, sources of funding, regulatory agencies, customer representatives, etc.). These working
groups would review the relative costs and benefits attributable to each sector, establish priorities and resources, and prepare comprehensive sectoral plans for the development of each of these commercial opportunities.

IMPROVING THE BUSINESS ENVIRONMENT

As noted previously, GOS is already engaged in a number of important initiatives to improve the business climate in Suriname, including:

- Modernising stock exchange regulations.
- Strengthening annual financial reporting regulations.
- Developing the audit profession.
- Developing policy on competition, trade regulation, and mobility of labour and capital; together with draft laws for consumer protection, anti-dumping, and competition to harmonise with CARICOM regulations.
- Working on bilateral trade deals with Canada, Venezuela, and Brazil, among others.
- Regularising the programme that makes investment funds available to entrepreneurs, including good communication of the programme’s availability, transparent criteria, and technical assistance for applicants who need it.
- Continuing to work with the Chamber of Commerce on investment law and trade promotion, considering setting up a “help desk” to answer technical questions.
- Rationalising the programmes being run by different ministries to make it easier for industry to comply with regulations and access government services.
- Improving protection of intellectual property.

In addition to these initiatives the Company Law and the framework for establishing and operating business in Suriname should be reviewed to determine whether the needs of a modern economy are being met, and whether the law works efficiently in conjunction with other laws that govern markets, trade, and taxes.

Finally, running an economy and a government requires people with the proper knowledge and skills. The private sector and public sector together should develop a strategy for building the human capacity they both need.
4.3.7 ENGAGING CIVIL SOCIETY

A strong civil society serves to strengthen democracy, build public confidence, enforce public accountability, and ensure that the voices of traditionally excluded sectors of society are heard. The concerns expressed by civil society have primarily been about human rights, gender, the environment, and economic issues—although these interests are clearly expanding. The National Development Plan (2006) reflected these concerns. The stage is set for a new era in government/civil society collaboration and partnership.

The first step that the GOS needs to take to consolidate its efforts to collaborate with and develop partnerships with civil society is to identify a responsibility centre. This could be a specific minister supported by a director. More important would be the establishment and recognition of a Civil Society Forum. Government should support this forum, nurture its establishment, and gradually begin to share leadership for important issues (such as HIV/AIDS or micro finance policy development) with an eye to having civil society become the service providers in specified areas.

A Civil Society Forum, with support from government, would be charged with strengthening the NGO/CSO network. Their input should be sought on policy matters as a matter of course. In addition, as with private sector strengthening, civil society should be engaged in designing the details of the reform programme.

As suggested in the National Development Plan, civil society should be better represented on national councils, commissions, etc. The minister responsible should report twice yearly to the Council of Ministers and to the Legislature on progress in increasing representation.

Strengthening civil society and building partnerships in Suriname is inhibited by the capacity of the senior public service. This is caused by the lack of mechanisms to coordinate their energy and efforts and also by a lack of partnering skills. Nations moving toward partnerships quickly learned that specific and new skills are needed to succeed, but these skills are seldom found within traditional public services. Collaborating skills are often opposite of controlling/administrative skills, which calls for a shift in organisation culture. These skills can be learned and the culture modernised. The development of these skills should become an important part of the capacity-building programme for public service managers.

Belize is an excellent example of how government works in close collaboration with civil society. Civil society was charged by government to develop a modernisation agenda. The input of civil society is frequently sought by the Government of Belize before they make important policy decisions. Civil society organisations are often called upon to carry out development projects. Further, as Prime Minister Said Musa informed TGN, the government found that the quality of their own decisions improved when funds were provided to outside organisations. Adequate policy research could be carried out, and critiques of government plans were supported by sound analysis and empirical facts. All of this, of course, reflects a relatively robust and mature civil society sector.
4.3.8 STRENGTHENING POLICY CAPACITY

One of the most important requirements of an effectively governed state is the development and coordination of policy. A modernised state must have institutions capable of producing decisions that are consistent, affordable, and capable of being implemented. Operational policy development, coordination, and practice are dramatically improved when the public service exhibits the four pillars of good governance: accountability, transparency, participation, and predictability.

While this area is of enormous importance, it is too early to implement it. It is too early because there are too many other reform initiatives that need to be undertaken first, including building the capacity of the senior public service. Furthermore, right now the recognition of the need for managed policy development and implementation is understood and appreciated by only a few of Suriname’s leaders. Therefore it is scheduled later implementation.

The public service needs to be able to carry out five basic policy tasks:

- Provide intelligence and early warning to the Council of Ministers
- Ensure all agencies and ministries consult their stakeholders on policy and programme development and implementation
- Provide supporting analysis and consideration of options
- Record and disseminate decisions
- Monitor implementation and follow-through

Based on the extensive horizontal analysis of central governance systems, and confirmed by the assessment and diagnostic activities undertaken, two shortcomings hinder the ability of GOS to plan, develop, and consider policy matters in a way that promotes effective governance.

First, very little actual “policy” is presently being developed in the ministries of the public sector. Instead of the conceptual and results-focus for policy described above, what is perceived of as policy in a ministerial context, in most instances, is actually the articulation of operational procedures and rules to regulate how programmes are administered and delivered. In short, the basic ingredients for policy analysis and formulation are lacking within individual ministries.

Second, what is lacking in its current framework is the apex at the centre of the GOS—a clear and coherent place tasked with the responsibilities to establish policy priorities among the competing strategies or initiatives. This task appears to be left to a rather ill-defined resource allocation process whereby considerable attention is paid to ensuring that everyone gets something. However, this limits the Government’s ability to focus on key areas where the payoffs may be biggest and on building blocks that contribute to long-term sustainable development.
POLICY DEVELOPMENT

This ability to plan and set priorities establishes high-level policy, largely a function of the “centre” of a government. On the one hand, to co-ordinate it effectively is particularly important today because there is more and more devolution of authority to other levels of government, to agencies at arm’s length from the government, and even to civil society and private sectors. On the other hand, complex issues of globalisation, international instability, competitiveness among nations and regions, and so on call upon governments to think and act more strategically, requiring a much more robust policy capacity. Similarly, the trend to separate policy from service delivery places more, rather than less, urgency on having an effective central policy capacity.

Trying to build policy capacity in individual ministries is too large an initial step. The challenge for the “centre” in terms of policy development is to address the five crucial policy issues that were listed at the start of this section. There is a clear need to build within Suriname the actual level of “policy,” as differentiated from both national strategies and operational procedures. This policy level is a crucial component of governance, as it is the foundation on which organisational performance assessment (programme monitoring and/or programme evaluation) is based.

A two-step programme of capacity-building is proposed. The first step in this programme would be a complete survey of the policy apparatus of central functions of GOS. The result of this phase would be a policy capacity assessment, not of what exists now but of what is needed for the “centre” of GOS. The second phase of the renewal of the policy capacity would concentrate on bridging capacity and process gaps by beginning a comprehensive renewal.

A new, purpose-built central policy development and co-ordination function will be developed. Training and capacity-building programmes, initially developed by experts, would be mounted for the new policy staff. Hands-on mentoring would be offered to enable “learning by doing.” To that end, one of the initial outcomes might be to develop several (up to four or five) model policies that would link the objectives of a programme area with consideration of alternatives, assessment of cost–benefits, and linkages to performance assessment tools as well. This is the core of what is internationally recognised as the policy function. These model policies would help to build a hands-on understanding.

The other element that should result is a standardisation of the process by which policy is approved and reflected in legislation. At the current time the policy approval and implementation process is somewhat random. Further, there is no process that facilitates the engagement of all ministries that may have a stake in the policy area. Similarly, there are no monitoring mechanisms to ensure and oversee implementation.

These two steps will be time-consuming, as there is no way to simply proclaim a new policy-making paradigm. Issues such as the nature of consultation and inter-ministerial consultation will require time to develop and refine to meet changing circumstances. Indeed, one of the most important aspects of the renewal of the policy function will be to develop the
means, both for the centre and for individual ministries, to seek stakeholder advice and input during the formation of policy and the subsequent programming initiatives. They will also need to continue to build in means of effective consultation throughout the life of a programme.

**POLICY IMPLEMENTATION, MONITORING AND EVALUATION**

Developing a monitoring and evaluation process is the single most important initiative for improving policy implementation. It will also provide an indispensable tool to manage and improve overall government operations. It has two parts:

- Implementing monitoring to ensure that useful information about the performance of government operations is collected and consolidated for use by management and stakeholders.
- Establishing an evaluation capability to analyse performance data to enable managers to improve services, and stakeholders to assess whether their needs are being met.

The anticipated results of this initiative will be:

- Better understanding of the real impact of government programs.
- Enhanced ministerial decision-making due to having more facts on which to base decisions.
- Increased citizen awareness of programme benefits.
- Better information on which to base performance pay decisions.

Monitoring and evaluation are the steps that follow planning and implementation of every project or programme. They are particularly applicable to public sector reform, where there is a high level of investment that aims to achieve very tangible results over an extended timeframe.

Monitoring is the process that gathers information about each project or programme to determine what progress is being made against set targets. Monitoring answers the question, “How is the project proceeding compared with the plan?” Information captured during the monitoring process can be used for:

- Ensuring managers exert effective control over the resources they are responsible for.
- Supporting management decisions by predicting or detecting problems, identifying new opportunities, and controlling quality.
- Enabling stakeholders to review managers’ performance and hold them accountable for proper use of resources and achievement of results.
• Permitting elected leaders and public sector managers to make informed decisions.
• Motivating and guiding managers to think beyond following procedures and make better-quality, results-oriented decisions.

**Evaluation** is the subsequent process—carried out internally, or by external specialists, or by a combination of both—that determines:

• What results have been achieved compared with expectations.
• What outcomes have been realised.
• Whether the project or programme is addressing the policy goals it was established to achieve.
• Whether there are more efficient or effective ways of achieving the desired results.

Certain conditions are necessary for monitoring and evaluation (M&E) to be successfully integrated into a government-wide modernisation programme. There must be:

• Active and capable leadership from a central M&E organisation.
• Support from top management to reinforce the M&E system as a priority tool for management decision-making, including decisions about allocating resources to competing projects or programmes.
• A clear understanding about the different information needed to support various levels of responsibility and decision-making.
• The ability to aggregate data so that it supports different levels of the management and stakeholder hierarchies.
• Ongoing adjustments to performance indicators to reflect changing circumstances and priorities.

In order to support the M&E function, each ministry (and the RMO for the duration of the Road Map Implementation programme) requires a small unit to coordinate the development of results-based programme descriptions, and ensure that submissions to the Council of Ministers include the performance-related information described above. This small unit will also ensure that individual programme areas are collecting the data to provide the information for the defined information portfolios. It is critical that the personnel in the M&E units have appropriate skills, training, and experience to fulfill this important role, and establish the M&E units as centres of excellence for performance management.

In addition to ministry units, a central, government-wide unit should be established, likely in the Ministry of Finance, to ensure consistent application of M&E across government, including the development of government-wide policies, regulations, and procedures.

The main benefits for Suriname from the progressive implementation of a modern policy development and implementation/monitoring and evaluation framework are:

• Improved policy support to ministers and better Cabinet decision-making.
• Better service to citizens.
• An anticipatory approach to decision-making, designed to improve timeliness and sensitivity.
• More citizen participation in decision-making.
• Higher degree of social consensus for government policy decisions.
• Improved programme efficiency and effectiveness.
• Improved linkages between programming initiatives.
• Greater transparency and predictability of decision-making.
• Promotion of a performance-based culture in GOS.
• Strengthened transparency in government performance.
• Improved ability of ministers and managers to make decisions based on anticipated results as well as projected expenditure.
• Increased ability for government to demonstrate to its stakeholders the benefits of various government programming.
• Increasing the accountability of government managers for the delivery of programming (an essential link to the modernisation of the human resources systems and the introduction of performance-based compensation).

4.3.9 MAKING EVERY EFFORT COUNT: COORDINATION OF CURRENT REFORM INITIATIVES

The coordination of existing and soon to be implemented public sector reform (PSR) initiatives is envisioned to put GOS in the driver’s seat. It often appears that the reform agenda is being led by the priorities of international funding agencies rather than by Suriname itself. This is understandable because of the lack of government policy capacity and its widely dispersed leadership at the present time. However, the development goal of self-sufficiency must be kept front and centre.

Another issue has to do with the capacity for change. There are so many reform activities going on that it is hard to incorporate them into a coherent conceptual framework. One need only examine government budgets to see the breadth and depth of internationally funded development programs in virtually every ministry. However, it is not clear that all of the externally funded programs and projects are orchestrated to maximise the potential of GOS achieving its own goals.

Collectively, what this means is that too much of the government’s scarce resources are being focused on meeting the divergent needs of individual multi-lateral and bi-lateral funding agencies. GOS has already taken steps to improve this situation by incorporating a global view in the National Development Plan, and preparing a Road Map for Public Sector Reform.

As was mentioned earlier, Suriname could learn from Jamaica’s experience with respect to taking charge of its own agenda. Six or seven years ago, the Cabinet of the Government of Jamaica discovered that some fifty
or more public sector reform projects were underway in their nation. Conceptually they did not fit together. The general feeling was the too much of their energy and the energy of their officials was being spent on meeting the administrative requirements of international funding agencies. Furthermore, while there were many projects underway, there was little monitoring and even less evidence that the results of these projects were positive. In short, the cabinet was of the view that they had given up much of their governance responsibility to bureaucrats living on other continents. This situation was quickly turned around, donor projects were coordinated, and Jamaica’s cabinet put themselves back in the driver’s seat by establishing a strong Modernisation Management Unit reporting directly to the Prime Minister, and developing their own road map to reform. Each project and programme had to fit within that road map. Soon, projects reflected the policy objectives of government rather than donors and lenders. The pace of reform quickened and demonstrated progress regularly reported to the cabinet, the legislature, and the public.

Suriname’s Road Map has a work plan that provides for the immediate establishment of a Reform Programme Management Unit to progressively take charge of the total reform programme. At the same time it will develop skills in officials that will stand the GOS in good stead for further development of horizontal programme coordination and policy development.
ACHIEVING THE NATIONAL VISION: ROAD MAP IMPLEMENTATION PLAN
This section translates the programme of the previous section into a concrete plan of action. It addresses a number of realities at the same time:

- The constrained capacity for implementing reform.
- The business priorities of initiatives.
- The technical requirement for doing things in a certain order.
- The need for sustainability of successes.

The very nature of reform means that leaders and officials are moving into some degree of the unknown. In some areas, the changes implied in the expected programme results are profound, both at the political and administrative level. These are not waters to leap into heedlessly.

The Road Map is therefore divided into three phases, each one addressing a high-level need reflected in its title. Each phase is a stepping stone for the next. The first phase begins by building the capacity needed, and adapting to changes needed at both the political and administrative levels. Next follows a period of laying down the organisational and legislative foundation for the future, and realising the first global benefits of reform. Finally, the third phase should see national leadership, the public service, and the public accepting a new way of thinking about their relationship to government, and new expectations from all sectors of the country.

The three phases will not be the end of reform. Reform should continue forever, as it does in the rest of the world. The completion of the three phases should, however, result in a public sector that is able to address the needs of the country, its citizens, its economy, and its civil society. This new public sector will work with them in continuously improving conditions.
5.1 THE PHASES OF THE PROGRAMME

Seizing control of reform
The first phase builds the capacity for management of cross-government activity using the reform programme as the focus—the Road Map followed by the larger set of reform projects under international sponsorship. During this phase, much preparation will take place for the following phases.

3 PHASES OF REFORM

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<tr>
<th>Phase</th>
<th>Duration</th>
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<tr>
<td>Seizing Control of Reform</td>
<td>2 years</td>
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<tr>
<td>Showing the Strength of Reform</td>
<td>3 years</td>
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<tr>
<td>Consolidating Reform</td>
<td>5 years</td>
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This phase begins the building of central governance machinery to support the Council of Ministers. This machinery will be capable of planning, coordinating, monitoring, and reporting to the President and the Council of Ministers on the progress (or lack thereof) that individual ministers are making. This will be a shift in the way ministers interact, and the introduction of a function conducted by officials, though led politically, that must remain firm in its objectives while always aware of the chain of authority and accountability of ministers.

Equally importantly, the issues dealt with at even this early stage will cut across all ministries and sectors. This is a further change from a focus on delivering projects of purely internal scope in individual ministries.

Once established and running for the Road Map, the central governance machinery will expand its scope to all reform projects, and begin to support GOS in more effective planning and coordination of international support and the projects it funds. The central coordination office will be able to benefit from the experience of Suriname’s CARICOM partners. Having developed the capacity for central planning, coordination, monitoring, and reporting, Suriname will be able to ensure that assistance programmes meet national requirements and priorities.

These capacities are fundamental to the success of the programme. This is why the first two years of the programme, while demanding, are designed to develop the institutional and personnel capacity and experience that the balance of the programme will rely on.

Showing the strength of reform
The next three years will capitalise on the capacity-building and preparatory work of the first phase to bring important measures into effect. The challenges, while often different in kind, will be no less demanding than those of the first phase—at both the political and administrative levels. For example, legislation prepared during the first phase must be put into effect in the second phase. This will be where the impact on people and politics will show up. The reorganisations called for by the reviews of the first phase will be completed in this phase. Implementation of a new human resources management system for the whole public service will begin.
An important objective in this phase will be to initiate measures that will eventually provide significant revenue over and above that required to pay salaries and service public debt, so that the government will be able to develop an effective public policy agenda.

In other countries, internal administrative reforms merit little attention among the electorate; but in Suriname, the importance of government jobs both to people and politicians will likely give reform a high profile. The issue will therefore have to be carefully managed in the election to take place during this phase.

Consolidating reform
Capitalising on the work done and the capacity built so far in the first two phases, the last of the three phases will roll out the bulk of the programme in accordance with a plan of which the nation is aware, and which has the support of civil society.

The government will work at a sustainable pace, particularly on strengthening the private sector to create new jobs. Decentralisation of services will be under way, and the central public service reducing toward a size that is justified by the work being performed and no other considerations.

A central policy planning and monitoring unit will be established to support the Council of Ministers in identification, analysis, and development of policy options. Horizontal issues, CARICOM issues, and international issues will be within the scope of this unit. The unit will work with ministries on the operational implications and feasibility of policy choices.

5.2 PHASE I – ESTABLISHING THE REFORM: THE FIRST TWO YEARS
Before the bulk of the reform programme work can start, an establishment period of two years will be required to position GOS for execution of this complex programme, and for achieving visible benefits that can be obtained in the short term.

In any programme of reform, it is important to keep up the momentum and support by demonstrating the benefits repeatedly and in concrete terms with new results. Although all reform programmes have a large, mostly invisible component of developing internal capacity, concentrating on this alone for too long would mean losing the public’s attention and support.

5.2.1 PHASE I – ACTIVITIES
SETTING UP THE REFORM MANAGEMENT OFFICE (RMO)
Before the programme activities can be successfully carried out, the capacity to manage the reform programme itself must be put in place. Managing a project, even a very large project, is not like managing ongoing operations. Every day is different. Uniformity and consistency may be an objective for the operations the reform puts in place or modernises, but it is not a characteristic of the project itself. Everyone and every situation is unique, and must be treated uniquely. The operational manager’s instinct, born of need, to squeeze issues and people into a common mold is indispensable in implementing service standards and achieving economies, but it is the enemy of managing change.
The crucial first step is to establish the reform programme on a footing that will ensure:

- Management that is able to adapt to changing situations, foresee difficulties, and seize opportunities.
- Concentrated attention on reform from the highest political and administrative level.
- Centrally located ability to plan, advise implementing ministers, monitor, report, and sustain a relentless focus on results.
- The capacity to expedite the government’s direction and reform across ministries, agencies, and parastatals.
- Ability to give the reform programme a high profile in the nation, and clearly communicate the government’s purposes and policy.

Doing this means establishing a central RMO under the authority of the President, with ongoing direct leadership from the Vice-President or a senior Minister. The RMO should be staffed by highly capable officials who are experienced in the public sector but not blinkered by their experience. From the beginning, this unit will require the mentoring and coaching support of experts experienced in the workings of civil services elsewhere. Of particular use will be experience in central planning, coordinating, and reporting units. This requirement will last for the entire establishment period of two years.

The RMO, while concentrating on its own tasks, will become an incubator within GOS for the type of staff support needed for effective central policy development and programme coordination. While the RMO’s scope will not be as broad as the full range of national policy, its operating style will be similar, and the benefits to the President and Council of Ministers will be similar. The RMO will ensure that the Ministers are briefed on the issues, have the necessary analysis and alternatives at their disposal, and can be confident of follow-through on their decisions. It represents an advance within the machinery of government that will serve as the prototype for the National Policy Unit, to be established later.

**Mobilising the RMO**

Setting up the office will require the technical assistance of external consultants experienced in such offices. These will have to be contracted from funded sources.

The mandate and organisation of the office will be approved and set up. The management of the unit will be appointed. The management will then oversee the remainder of the staff. A plan for public engagement and public communications will be developed. A clear view of how the Road Map process will be managed will be developed, and staff will be trained on how to conduct their work. Mentoring and on-the-job training will be important to the success of this office from the beginning.

**Reform Coordination Unit**

Within the RMO a sub-unit will be devoted to the planning and resourcing of reform initiatives, and to monitoring and reporting the results of projects. At the end of the two years, the RMO should reach a point where its reports are of the standard expected by funding agencies for their reporting requirements.
Planning, monitoring, and reporting is a challenging and sensitive task. It is not merely technical, but requires experience and judgement. The same principles apply as outlined in section 4.3.1 under Reform Action Plan. The targets of reform projects are generally in the ministries or parastatals, who are also responsible for achieving results. The Reform Programme Management Unit (RPMU) must maintain neutrality, objectivity, and reliability in its reporting. At the same time, it must be seen as helpful to ministers and heads of parastatals who have the more difficult task of doing the work the plans demand.

The total reform programme contains many projects. One can anticipate that some reform project initiatives will require their own team, similar to the RMO, to handle the size and scope of the project.

**Develop the Initial Road Map Action Plan**

Upon completion of the organisational self assessment, and the receipt of its final report by the RMO, an initial action plan will be developed. The plan will specify exactly what actions are to be taken, who is responsible, what is to be delivered, and in which quarter of which year it is to be delivered.

An important part of the initial Road Map Action Plan will be the building that needs to be done in each ministry to ensure that each has the machinery and capacity to deliver its part of the reform programme. The central assistance that the RMO will have to provide, and the capacity and resources it will require for this task will be indispensable to the plan.

**Conducting the review of organisations and programmes**

The earliest tasks of the RMO will be to lead a basic self-assessment of the ministries and a pilot review of ongoing programmes. These reviews will provide the picture needed before the main thrust of the reform work can proceed.

**Mobilise for organisational assessment and programme review**

Which organisation will manage this process will be established. This mobilisation will be similar to the set-up of the RMO, described above.

**Organisational self-assessment**

An assessment will be carried out of the capacity of ministries to carry out internal reform and the support that will be required for ministries to carry out the reform. This step will be important to the development of a realistic reform plan, and will sensitise GOS officials to the reasons behind the lack of actual results from the reform projects that have produced reports to date.

**Pilot organisational assessment:** A handful of ministries will be selected to conduct a pilot organisational self-assessment. Ministries will be asked to assess their own capability in a number of factors that are essential to achieving reform. Assessing the machinery and capacity in the ministry for planning, execution, and control of initiatives will be an important part of this self-assessment.
Complete organisational self-assessment: On the basis of the pilot assessment, a complete self-assessment will be planned for execution with external technical support. The results of this self-assessment will be a report that will feed into the Initial Road Map Action Plan to be developed by the RMO.

Develop strategic objectives and programme structure: After the organisational self-assessment is complete, and in parallel with the programme review, the strategic objectives of the GOS will be defined and associated to government programmes.

Mobilise to define strategic objectives: The team to do the work will be established in a manner similar to the mobilisation of the RMO. It will be important that the team include experts from the Finance function, who will be close to the process for defining the GOS chart of accounts under programme- and activity-based budgeting and accounting.

Plan the process for finalising strategic objectives: The process for formalising the strategic objectives and their programmes and activities should be defined and seek Council of Ministers approval. This process will be sensitive. It will have an impact on the eventual streamlined organisation, as well as on budgeting and accounting processes. In phase II these will be finalised.

Programme review
The programme review will be the basis for streamlining the public sector organisation. It will be important for establishing the programme and activity structure for government budgeting and accounting. It will provide a clear picture of:

- Ministry organisational and programme structures, and the main interactions of their activities.
- The resources dedicated to these basic functions: corporate management (inter-ministerial, Council of Ministers, external, policy development, strategy development, public information and relations); programme management (programme design, planning, operational planning including service standards); programme delivery (operations); support functions (finance, HR, administration, procurement, legal services, IT); and the relationship between overhead and delivery.
- Organisational units, including those in separate ministries, to merge.

Mobilise for programme review
The team to conduct the review and their technical support will be mobilised in a similar manner as the RPMU.

PARASTATAL REVIEW
Mobilise for parastatal review
As for the RPMU, the team to conduct the parastatal review will be mobilised and will have the technical assistance they need. This team will be required to develop the considerable expertise that an extensive privatisation programme will require. It should therefore be kept intact as long as possible, with overlap of personnel to ensure that skills competence is maintained despite the inevitable turnover of staff.
Pilot review
An initial review of parastatal organisations, authorities, and governance structures should be conducted. This will support the early development of a law imposing a uniform governance structure on parastatals, and a consistent approach to ownership that provides the possibility of flexible partnership arrangements or full privatisation—should those be considered desirable.

Priority parastatals will identified for early review based on size, cost burden, or revenue contribution, and on initial assessment of potential for privatisation or partnership arrangements. A second group of parastatals will be reviewed later, possibly with an adjusted approach from lessons learned with the first group.

Parastatal programme review
A programme review will be conducted to test the contribution of current public policy concerns, and to determine the best policy instruments in today’s terms for meeting those concerns. This will include privatisation, decentralisation within the government, and the use of civil society for programme delivery.

These activities are expected to be highly visible to the public, and will likely attract significant interest and comment. Once begun, they will be a test of the government’s resolve for reform. The reviews will require technical assistance from experts in the conduct of organisational and programme reviews.

Develop parastatal policy: The policy paper described in Section 4 will be developed and approved by the Council of Ministers. This will guide further work on parastatals.

Mobilise for development of parastatal governance legislation: Following the principles of the policy, and the requirements inherent in the redesigned programme-based financial management and control framework, a team will be mobilised to draft the legislation for governance of parastatals. This team will be drawn from the RMO, from ministries, and from parastatals with key expertise.

DEVELOP HRM MANAGEMENT CAPACITY AND CAPACITY TO CONTROL THE SIZE OF THE PUBLIC SERVICE
This Road Map has proposed that the human resources management system of the GOS be conducted by and under the delegated authority of a politically neutral central HRM agency.

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Appoint HRM Task Force
A small task force should be appointed, headed by an official who is considered to be a candidate to assume the chairmanship of the HRM agency. This task force would have the following duties:

- Design the HRM processes to be followed in the civil service,
- Design the processes to be followed to manage the establishment of the public service (see box on the next page for possible approach),
- Design the agency to carry out those processes
- Determine appropriate delegation to ministries and agencies and the manner these will be held accountable.
Design the legislation to establish the authority and guide the HRM processes.

Plan a central payment system for remuneration and emoluments of civil servants in all forms of employment.

Develop and overall system strategy for HRM and payments.

Establishment freeze
In parallel with the above initiative, immediate and rapid measures need to be taken to determine the current establishment of each ministry and agency, and to make effective the existing hiring freeze. This will require a rapid examination of the means available, and how to make them effective. Provisions for exceptions will be needed, but these exceptions should be granted only centrally, not by any minister, and should be limited to positions requiring highly specialised skills. General support and administrative and programme delivery work should continue upon re-allocation of existing personnel.

**CENTRAL ESTABLISHMENT CONTROL:** Overcoming the pressures for this critical impediment to reform, an ever-expanding public service, requires focused attention in every government in the world, and Suriname is no different. Before the main body of the programme can be undertaken, legislation needs to be developed and promulgated to govern the manner in which the public service establishment is controlled, appointments are made, and remuneration and emoluments are determined, authorised and paid. Key characteristics of this legislation are as follows:

1. Posts (positions) in the public service need to be formally established—described, identified, positioned in the overall organisation, and authorised.
2. No one can be appointed from outside or inside the public service unless to a previously established, vacant post.
3. The total number of posts for any ministry and agency will be authorised by the council of ministers and may not exceed the establishing authorised posts.
4. All appointments will be formalised by a central authority before they can take effect on a specified date, not earlier than the date of formalisation.
5. The payments of remuneration and emoluments will be made by a central pay system.
6. Payments by the central pay system may not be initiated without the formalisation of the appointment the person to receive the payment.
7. A central body will be established to management the process of establishment control; prepare and validate the documentation submitted to the council of ministers for approval of establishments; monitor the implementation of the authorised establishment; formalise appointments to positions; and provide central payroll services.
8. No one in the public service may receive funds directly from any ministry or agency, and both authorising and giving such funds will constitute an offence.
Basic literacy and competency test
Provision should be made to test every civil servant for basic literacy and competency before any appointment to another position. This same test should be given immediately to any person applying for entry to the civil service, and their application refused if they are unable to pass it. Appropriate measures will have to be designed into the testing process to ensure that the contents of the test do not become known.

In the event that a civil servant fails the test, the HRM policy should provide for their dismissal (with or without compensation), their inability to rise above their current pay, or their inability to move from their current job—or other suitable measures.

It is expected that rigorous application of such a test would significantly affect the attractiveness of employment in the civil service, and would likely help to reduce its size.

PREPARE FOR PROGRAMME-BASED BUDGETING AND ACCOUNTING
During Phase I, the framework for financial management and control based on a programme/activity accounts structure will be developed. This framework will concern the chart of accounts itself, how organisations tie into it, and how cost centres will reflect expenditures at the line item level (e.g., at what level is spending on gasoline distinguished from spending on pencils). It will concern the financial administration systems used to maintain and report central GOS accounts, control expenditures against approved budgets and allotments, and report spending at cost centres. How spending commitments are to be handled will be part of the framework.

It is not recommended that GOS embark on accrual accounting. Although this has benefits for governments with the advanced level of financial administration to both handle and benefit from it, the GOS is far from this stage. It would benefit by instead concentrating on more basic capacity development in financial administration.

CONTRACT FOR DEVELOPMENT OF REVENUE FORECASTING MODEL
GOS will procure a technical assistance contract to design a revenue forecasting model that fits Suriname’s environment and needs. The unit to assume the duties of revenue forecasting should be designed as part of the contract. The model will be implemented in Phase II.

ESTABLISH THE RED TAPE COMMISSION
Early in Phase I, a commission should be established to look at ways of reducing the administrative burden and cost that GOS imposes on business. There are three types of red tape that could be “unwound”:

- Improvements on which rapid agreement is possible and which can be implemented quickly (e.g., from another country: assign a backup clerk for the exports desk so that service is not interrupted when the primary duty clerk is not at the desk).
- Improvement on which agreement requires more deliberation or whose implementation is more difficult (e.g., stop requiring certain information on a particular form).
- Improvements which require coordination among ministries or agencies (e.g., better coordination of agricultural inspection dates and schedules for fumigation).
Establish the commission: The commission could be chaired jointly by a leader from the private sector and a senior official from a lead ministry. Members could be chosen from among private sector leaders and officials from concerned departments. The RMO should be an ex officio member. The reports would be signed by the joint chairmen/chairwomen and transmitted to the Council of Ministers via the RMO.

The commission’s reporting would consist primarily of progress made in reaching agreement, as most improvements could be implemented with the approval of only the ministers concerned. Should Council of Ministers approval be required for any improvement proposed, a brief/request for decision will be prepared in the style described below for Phase II.

The work of such a commission can be difficult, but satisfying and fruitful. It is worth providing a brief training session for all members on the dynamics of negotiation, particularly on how to deal with the initial acrimony that is common in such work groups in other governments. Without these skills, such groups can become ineffective.

Planning, monitoring, and reporting: Once agreement is reached, the improvements should be quickly included in an updated Reform Plan, and be monitored and reported in the normal manner.

Conciliation: The RMO would have a role (described under Phase II) in achieving agreement in contentious cases. Experience has shown that private sector views of how fast things can be achieved are sometimes unrealistic. Similarly, they tend to discount the importance of public policy objectives, since they often don’t understand them or don’t believe them to be relevant. Public sector officials who deal with long-standing procedures may have no real understanding of the public policy motives behind a procedure, and be reluctant to give up any element of it. This will happen and will require conciliation.

5.2.2 Phase I – Activity Frame

The frame below shows the actions required to achieve this phase of the programme. For each action, the indicators or measures that indicate completion are shown. It also shows to which strategic initiatives an action makes a major contribution, and which impediments it contributes to overcoming. Major contributions are direct and of significant impact. Contributions that are indirect, incidental, or of lesser impact are not shown—although they may be cumulatively important.

As with the activities above, the work plan is not grouped by strategic initiative, as most actions contribute to several initiatives. Instead it is grouped by the structure of the work.
## PHASE I – AORK PLAN

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Strategic initiative(s) #</th>
<th>Over-coming impediment(s) #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Setting up Reform Management Unit (RMO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Mobilisation of the RPMU</td>
<td>Office is established and operational; President has assumed public championship; responsible Minister designated</td>
<td>1,6,7,8,9</td>
<td>4,5,6</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Contract technical assistance for establishment of RPMU, RMO</td>
<td>Contract(s) signed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.2</td>
<td>Develop RPMU mandate and organisation structure</td>
<td>Mandate, organisational structure and preliminary budget approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.3</td>
<td>Recruit RPMU management</td>
<td>Responsible Minister designated, RPMU, RCU, and RMO heads appointed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.4</td>
<td>Develop public engagement and communications plan</td>
<td>Public and public service aware of PS reform and its management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.5</td>
<td>Develop mechanisms for managing the Road Map process and provide on-the-job training for RMO personnel</td>
<td>Planning responsibilities of RMO, and Ministers defined;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.6</td>
<td>Contract technical assistance for Phase 1 activities below</td>
<td>Procurement completed, contracts for early activities signed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.7</td>
<td>Develop initial Road Map Action Plan</td>
<td>Plan complete and takes into account the results from 2.3 below</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Establish Reform Coordination Unit (RCU)</td>
<td>Unit staffed; facilities obtained and occupied</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Establish Road Map Management Office (RMO)</td>
<td>RMO staffed; facilities obtained and occupied</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### PHASE I – AORK PLAN (CON’T)

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s) #</th>
<th>Major contributions to over-coming impediment(s) #</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Conduct the review of organisations and programmes</td>
<td></td>
<td>2,4,5,6,7,8</td>
<td>1,2,3,4,5,6</td>
</tr>
<tr>
<td>2.1</td>
<td>Mobilise for organisational and programme assessment</td>
<td>Resources, plans, and staff in place and ready to begin; communication strategy approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Pilot organisational self-assessment</td>
<td>Pilot completed; methodology and plans updated; reported to Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Complete organisational self-assessment</td>
<td>Assessment completed; report with recommendations approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Establish team to develop updated government strategic objectives</td>
<td>Team established including RMO, Finance, Statistics representation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Plan process for finalisation of strategic objectives, programmes, and activities; and related financial budgeting and reporting categories</td>
<td>Process approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.6</td>
<td>Pilot programme review</td>
<td>Review of initial set of five ministries completed; report presented to Council of Ministers for initial set of five ministries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.7</td>
<td>Complete programme review</td>
<td>Review of remaining ministries completed; report presented to Council of Ministers for remaining ministries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.8</td>
<td>Finalise government’s strategic objectives and programme structure</td>
<td>Report approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.9</td>
<td>Finalise activities within programme structure</td>
<td>Report approved by responsible minister and/or Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.10</td>
<td>Design streamlined organisation</td>
<td>Report ready for presentation to Council of Ministers</td>
<td></td>
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</tbody>
</table>
### PHASE I – AORK PLAN (CONT)

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s) #</th>
<th>Over-coming impediment(s) #</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Parastatal review</td>
<td></td>
<td>2,4,5,6,7,8</td>
<td>1,2,3,4,5,6</td>
</tr>
<tr>
<td>3.1</td>
<td>Mobilise for parastatal review</td>
<td>Team in place; action plan prepared; communication strategy approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Pilot parastatal review</td>
<td>Review completed for pilot group of parastatals; report approved.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>Parastatal programme review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3.1</td>
<td>Review of group 1 (high priority)</td>
<td>Report approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3.2</td>
<td>Review of groups 2,3 (medium priority)</td>
<td>Report approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3.3</td>
<td>Review of groups 4 to 6 (lower priority)</td>
<td>Report approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>Develop parastatal policy</td>
<td>Policy approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5</td>
<td>Mobilise for development of parastatal governance legislation</td>
<td>Team is freed of other duties, is accommodated and ready to start work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Develop privatisation programme</td>
<td></td>
<td>2,6,9</td>
<td>1,2,3,4,5,6</td>
</tr>
<tr>
<td>4.1</td>
<td>Develop privatisation policy</td>
<td>Policy document approved by Council of Ministers; document made public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Develop communication strategy</td>
<td>Communication strategy approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>Develop parastatal governance legislation</td>
<td>Legislation ready for legislative process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>Develop uniform accounting policy for reflecting parastatals in government accounts</td>
<td>Accounting policy developed and approved by Council of Ministers</td>
<td></td>
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</tbody>
</table>
### PHASE I – AORK PLAN (CON’T)

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s)</th>
<th>Over-coming impediment(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Develop HRM management capacity and capacity to control the size of the public service</td>
<td></td>
<td>2,3,5,8,9</td>
<td>1,3,5</td>
</tr>
<tr>
<td></td>
<td>5.1 Appoint HRM task force</td>
<td>HRM task appointed and in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.1 Design HRM processes for entire public service</td>
<td>Integrated HRM process design completed; impact on legislation documented; approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.2 Design processes to manage public service establishment</td>
<td>Process approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.3 Design the agency to carry out those processes</td>
<td>Mandate, organisation, governance, transition designed and approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.4 Determine appropriate delegation of HRM duties to Ministries, and accountability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.5 Design legislation to establish agency and govern HRM in the GOS</td>
<td>Legislation ready for submission to legislature</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.6 Plan central payment system</td>
<td>The responsibility, role, scope, basic processes, and information systems for payment of civil servants is designed and ready for contracting</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1.7 Develop overall systems strategy</td>
<td>An ICT strategy for all HRM centrally and in ministries and agencies is approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.2 Initiate effective establishment freeze</td>
<td>Establishment freeze is put into place;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.3 Introduce basic literacy and competency test</td>
<td>Use of test in screening newly hired people is authorised;</td>
<td></td>
<td></td>
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</tbody>
</table>
PHASE I – AORK PLAN (CON’T)

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s)</th>
<th>Over-coming impediment(s) #</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Prepare for programme-based budgeting and accounting</td>
<td></td>
<td>2,5,8</td>
<td>3,5</td>
</tr>
<tr>
<td>6.1</td>
<td>Establish team to conduct the work</td>
<td>Multi-Ministry team has been selected and is in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Contract for development of revenue forecasting model</td>
<td>Procurement process is completed; Contract has been signed</td>
<td>5,8</td>
<td>3,5</td>
</tr>
<tr>
<td>8</td>
<td>Establish the Red Tape Commission</td>
<td></td>
<td>1,2,6,7,8,9</td>
<td>3,4,5,6</td>
</tr>
<tr>
<td>8.1</td>
<td>Establish the Commission</td>
<td>Immediate improvements are identified</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2</td>
<td>Planning, monitoring, and reporting</td>
<td>Agreed improvements are reported to Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>Conciliation</td>
<td>RMO is participating in discussions and carrying out this role as needed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.3 PHASE II – STRENGTHENING THE REFORM – THE NEXT THREE YEARS

This phase will see the completion of the bulk of the regulatory and legislative programme associated with the reform. The institutions, systems, and programmes envisioned in the regulations and legislation will be established and begin operation.

This phase will see important, far-reaching change. If the work of Phase I has not delivered the intended reform capacity, progress from this phase on will be slow and on a ragged front.

5.3.1 PHASE II – ACTIVITIES

Many visible reforms will be launched during this phase. These will include the rationalisation of the organisation of the public service, and the beginning of: privatisation, citizen-centred process simplification, decentralisation, and reduction in the size of the public service.

Additional progress will be made in the management of the reform process itself. GOS and its leaders will have strengthened their capacity to deal with global issues related to programme priorities and design, and cross-cutting coordination of the actions of multiple
ministries. This will likely provide some of the skilled officials that will be needed in the next phase when the central policy function is established.

**STRENGTHENING THE REFORM MANAGEMENT OFFICE**

Phase I saw the bringing under one umbrella of all the reform projects funded by international agencies. It provided an organisational unit with a sound overview of the entire programme, a plan that could be monitored, and a record of success in monitoring and reporting on the programme.

Normally, such a unit would be an indispensable source of information and advice to individual ministers and the Council of Ministers. It is this role that will be strengthened in this phase. It is a role that advances Suriname’s taking charge of its own reform destiny.

**Assume overall programme planning and negotiation**

Informed by the results of the self-assessment conducted in Phase I, and informed by the experience of monitoring plans and witnessing the sources of problems in their implementation, the RPMU will undertake the formal role of providing staff support to overall reform programme planning and negotiation.

**Coordination with Ministry of Finance**

The reform programme may have a significant macro-economic impact. The RPMU will liaise with the Ministry of Finance on this issue, and will begin to exchange information with it as appropriate. The RPMU will start to take macro-economic policy into account in its advice and planning.

The RMO will need to maintain an overall leadership role during this phase, even though all the action will be in individual ministries and parastatals.

**Cross-Ministerial oversight capacity**

During Phase I, much of the work consisted of RMO projects contributed to by ministries and parastatals. In this phase, the work will be in ministries and parastatals supported by RMO. Cross-ministerial coordination will become more important. To make this possible, real delegation of authority to communicate and negotiate must be granted to RMO. Too many decisions and too many potential disconnects of plans and priorities among ministries will exist to refer any substantial portion of them to the Council of Ministers.

**Refine briefing capacity**

To operate in the manner described above, a standard process for briefing the Council of Ministers regarding projects needs to be developed. Individual ministers and the Council of Ministers need to be able to trust the process and rely on it to streamline decision-making on reform.

A general approach often used in cabinets and cabinet committees in other governments is as follows. Briefing is done in writing. A document is prepared in a standard format that contains the decision sought, the background that is causing the decision to be required, the factors that enter into the decision, analysis by staff regarding these factors, potential solutions, evaluation of each solution, and recommendation of a favoured solution. The document is often initialled by each Minister before being presented at cabinet. This is to
indicate that it has been read before it is placed on the cabinet agenda. Sometimes the distinction is made between matters that the cabinet will grant secretarial approval and matters that will receive deliberated approval. If all ministers agree with a document and it follows certain guidelines (e.g., no new funds are sought) it is placed on a list and the cabinet approves the list with no or little discussion. If a minister disagrees or the guidelines require it, the document is put on the agenda for full discussion.

The role of a body like the RMO in this process is more than that of preparing the document, obtaining the signatures, and determining whether it meets the guidelines for secretarial approval. The principal role is to ensure that every statement in the briefing is reliable and verified. All readers, from the President down, must be able to rely on each statement as fact; they must be able to quote it in any forum without fear that someone will show the statement to be wrong. Opinions are never presented as facts. If they are presented at all, they are clearly shown as opinions.

A process like this will be instituted as soon as possible to handle the decisions that are not delegated to RMO officials themselves.

**Sustaining momentum and reconciling interests**

Implementation of the Road Map plan will require frequent reconciliation of opposing interests. Some of these will be between the RMO and ministries and parastatals. When the time comes to restructure organisations, as will happen in this phase, many officials will be strongly committed to the status quo. The RMO, as agent of the GOS, will be central to this debate.

In other situations, RMO will be less directly involved but will be well positioned to help reconcile the views of parties. For example, when simplifying government procedures it is common that private sector advocates of streamlining will discount the importance of certain public policy objectives that will still need to be fulfilled. On the other hand, through the well known process of goal substitution, ministries and parastatals may view procedures as an end in themselves—particularly when they have been inherited from a previous era and their raisons d’être are buried in the past.

RMO can provide the guidance that will be needed to reconcile these views, ensuring that the public policy objective is understood, is up to date, and will still be met in this or some other way. At the same time, the needs of the private sector, civil society, local governments, or other constituencies must equally be understood and addressed as best as possible.

**RATIONALISING THE ORGANISATION FOR SERVICE AND RESULTS**

The information gathered in the previous phase will determine the reorganisation of GOS operations. In this phase, the final organisation will be determined and the transition into it carried out. The effects of the reorganisation will have to be dealt with. Continuity of services will have to be assured, and affected civil servants will need to be helped to adjust to their new situation.
Establish a high-level task force
The fundamental reconsideration of basic objectives and the impact this will have on the existing organisation of the public service will require that this task be led by a senior official under central political control (the Vice-President, for example); staffed with experienced officials; and supported continuously by external experts experienced in programme review, government organisation, and the workings of central agencies of government. Concentration of expertise will be required over time, as the legal framework for the work to be done will be complex and knowledge of it will be essential to finding practical approaches.

The mandate of the task force needs to be approved by the Council of Ministers, and it needs to include an imperative for wide consultation. The work should be conducted in a top-down manner, with the approved results at each level forming the platform for launching the next level of consideration.

Finalise government’s strategic objectives
The first level of consideration for the task force is to review the strategic objectives of GOS. This should avoid becoming an exercise of finding a home for each existing organisational unit. Instead, it should be as close as possible to a zero-based approach that expresses the high-level outcomes that the GOS expects. A hypothetical example might be “the health of citizens will be protected and improved.” This might be further subdivided, for example, into “protection against threats to health,” “promotion of wellness,” “ensuring health care capacity,” and “ensuring affordability of health care to citizens.”

This statement of the highest-level objective and its first subdivision will be approved by the Council of Ministers. Once it is approved it will constitute the foundation for the next step.

Allocate activities that support each objective
Once the strategic objectives are approved, they will be further subdivided. While this is technically a narrowing down of objectives, they will start to resemble operational activities. A long list of sub-objectives for healthy citizens might include: protection against unsafe drugs, unsafe food, unsafe consumer products, and unsafe medical devices, unsafe levels of radiation; control over levels of impurities; training of medical professionals and technicians; availability of hospitals and clinics; and others.

It can be seen already at this level that, at lower levels, choices will have to be made about allocation of sub-objectives. For example, are unsafe consumer products a health issue or a consumer/commerce issue? While organisational units are not yet being designed at this level, the implications will be clear to ministers and officials. Considerable discussion will have to take place, and more than one deliberation by the Council of Ministers may be necessary.

Determine the new organisation
The new organisation should be designed for optimum delivery of programmes within any strategic objective. Minimum overlap in the responsibilities of ministers is an important criterion.
Interactions among ministries in key cross-cutting issues should be kept to a minimum. One example of this is in foreign affairs. The manner in which the policy domains of various ministries are addressed externally should require a clear and narrow bilateral interaction. A more difficult example is that of environmental issues. Are the various ministries that deal with resource extraction, agriculture, health, municipal affairs, and transportation each to address environmental matters, with appropriate interactions with other ministries? Or is environment to be given its own ministry with interactions with multiple other ministries on most issues?

Ideally, mandates of operational units should stay within the mandates of their parent units. Cases will then need to be identified where this cannot be done. For example, ensuring that meats, fish, vegetables, and other food products sold at the retail level are fit for consumption could fall under the strategic objective/policy domain of one ministry, Health, for instance. However, a unit in another ministry, dealing with labelling, and yet another in a third ministry, dealing with packaging, could all be inspecting the same package of cheese in a shop. These are among the important overlaps to be identified in the programme review in Phase I.

The impact of these overlaps goes beyond the inconvenience and cost to commerce. They actually impede policy and programme delivery by government. In such cases, somewhat autonomous operating units may need to be established. They would serve a number of ministries as clients, but would be organised around a single operation, like product inspection.

As much as possible, the departments and branches of ministries and the agencies under them should coincide with the strategic objective, programme, activity chart devised in Phase I (intended for use in programme-based budgeting and accounting). A high level of correspondence of this activity chart to the organisation is important to the success of this financial administration reform. It will lead to the eventual establishment of budget and cost centres in ministries, which means financial management and control functions can be progressively delegated. The chart will therefore need to be reviewed once the organisation has been approved by the Council of Ministers.

Begin the transition
The manner in which the new organisation is put in place will be planned based on the legal instruments identified earlier, on operational requirements, and on impact of personnel.

Some changes may be possible across the board, all at once. For example, hypothesising that this were the organisational decision, and that a central HRM agency had been established, it might be possible and desirable to change the reporting relationship of all ministerial HRM units to the establishment of the central HRM agency in a specified reporting relationship, while leaving them in place close to the “client” ministry.
Other cases may require extensive planning for the physical move of personnel. They may also require longer approval processes with the Council of Ministers or legislature. Where service delivery to the public is involved, planning will need to take into consideration the avoidance of service disruption.

**Provide for surplus personnel**

As part of the reform process for human resources management, the policy and processes for dealing with surplus employees should be in place. They will be put into practice for the reorganisation, and the requirement for any funding provided under this policy will come into play.

**DEVELOP AND PROMULGATE PARASTATAL GOVERNANCE LEGISLATION**

The team established in Phase I will develop the legislation for approval by the Council of Ministers. It must then be passed by the legislature and be promulgated.

**INITIATION OF THE PRIVATISATION PROGRAMME**

Privatisation does not have to wait until the parastatal governance legislation has been passed. In fact, it is one of the early benefits that can be visibly achieved, providing continued opportunities for publicity on the reform agenda with each privatisation that happens.

It is almost certain, with the number of parastatals and the range of their activities, that some will stand out as very good candidates. Through government regulation or through legislation specific to the parastatal in question, privatisation can be effected.

**Selection:** Identification of candidate parastatals will be based primarily on the public policy related tests described further in the programme section below. However, other factors will also be important:

- Ease of legally effecting the transition.
- Availability of investors or partners.
- Mode of privatisation (e.g., sale at an appropriate price to a willing buyer; establishment of the entity as an autonomous business, without or without sale of shares).
- Transition considerations, such as the Government’s retention of part ownership for a time, or the government’s representation on the Board.
- The Government’s rights and obligations in the event of difficulties for the privatised entity.
- The treatment of accumulated and accrued debt and earnings.
- How quickly privatisation can be carried out.

**Preparation for privatisation**

Preparing for privatisation requires determining a corporate charter for the privatised organisation, and formalising decisions on the factors mentioned above. It will likely also require regulatory or legislative drafting, and management of the approval process.

The initial governors of the privatised parastatal will have to be determined, the senior management team designated, appointed on an interim basis, and remuneration established, while they do the work of preparing for the execution of the privatisation and the corporate events to take in the early life of the entity.
**Execution of the privatisation**
The legal coming into being will take place with the signing of documents. The corporate legal team for the new entity will guide it through the early actions of the Board (for example, the formalisation of appointments), and then the management team will take over.

**Publicity**
The initiation of the programme requires international publicity to attract the attention of potential partners and buyers. The legal coming into being of each initial privatised entity should be an equally major publicity event. Each privatisation is a newsworthy event in its own right, and also provides the opportunity to speak about the larger reform programme and its achievements.

**ESTABLISH THE HRM AGENCY**
The HRM agency will be established during this phase and will progressively introduce the new HRM system and supporting technology.

**Promulgate legislation**
The legislation to establish the HRM agency and to define the rules of the new HRM system will be drafted, approved by the Council of Ministers, and submitted to the legislature. Upon the legislation’s approval, the agency will come into being in accordance with the terms of the resulting law.

**Establish and staff the agency**
The top management of the agency will be appointed and the agency will begin operation. It will be progressively staffed as implementation moves from one area of HRM to another, and as each area goes into full operation. Support from external experts will be a constant factor during the early life of the agency. Former senior officials from other governments can be valuable mentors for roles that are new to the GOS. Technical support will also be required in all areas.

**Implement new HRM systems**
The HRM system will be established progressively. The easiest matters to address first likely will be training, and staffing (hiring and internal appointments).

If the HRM agency is going to be the central deliverer of training and development programmes, the heads of this sub-organisation will design the function and organisation, and plan its implementation.

The staffing function will require the development of directives that are more detailed than the legislation, providing clear guidance on the processes that implement the legislation. The relative roles of agency officials and the personnel in ministerial HRM units will have to be specified. If any personnel in such HRM units are to move to the agency establishment, this will have to be planned and likely approved in advance. Any such changes of reporting relationships will be managed by the agency and will not require the intervention of the RMO, except for general monitoring.

The role of the agency in labour relations will also be established. In most governments, the leadership role in labour relations resides in or close to the treasury function as the key issue is management of government spending. Issues relating to quality of working life could well be represented by the agency as the one responsible for the overall HRM system.
The matter of pay and classification is challenging and time-consuming. While important, it is not a prerequisite for any of the other HRM initiatives, so it will begin in the third phase.

Implement central civil service pay and establishment control

The automated information systems that are needed for control of the civil service establishment will be implemented in this phase. This includes the information system to track approved organisational structures and individual positions within them, authorised appointments of persons to positions, authorisation of pay, and authorised payroll operations.

The transfer of payment authority to the central payroll system should be done as quickly as possible once the system is reliably installed. At the same time, the documentation controls need to be implemented to ensure that pay cannot be issued without proper authorisation from the HRM agency.

The formal definition and registration of the approved establishment will occur progressively, and can initially be independent of other HRM functions. As the process is completed, the establishment process and information system can be tied into the staffing, classification, and pay systems.

EXTEND SCOPE OF RED TAPE COMMISSION

In Phase I, most of the opportunities for removing red tape in the Commission’s early operation will have come from easy-to-achieve simplifications, and those simplifications that were more complex but that still only required negotiation within a single jurisdiction.

During Phase II, the Commission should begin to deal with issues that require a process focus, and the delays caused by citizens having to deal with several public programmes for what, from their point of view, is a single transaction. Examples include meeting the regulatory requirements for starting a business, and import and export procedures. Addressing these issues typically requires agreement from multiple agencies, finding an “owner” and overseer of the resulting single process, and keeping the process running smoothly when agencies introduce new requirements.
These types of issues are typically the most demanding of new thinking about how public policy ends can be met. At the same time, they can result in some of the most important improvements. Extending the Commission’s focus in this way will require external technical support from experts in service delivery of similar processes elsewhere.

ESTABLISH THE PRIVATE SECTOR CAPACITY-BUILDING FORUM

In Phase II, the scope of government/private sector consultation will increase. It will examine the priorities in reform of the legislative framework under which the private sector operates. The full range of legislation is broad: tax law and processes, border processes, banking, insurance, registration, business governance, regulation of markets and consumer protection, financial instruments and trading in financial instruments, plus others.

This forum should meet approximately quarterly. It should be specifically constituted to avoid dealing with day-to-day irritations. Indeed, if this cannot be avoided, the forum should be disbanded. Its purpose is to deal with the long term—it is there for reform and modernisation of the nation, not micro-management.

GOS participation in the forum should focus on representing the public interest. It is not the purpose of the forum to remove all regulation and introduce an unconstrained laissez-faire environment. Both the private sector and the GOS should take into account from the beginning the limited funding that the GOS can provide. Public funds will have to be targeted to public objectives. By and large, private objectives will have to rely on private funds.

In other countries such forums can readily settle into a ritual display of fixed positions by the forum members. Because the forum is to be a public policy instrument of the GOS, it will be important that the GOS have considerable and final say on membership. Subsidisation of the cost of participation should be avoided, since this inevitably results in favouring thinking “inside the box” and leaves others with little opportunity to participate.

The establishment of this forum is a precursor to the establishment of a central policy capacity. The GOS management of the forum should therefore be central, likely initially in the RPMU. It should not become the dominion of any one ministry, not even a ministry with business development as a mandate.

IMPROVE FINANCIAL MANAGEMENT

Improving the capacity to manage, plan, and budget for results requires a number of activities in this phase. Some will continue into the next phase.

Develop and implement financial systems strategy

An integrated systems strategy will be required to handle all the functions related to budgeting and accounting. This includes preparation of central government budgets and accounts, organisational level budgeting and reporting of expenditures and commitments, and reporting to the statistical agency.

The ICT system will be designed for programme- and activity-based financial management and control. It will be implemented progressively. The ICT system will have to include the interface and timely exchange of information between central and ministerial accounting systems, and any central systems (such as the system for central pay of civil servants).
Implement the revenue forecasting model
A revenue forecasting unit will be established and staffed. The technical experts who designed the model in Phase I will train the staff, assist in implementing the ICT support for the modelling, and guide the staff in early revenue forecasting activities and presentation of results.

Whether to use the revenue forecasts in the preparation of the budget will be a political decision, since the budget is both a political and a technical document. The interaction with the officials preparing the budget will be carried out by officials of the forecasting unit, assisted by the model’s technical experts.

Avoid the cash flow trap
Key reforms to fiscal administration will begin in Phase II. If they have been started under other internationally financed projects, they will be brought under the planning and monitoring role of the RPMU in Phase II.

Prepare to include for-profit parastatals in the tax regime: Parastatals that have a profit motive will be brought into the tax regime on the same basis as privately owned enterprises. They should be required to provide public corporate reports that are the same as those required of private enterprise, based on the same accounting principles. These reforms will make clearer the contribution or cost of the parastatal to the GOS treasury. They will introduce important changes in management focus that will go a fair way towards facilitating other forms of ownership, should this become desirable.

The legal basis for this change will have to be prepared. At the same time, parastatals will have to review the basis of their accounting practices and bring these into line with those required of private enterprise.

Strengthen the revenue emphasis of tax reform:
Reform of direct and indirect taxes will focus on a number of aspects, only one of which is the level of revenue. It is important for getting out of the cash flow trap. This will require reforms that focus on improvement of transparency in tax processing and on modernising procedures (largely through automation). The result will be reduced opportunities for manipulation of the systems by corrupt taxpayers and officials, and improved records and audit trails.
### 5.3.2 ACTIVITY FRAME

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s)</th>
<th>Over-coming impediment(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strengthening RMO</td>
<td></td>
<td>1,2,6,7,8,9</td>
<td>3,4,5,6</td>
</tr>
<tr>
<td>1.1</td>
<td>Assume overall programme planning and negotiation</td>
<td>RPMU leadership of negotiation has been formalised on identified projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Coordination with Ministry of Finance</td>
<td>Regular coordination meetings have begun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Strengthening the RMO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.1</td>
<td>Cross-ministerial oversight capacity</td>
<td>The RMO is taking the initiative in coordinating cross-Ministerial initiatives, and expediting progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.2</td>
<td>Refine briefing capacity</td>
<td>A formal briefing process has been approved by the Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.3</td>
<td>Sustaining momentum and reconciliation of interests</td>
<td>The RMO has been effective in overcoming disagreement among implementing ministries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Rationalising the organisation for service and results</td>
<td></td>
<td>2,5,6,7,8</td>
<td>1,2,3,4,5</td>
</tr>
<tr>
<td>2.1</td>
<td>Establish high-level task force</td>
<td>The task force is in place, relieved of other duties, and ready to work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Finalise government’s strategic objectives</td>
<td>The strategic objectives are approved by the Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Allocate activities that support each objective</td>
<td>Allocation is approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Determine the new organisation</td>
<td>The organisation is approved by the Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Begin the transition</td>
<td>New Ministries have been established and Ministers appointed with final or transitional responsibilities; movements of personnel have begun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>Action</td>
<td>Measures of progress</td>
<td>Major contributions to strategic initiative(s) #</td>
<td>Over-coming impediment(s) #</td>
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<tr>
<td>2.6</td>
<td>Provide for surplus personnel</td>
<td>Support for surplus employees has been delivered.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Develop and promulgate parastatal governance legislation</td>
<td>The legislation is in effect and parastatals are required to come into compliance with it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Initiate the privatisation programme</td>
<td></td>
<td>2,5,6,7,8</td>
<td>1,2,3,4,5,6</td>
</tr>
<tr>
<td>4.1</td>
<td>Selection</td>
<td>Initial selection of parastatals to be privatised approved by Council of Ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Preparation for privatisation</td>
<td>Due diligence performed; agreement formalised; formal acceptance of prerequisite conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.1</td>
<td>Preparation for privatisation</td>
<td>Due diligence performed; agreement formalised; formal acceptance of prerequisite conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.2</td>
<td>Preparation for privatisation</td>
<td>Due diligence performed; agreement formalised; formal acceptance of prerequisite conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.3</td>
<td>Preparation for privatisation</td>
<td>Due diligence performed; agreement formalised; formal acceptance of prerequisite conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.4</td>
<td>Preparation for privatisation</td>
<td>Due diligence performed; agreement formalised; formal acceptance of prerequisite conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Establish the Human Resources Management Agency</td>
<td></td>
<td>2,3,5,8</td>
<td>1,3,4</td>
</tr>
<tr>
<td>5.1</td>
<td>Promulgate legislation</td>
<td>The legislation is promulgated and in effect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2</td>
<td>Establish and staff the agency</td>
<td>The leadership of the agency is in place; staffing of subordinate positions has begun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3</td>
<td>Implement new HRM systems</td>
<td>Implementation of the initial HRM system component is completed; ministry HRM personnel are functioning in accordance with the new rules for that system component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.4</td>
<td>Implement central civil service pay and establishment control</td>
<td>Central payments and controls are fully in place; audit of payment system has been requested</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 5.3.2 ACTIVITY FRAME (CON’T)

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s)</th>
<th>Over-coming impediment(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Extend the scope of the Red Tape Commission</td>
<td>Projects are underway that take a single process- and client-centred view across GOS programmes</td>
<td>6</td>
<td>2,4</td>
</tr>
<tr>
<td>7</td>
<td>Establish the Private Sector Capacity Building Forum</td>
<td>The instituting meeting of the forum has been held and officers elected/ appointed</td>
<td>6</td>
<td>2,4</td>
</tr>
<tr>
<td>8</td>
<td>Improve financial management</td>
<td></td>
<td>2,5,8</td>
<td>3,4,5</td>
</tr>
<tr>
<td>8.1</td>
<td>Develop and implement financial systems strategy</td>
<td>The systems support for the new financial management and control framework is operational centrally and in ministries/agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2</td>
<td>Implement the revenue forecasting model</td>
<td>The preparation of the budget has been informed by the results of the model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>Avoid the cash flow trap</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.3.1</td>
<td>Prepare to include for-profit parastals in the tax regime</td>
<td>Regulations, accounting policies, and central procedures are in place; parastatals are ready to conform</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.3.2</td>
<td>Strengthen the revenue emphasis of tax reform</td>
<td>Increased effectiveness of revenue administration shows a higher revenue/GDP ratio</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 5.4 PHASE III – CONSOLIDATION OF PUBLIC SECTOR REFORM

By the time Phase II is complete, well-oiled reform management machinery should be in place, and legislation should have been designed and promulgated. A body of officials experienced in dealing with issues at the centre of government and in coordinating with and among ministries and agencies should have been developed. At the same time, results should have been seen from other reform projects to provide opportunities for further advancement.

### 5.4.1 PHASE III – ACTIVITIES

This description of this phase of the Road Map assumes the continued existence of RMO. Success in the first two phases of implementation, and the changing world of opportunities that five years will bring might suggest that interweaving Road Map initiatives into the wider reform programme is advisable.

**RENEW REFORM PLAN**

The need to keep the Road Map plan up to date has been addressed above. This five-year juncture likely
will be a good time to undertake a major review. The landscape will have changed since the beginning of the Road Map. For example, there may now exist local governments in a position to assume programme delivery responsibilities that did not exist before.

Some initiatives may well be proceeding faster than anticipated, while others may be lagging. Changes in the capacity of the public service may make new paths to reform possible. Developments in the political environment may well change the possibilities.

The renewal of the reform plan will be a major undertaking. It will involve the reorganised ministries, and will take place against a background of some parastatals having been privatised. While significant net benefits of reform will have been achieved, new issues will have come up. The development of the new plan will have to continue to look beyond current irritations to medium- and long-term improvements.

ESTABLISH CENTRAL POLICY CAPACITY

In Phase III, the capacity built during the previous five years will be used to establish a central policy unit that can be effective from its inception. This will be paralleled by an improvement in the ability of GOS to make policy into legislation. The Road Map alone will require this, but the increased ability of the GOS to deal with social and economic issues as well as reform will also result in an increase in legislation.

Establish the Central Policy Unit

The policy unit will be established in this phase. The experience of the previous five years in coordinating and monitoring cross-ministerial issues, as well as the experience of ministers in effectively dealing with such as central function, will stand the GOS is good stead. It will provide a cadre from which numbers of the policy staff can be selected, and provide immediately accessible experience in working with such a central unit.

While the working style may bear similarities, the substance of the work is different, however, and the establishment and early operation of the policy unit will require mentoring and technical assistance from experts with experience in central policy functions.
Strengthen legislation drafting capacity
The process of developing legislation from government policy can be the biggest delaying factor in making policy effective—bigger even than developing the policy in the first place. Responsibility for formulating legislation will have been assigned as part of the streamlining of the organisation in Phase II.

IDENTIFY FUNCTIONS TO BE DECENTRALISED
Three types of decentralisation would help the GOS focus on its core functions:

- Devolving programme authority completely to local governments.
- Contracting with local governments (among others, such as members of civil society) for the delivery of certain programme-related services.
- Contracting with non-government providers for support services (e.g., printing, ICT support, cleaning, building maintenance).

Focusing strongly on the local context, the Decentralisation and Local Government Strengthening Programme (DLGP) already will have identified certain activities that can be devolved to local governments and funded by locally raised taxes. Additional activities may be identified that could equally be transferred to local governments along with the provision of a suitable basis for continued funding of the activity. The delivery of some social programmes is highly adaptable to local needs, for example.

Short of full devolution of authority for a programme activity, its delivery can be arranged by contract. The contracted body in such cases need not be a local government. It can be any organisation in civil society, or a private firm. Chapter 4 described the requirements for successful decentralisation of this type.

One of the most valuable commodities in government is the time and attention of its executive and senior managers. The less time that is spent on peripheral issues like cleaning floors and repairing door hinges, the more of that scarce time is left for matters that directly benefit the citizen. Provided there is a basis for competitive procurement, and the services purchased are definable, stable, and measurable against service standards, the opportunity exists to purchase them from outside the civil service.

Once the functions to be decentralised are identified, the decentralisation programme described in Chapter 4 can form the basis for planning. For most functions, it likely will be that standard contracts get negotiated with one delivery agent at a time. For true devolution, the process may have to be planned on a national basis.

Plans for decentralisation must include a net reduction of the establishment of the organisation currently handling the activity, including provisions for ongoing monitoring and assuring accountability.

The coordination of decentralisation will likely be the responsibility of an office within the RPMU. Technical assistance will be required from experts in managing contracted services, monitoring the quality of service, and possible remedial actions.
RIGHT-SIZE THE PUBLIC SERVICE
The documentation of authorised establishments and job descriptions will have been completed early in Phase III. The systematic reduction in the public service can then begin. This will require technical support from experts conversant with public service organisational principles.

Certain overall limits and restrictions may be imposed, particularly at the outset. Ministries may be required to adapt their organisations (e.g., no one-on-one reporting relationships, guidelines for the number of and reporting structure of senior executives, general global reductions in personnel, etc.). Most improvements, however, will result from specific organisational design studies on particular programmes. These studies recommend an organisational structure and job descriptions for a more efficient establishment suitably staffed for the nature and volume of the work.

During Phase III, this kind of discipline regarding organisation and establishment control needs to become institutionalised. Downward pressure on the size of the civil service needs to originate with justification of each job, and the inability to hire people without a formally defined and approved job to put them in.

INTRODUCE PROGRAMME-BASED AND ACTIVITY-BASED BUDGETING/ACCOUNTING
Once the new chart of accounts and its relationship to the organisation has been finally determined, introducing programme-based and activity-based budgeting and accounting is a multi-year undertaking in itself. The essential systems will need to be in place to support both central and ministerial financial management and control processes. Central and ministerial staff will need to be trained in the new procedures. Ministers, members of the legislature, and those who support them will need to be able to interpret the resulting reports.

The quality of financial budgeting and accounting will improve rapidly with experience. After the new budgeting and accounting regime has stabilised, it will be practical to embark on new initiatives. Primary among these will be the ability of the central financial management function to develop multi-year financial plans for the GOS. These will look at the future of existing programmes and programmes to be presented for approval.

MODERNISE LEGISLATION TO IMPROVE BUSINESS ENVIRONMENT
The responsibility for regulating and managing the business environment will have been assigned in the streamlining of the organisation. The ministry with this responsibility should take the lead role on policy development, its coordination with the central policy unit, its development into legislation, and its placing on the GOS legislative agenda.
### 5.4.2 PHASE III – ACTIVITY FRAME

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Measures of progress</th>
<th>Major contributions to strategic initiative(s)</th>
<th>Over-coming impediment(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Renew reform plan</td>
<td>Plan approved by Council of Ministers</td>
<td>1,9</td>
<td>4,5,6</td>
</tr>
<tr>
<td>2</td>
<td>Establish central policy capacity</td>
<td></td>
<td>2,4,5,6,7,8,</td>
<td>5</td>
</tr>
<tr>
<td>2.1</td>
<td>Establish central policy unit</td>
<td>Unit is staffed and operational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Strengthen legislation drafting capacity</td>
<td>Unit strength is increased; technical assistance to improve efficiency in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Identify functions to be decentralised</td>
<td>Specific functions identified; delivery agents identified; prerequisites completed; contracts are in place</td>
<td>2,5,6,7</td>
<td>1,2,3,4,6</td>
</tr>
<tr>
<td>4</td>
<td>Right-size the public service</td>
<td>Formal establishment is approved; examination of individual organisations has begun (e.g., contracts in place)</td>
<td>3,5</td>
<td>1,3,4,5,6</td>
</tr>
<tr>
<td>5</td>
<td>Introduce programme-/activity-based budgeting and accounting</td>
<td>Legislature has approved budget and report on spending in the new format</td>
<td>2,5</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Modernise legislation to improve business environment</td>
<td>First law has been approved and promulgated</td>
<td>5</td>
<td>2,4</td>
</tr>
</tbody>
</table>
GETTING READY FOR THE JOURNEY
The preceding chapter of the Road Map laid out a multi-year journey in three phases – Seizing Control of Reform, Showing the Strength of Reform and Consolidating Reform. Implementing these three phases would constitute a transformation of the public service of Suriname. Given the centrality of the public service to the nation, it would also begin a transformation of Surinamese society.

Implementation, however, involves far more than just agreeing to move forward. As with any journey, a road map alone is not enough; there are necessary preparatory steps to be undertaken before the journey can commence. It would be as though a driver, map in hand, wished to go to a distant city but failed to check the condition of the vehicle, add fuel or to check the air pressure in the tires before starting out.

As it moves toward commencing the public sector reform journey, even with a good Road Map, the Government of Suriname needs to make additional preparations.

6.0 BEFORE THE JOURNEY STARTS

There are four preconditions to implementing the Road Map. The most significant are:

1. Gaining consensus and approval of political parties.
2. Communicating and building national consensus.
3. Coordinating and integrating existing efforts.
4. Building an international long-term funding strategy.

6.1 GAINING INTERNAL CONSENSUS AND APPROVAL

The Road Map presents a detailed three-phase plan, along with a notional budget for each step (refer to the Table on page 113). Because the Road Map is necessarily iterative, there will be a number of opportunities to revise subsequent phases and their contents to reflect changing conditions. However, one key factor will remain constant throughout: The Road Map is predicated on the coordination of decision-making and centralisation.
of competent, strong and committed leadership with respect to public sector renewal.

As noted earlier in the Road Map, reform demands new patterns of behaviour for Suriname’s political leadership. This means a clear move away from the present patterns of fractured leadership and divided interests. To put it most clearly, the Road Map’s crucial first phase requires a serious commitment to collective action.

To support the attainment of this common commitment, it will be necessary to immediately establish the core of the Reform Management Office. The first challenge of this office is to work to support the Council of Ministers, in more than just an administrative fashion, to help individual coalition members reach outside of themselves toward a commitment to a common goal that reflects the interests of all citizens of Suriname.

It is likely that the Council of Ministers will have to spend some time understanding the implications and deliberating on how to deal with the effects of the reforms outlined in the Road Map. Yet, such deliberations should take place within months, not years.

Ministers face a prime challenge: to ratify a new collaborative approach to public sector decision-making that involves a balance between centralised leadership and decision-making and the individualized interests and practices of members of the coalition. The Road Map’s “seizing control of reform” in Phase I reflects the need for this new balance.

Ministers then face another challenge, even before the public launch of the Road Map, to agree to its level of priority among other national development initiatives. We will address this subject in more detail below.

Finally, ministers will need to come to recognise the internal unity of the Road Map and the fact that it reflects the vision and broad goals drawn from leaders from all interests and sectors of Surinamese society, including their own. While it contains many sub-elements, it is far more than a list of likely “things to do.” From Phase I right through to Phase III, the process should be viewed as a whole: more than simply the sum of its parts, or the sum its costs. The natural tendency to “pick and choose,” or to divide the Road Map’s work up among varying ministries, must be avoided. This is also why it is essential to build an international donor and lender consensus as another vital precondition to the start of the journey mapped out by the Road Map.

6.2 COMMUNICATING AND BUILDING NATIONAL CONSENSUS

The Road Map was created through a process that reached out to leaders of all corners of Surinamese society. To that end, efforts will have to be taken, before Phase I starts, to communicate and then to build a national consensus for the direction of the renewal. Again, this crucial national task cannot be accomplished without establishing and funding a high-level, competent Reform Management Office.
Key activities will include:

- Developing a national information-sharing, dialogue and communications strategy that would be designed to reach out to those that did not participate in the Road Map exercise to acquaint them with and to build a consensus for the Road Map for Public Sector Reform in Suriname.
- Establishing a mechanism to solicit feedback from social partners: civil society, business and labour.
- Developing a means to integrate comments into the Road Map. The shaping of consensus necessitates making improvements and alterations to the Road Map along the way. It is a living and dynamic policy framework for the achievement of a national vision.

It is equally important to point out that seeking a consensus from society at large need not involve a prolonged delay in moving toward actual implementation. Also, while civil society, business and labour were engaged in the design of the Road Map, they have not had an opportunity to revisit its final form. Thus, to ensure their necessary buy-in, they will probably have to be consulted as to its final directions and content.

This exercise should be undertaken in a matter of months, not years. A well planned and executed three-month period of national consensus building is recommended.

6.3 COORDINATING AND INTEGRATING EXISTING EFFORTS

Comprehensive public sector modernization, such as that envisioned by the contributors to the Road Map, occur in the “real time” of the life of a government. For developing nations like Suriname, this means that existing donor/lender supported public sector renewal programming is in place at the same time as government leaders are contemplating a more integrated and comprehensive approach such as that envisioned by the Road Map’s three phases of reform.

This leads to the requirement to catalogue existing development cooperation programming that relates to every ministry of the government, as well as any programming that may affect civil society or the business sector of the economy. Clearly this vital task is one that should be assigned to the Ministry of Planning and Development Cooperation, working along with the initial Reform Management. This cataloguing will require going beyond the current inventory-taking of the present and planned 317 internationally funded projects. It should plot critical paths for these existing reform efforts, identify how they contribute to the national vision, how they are managed, what results they are getting and, where necessary, how they could be redesigned to best achieve Suriname’s vision rather than the goals of individual funding agencies.

The outcome of this activity, which should not be excessively time consuming, would be a catalogue of existing modernisation efforts—and a critical path for them. This can then be used to feed into probably one of the most critical precursors to the actual launch of the three phases of the Road Map.
6.4 BUILDING AN INTERNATIONAL LONG-TERM FUNDING STRATEGY

Like most developing nations, Suriname works with a variety of donors and lenders ranging from the international development banks such as the World Bank and the Inter-American Development Bank, through multilateral bodies like UNDP, to a range of bilateral development cooperation partners like Canada, the EU and especially the Netherlands.

The catalogue and critical path discussed above would show the breadth and scope of the development support. Like the Jamaican example discussed in this Road Map, one of the major challenges through the entire duration of the three phases will be donor and lender coordination. This task becomes especially important even before Phase I begins.

The Road Map lays out a series of coordinative and practical initiatives for each phase. Therefore, one initial challenge will be to ensure that donors and lenders adapt their programming base to Road Map initiatives. In this way, Suriname can take possession of its own development agenda, and not be limited or constrained by the agenda (sometimes competing) of donors and lenders. Research clearly demonstrates this ownership is a most important critical success factor for development and for national reform.

The estimated direct implementation costs are presented in the table on page 113. The scope of the reform project necessitates cooperation and collaboration among international funding agencies and the Government of Suriname. More important it will require all partners to stretch well beyond their traditional thinking and practices. It will also compel reform partners to share the vision developed by Surinamese leaders in the preparation of this Road Map.

As history and experience have demonstrated, we already know what the results will be of traditional reform programming. Dozens of disconnected mini-projects will at best produce scarcely measurable improvement. The bold action and collective leadership required for substantial and substantive reform is clearly laid out in the Road Map, a document reflecting a strong consensus among Surinamese leaders from all sectors.

There have been no consultations regarding implementation cost estimates. The notional budget presented is based on similar adequately financed donor funded projects being carried out in other nations, modified for unique situations in Suriname. One of those unique situations is the lack of resident expertise. Another is that leaders indicated that they want external consultants used in a specific way—as mentors to local individuals who can learn the skills and develop the expertise to carry on the implementation process after the first several years. This approach aims to build local capacity and avoid building dependence upon external consultants. It is also seen to be a more cost effective approach ensuring better value-for-money. However, specific technical expertise will continue to be required for several project elements.

Building a long-term international funding strategy is an exercise in donor harmonization – a long sought after international goal. The comprehensive nature of the Road Map, combined with the degree of coordination
## A NOTIONAL ROAD MAP BUDGET: ESTIMATE OF DIRECT IMPLEMENTATION COSTS

<table>
<thead>
<tr>
<th>Reform Initiative</th>
<th>Duration in years</th>
<th># Consultants</th>
<th>Prof Days</th>
<th>Prof Fees $US</th>
<th>Prof Expense $US</th>
<th>IFI Total $US</th>
<th>GOS Cost $US</th>
<th>Grand Total $US</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reform Leadership &amp; Governance</strong></td>
<td>10.0 yrs</td>
<td>7</td>
<td>3,500</td>
<td>6,825,000</td>
<td>1,603,875</td>
<td>8,428,875</td>
<td>10,000,000</td>
<td>18,428,875</td>
</tr>
<tr>
<td>RMO, consolidating, mobilising, capacity building, M&amp;E, reporting, updating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Organization for Service &amp; Results</strong></td>
<td>4.5 yrs</td>
<td>12</td>
<td>5,800</td>
<td>8,990,000</td>
<td>2,112,650</td>
<td>11,102,650</td>
<td>2,725,000</td>
<td>13,827,650</td>
</tr>
<tr>
<td>Programme and parastatal reviews, organisational assessments, rationalisation, transition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>HRM Redesign</strong></td>
<td>9.0 yrs</td>
<td>10</td>
<td>6,800</td>
<td>9,900,000</td>
<td>2,326,500</td>
<td>12,226,500</td>
<td>1,462,000</td>
<td>13,688,500</td>
</tr>
<tr>
<td>HRM Task Force, establishment control, HRM Agency, right-sizing, capacity building, performance management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decentralization</strong></td>
<td>10.0 yrs</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>-</td>
</tr>
<tr>
<td>While covered in another project, RMO must assess and integrate activities into the wholistic reform</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Managing, Planning &amp; Budgeting</strong></td>
<td>4.0 yrs</td>
<td>6</td>
<td>2,160</td>
<td>3,145,000</td>
<td>739,075</td>
<td>3,884,075</td>
<td>1,200,000</td>
<td>5,084,075</td>
</tr>
<tr>
<td>PBB, revenue management/forecasting, capacity building and institutionalisation throughout GOS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private Sector Development</strong></td>
<td>10.0 yrs</td>
<td>8</td>
<td>7,880</td>
<td>12,608,000</td>
<td>2,962,880</td>
<td>15,570,880</td>
<td>4,250,000</td>
<td>19,820,880</td>
</tr>
<tr>
<td>Privatisation programme, Red Tape Commission, legislation, capacity building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engaging Civil Society</strong></td>
<td>8.0 yrs</td>
<td>6</td>
<td>4,400</td>
<td>6,406,000</td>
<td>1,505,410</td>
<td>7,911,410</td>
<td>5,000,000</td>
<td>12,911,410</td>
</tr>
<tr>
<td>Consensus building, communications and active dialogue, empowering, capacity building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Policy Development/Implementation</strong></td>
<td>5.0 yrs</td>
<td>8</td>
<td>3,200</td>
<td>4,660,000</td>
<td>1,095,100</td>
<td>5,755,100</td>
<td>2,000,000</td>
<td>7,755,100</td>
</tr>
<tr>
<td>Central policy capacity/unit, support for coalition, institute GOS M&amp;E capacity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td>33,740</td>
<td>52,534,000</td>
<td>12,345,490</td>
<td>64,879,490</td>
<td>26,637,000</td>
<td>91,516,490</td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**
1. Expenses are based on 23.5% of consulting fees
2. Approximately 50% Professional fees should be for domestic consultant mentoring and consulting, consideration given to turnover rate
3. GOS cost based on expertise that will be acquired locally and non-staff operational costs (office, equipment, communications, etc.)
of decision-making within the Reform Management Office, may provide the critical mass of leadership and programmatic direction to promote donor and lender harmonisation.

However, for harmonisation to work, donors and lenders need to agree to its necessity. They also must agree to support the management of the implementation of the Road Map along with the specific initiatives contained in each phase. For the Road Map’s three phases to have a reasonable chance to achieve their desired objectives, the Government of Suriname and the network of lenders and donors will have to agree to long-term (eight years or longer) funding strategies. For some lenders that might entail revisiting their long-term country assistance plans; for others it might involve more informal but still long-term commitments to supporting the Road Map.

Another donor-related issue arises directly out of the need for harmonisation and long-term funding commitments. It is the extent to which the Road Map is seen to constitute an overarching priority for the government, and not simply another of many priorities. We have witnessed in some nations tendencies to begin to contemplate comprehensive strategies, only to see the imperative of public sector reform as a national development building block in competition with issues like public health or basic social/infrastructure needs.

It is for this reason that the first and most important precondition to launching the journey, forging an internal consensus, must also address the balance among donor and lender supported programming, and establish some form or prioritisation among varying initiatives.

As for timing, it will be critically important once internal government consensus has been reached to move rapidly to seek donor and lender support for the Road Map and its initiatives. Full commitments to the initiatives in Phases I and II are likely to be essential preconditions for the commencement of the journey. Again, we want to emphasize that committing to implement the Road Map means that the government may have to make tough choices among other competing development cooperation projects.

6.5 LOOKING TOWARDS TOMORROW

There is a tendency in assignments such as these to be asked to anticipate the long-term benefits of a comprehensive public sector reform. However, the long-term, socio-economic development impacts of multi-year initiatives such as these are difficult to forecast, and such forecasts are frequently overtaken by changing circumstances. Further, this forecasting requires resources far beyond those provided for the preparation of this Road Map.

Who in 1999 or 2000 could have forecast the global transformations in development cooperation programming that have occurred as a consequence of the events of September 11, 2001? Who in 2003 could have forecast the impact on developing nations of crude oil prices now exceeding $ US 100 per barrel? The most consistent message relative to the long-term worth of public sector reform, such as that envisaged by the Road Map, was probably set out by the former Secretary General of the United Nations in 2000, when he argued that no amount of development programming will have any chance of attaining its...
goals unless it can be implemented within the context of a renewed, refreshed, transparent and predictable public administration. In a similar way, Geoffrey Sachs, in his recent landmark book *End to Poverty*, showed conclusively that long-term sustainable development requires the active involvement of the private sector and private sector investment, and cannot be accomplished by development programming and the public sector alone, or even together. To promote such investment in any nation, the public sector will have to become the platform on which growth is fostered, and not the engine of growth in its own right.

The Road Map we have developed charts a new course for Suriname and new relationships between its government and its citizens and civil society. We have reported on the degree to which all stakeholders appear to be ready to embrace change and the extent to which they understand that such change may become transformational for the nation as a whole, and its institutions.

Reshaping the public sector will not be an easy task or one without significant challenges. It is one, however, that appears to be crucial if the nation is to reach its potential and achieve the goals it has set for itself.

We end this Road Map project as we began it – with the four visions that Suriname’s leaders from all walks of life articulated at the very outset.
These visions, while articulated separately, come together in one symbol. The five points in the star in the national flag represent the five continents from which the inhabitants of Suriname came; its color stands for a golden future.

A VISION FOR CITIZENS
In 2015, the citizens of Suriname enjoy an improved quality of life, personal safety and national security, a good education, excellent health care, equal access to services, and good jobs. They take pride in their nation and celebrate Suriname’s multiculturalism. The economy is stable and growing. Suriname’s society values and supports the well-being of all members of society, human rights, democracy, freedom, equity, the law, public services, and the environment and responsible use of natural resources.

A VISION FOR THE PRIVATE SECTOR
In 2015, Suriname’s healthy and productive private businesses employ most of the working population. Government strategies have helped private businesses grow. There is economic growth, prosperity, investment, and research and development. The private sector now shows leadership, creativity, initiative, and self-sufficiency. The economy supports the development of technology and partnerships. Government has decreased the rules that restrict businesses. Working together, the private sector and government internationally promote Suriname’s assets, products, and values. In partnership, GOS and the private sector include informal local businesses. Suriname can boast a strong, competitive, and productive private sector.

A VISION FOR THE PUBLIC SECTOR
In 2015, Suriname has a public sector that is effective, efficient, and highly motivated. Citizens are happy with the improved services. Civil servants have clear performance standards and are held responsible for their work. Civil servants are hired based on merit and managerial and technical skills, and paid appropriately for the work they perform. Every civil servant is focused on core tasks that contribute to Suriname’s goals. Government ensures that donor-funded projects contribute to national goals and priorities, and are managed well.

A VISION FOR POLITICAL LEADERS
In 2015, the political leaders of Suriname support reform and continue building a national consensus on Suriname’s future. They put national interests before party interests, consider all members of society, and include them in their decisions. They are guided by accessible, open, and results-oriented methods. Political leaders promote national pride and goals, and support teamwork and cooperation within government, with unions, in business, and in society. They have modernised the legal system and updated national laws.
There is a vision for the Road Map too:

In 2015, Suriname’s political leaders, citizens, public servants and private sector will look back with pride to the national achievements that have forged together. They will be able to confidently affirm that the journey they designed through the Road Map project directed them toward new solutions and a new common consensus about the future of their nation.
## AT A GLANCE: ROAD MAP FOR PUBLIC SECTOR REFORM IN SURINAME

<table>
<thead>
<tr>
<th>STEP A</th>
<th>STEP B – ROAD MAP PHASES I, II AND III</th>
<th>STEP C</th>
<th>STEP D</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREPARING FOR THE JOURNEY</td>
<td>PHASE I – SEIZING CONTROL OF REFORM</td>
<td>PHASE II – SHOWING THE STRENGTH OF REFORM</td>
<td>PHASE III – CONSOLIDATING REFORM</td>
</tr>
<tr>
<td>1 YEAR</td>
<td>2 YEARS</td>
<td>3 YEARS</td>
<td>5 YEARS</td>
</tr>
</tbody>
</table>

### PRIMARY ACTIVITIES

- Establish Core Reform Management Office (RMO)
- Gain consensus and approval of political parties
- Communicate
- Three-month national consensus building
- Coordinate existing efforts
- Build international long-term funding strategy

- Establish and mobilise RMO
- Review of organisations and programmes
- Parastatal review
- HRM capacity and establishment freeze
- Prepare for programme-based budgeting and accounting
- Develop revenue forecasting model
- Develop privatisation plan
- Establish Red Tape Commission

- Strengthen RMO and reform management
- Cross-government reform oversight and coordination
- Rationalise organisation for service and results
- Initiate privatisation programme
- Establish HRM Agency
- Establish private sector capacity-building
- Improve financial management

- Renew reform plan (update)
- Establish central policy capacity
- Identify functions to be decentralised
- Right-size the Public Service
- Introduce Programme-based Budgeting
- Modernise legislation to improve business environment

- Assessment of all reform activities
- Documentation of lessons
- Recommendations for improvement
- Discuss report with key stakeholders

- Readesign Road Map
- Build national consensus

### MAIN DELIVERABLES

1. Political and national consensus
2. IFI harmonisation
3. Long-term funding strategy

1. Reform managed centrally
2. Programme review, parastatal review
3. Privatisation plan

1. New parastatal; privatisation commences
2. Overlaps and duplications removed
3. Surplus employees identified
4. Operational HRM Agency

1. Operational Policy Unit
2. Decentralisation of activities begins
3. Budget approved in new format
4. Business improvement laws promulgated

1. Assessment Report
2. Approved recommendations

1. Road Map II approved
2. Consensus achieved
3. Implementation prepared

INTERNATIONAL FUNDING AGENCY HARMONISATION

VISION ACHIEVEMENT
Appendix 1: Documents Consulted During Creation of the Road Map

CONSTITUTION, ACTS OF PARLIAMENT AND DECREES

Constitution of 1987
Comptabilitait Act (Accountability Act)
Wet op de Staatsschuld, 2002, No 27 (Debt Law)
Personnelswet (Personnel Act), 1985, No. 41.
Resolutie no 5810 … van de gewijzigde organisatie-structuur van het Kabinet van de President van de Republiek Suriname. N0 83, 2002. (Decree establishing the organization of the President's office)
Bankwet 1956 (Bank Act)
Bank Act of May 20, 2005, amending the Bank of 1956
Regulation of June 21, 1968 regarding supervision of bank & credit business, attached to the Bank Act of 1956.

Law requiring the audited financial statements for 1980 to 2000 to be submitted to the National Assembly. Dated 2002, No 1.
Decree amending the 1972 Decree with respect to Audit No 33, 1988 (decree re CLAD)
Staatsblad Van De Republiek Suriname, 2002 No. 16
Staatsblad Van De Republiek Suriname, 2005 No. 94

GOVERNMENT DOCUMENTS

CENTRE OF GOVERNMENT
Kabinet van de President van de Republiek Suriname – organization chart
List – Chiefs of State and Cabinet Members

MINISTRY OF EDUCATION
Ministry of Education and Community Development budget estimates for Directorate of Sport and Youth Affairs
Budget Estimates (whole Ministry) 2005
Directorate of Education organizational chart
Constitution as it pertains to MOE
Suriname Education Plan
Various Ministry of Education output
Contribution of the Department of Sports Affairs concerning the speech of the President of the Republic of Suriname at the General Assembly of the United Nations, 2005
Report of the National Youth Parliament, a sample program, 2005 (English & Dutch)
Draft Education Sector Plan 2004-2008 (English)
Ministry of Finance
2006 Budget Instructions – sent out by letter from the Minister of Finance on April 5, 2005
Ministerie van Financien, Financiele Nota 2005, Paramaribo, Suriname (2005 Budget)
Overview of Parastatals/Public Sector Foundation and State Owned Enterprises
Parastatals – Commercial and Non-Commercial Foundations (listed by subject area)
Notitie Codeersysteem (Chart of Accounts)
Technical Evaluation of the Salaries and Pension Processing System of Suriname, a report done by IGT for CEBUMA
Final Accounts for 2004, all ministries, from Bookkeeping Dept
2005 Half Year Spending reports (draft) for all ministries from Bookkeeping Dept
Printout of 2006 budget details, including ceilings, requests & final budget, from Treasury Department
2006 Ministry Budget Estimates
2005 Ministry Budget Estimates
Summary table of 2005 estimates by ministry (prepared by CI)
SDMO Organization structure Presentation
Table of debt profile prepared for IMF, by the SDMO
Staff numbers and wage bill by Ministry plus military and policy. December 2003 and 2004, September 2005 (CEBUMA)
Pay scales for PSs (from CEBUMA)
Monthly staffing numbers by department for 2004 and 2005 (from CEBUMA)
Instructions from CBB to Ministries on the new reporting requirements (2004)
MINISTRY OF HOME AFFAIRS
Organization chart of the Ministry and translations
Ministerie van Binnenlandse Zaken, Maatregelen
Onderdeel: Project Public Sector Management Strengthening Program
Ministerie van Binnenlandse Zaken. Overzicht – Activiteiten Public Sector Reform
Civil Servant’s Development Program 2004
Civil Servant’s Development Program 2004 Terms of Reference Overheidspersoneelzorg Algemeen
Civil Servant’s Development Program 2004 Terms of Reference Project Personeelsdiscipline

MINISTRY OF LABOUR
Detaillering Overheidsorganisatiestructuur (Government org structure)
Strategic plan
Budget estimates

MINISTRY OF PLANNING AND DEVELOPMENT COOPERATION
“Overzicht Programma’s en Projekten Jaarplan 2006 naar Ministerie”
Ministry of Planning Year Plan 2003
Ministry of Planning Year Plan 2004
Responses to Ministry Assessment questionnaire
Budget Estimates for 2006
Strategic Vision 2001-2005
Medium Term Development Plan 2001-2005

MINISTRY OF REGIONAL DEVELOPMENT

MINISTRY OF SOCIAL AFFAIRS
Legislation – list of legislation administered by the Ministry of Social Affairs
Provisions through the Ministry of Social Affairs and Housing – list of programs delivered by the Ministry of Social Affairs
Verloop van de Sociale Voorzieningen en Normen –
Benefit rates for financial assistance, old age pension
Government of Suriname. Policy Plan for Children
2002-2006. Paramaribo, April 2002

OTHER PUBLIC SECTOR ORGANIZATIONS
‘Public Sector Reform – The CLO Story’ –
Michael Miskin
Verkiezingsprogramma van de NDP
Categories of electricity charges: households,
business etc. (For further explanation ask Tine)
Nieuw Front voor Democratie & Ontwikkeling.
Verder Bouwen aan Stabiliteit, Groei & Duurzame
Ontwikkeling, 2005
Vereniging Surinaams Bedrijfsleven (Suriname
Annual report
Policy Discussion Paper – “A Proposal for a
Comprehensive Framework Towards Suriname
Vision 2020”
List of all programs/ministries 2006

NOVEMBER WORKSHOP DOCUMENTS
Handwritten notes from workshop,
translated from Dutch
TGN presentation deck
Workshop instructions & assignments

Workshop schedule
President’s speaking notes
Draft Vision for Public Sector Reform
“Bestuurlijke Ontwikkelingen Na 30
Jaar Onafhankelijkheid” (newspaper article
that was handed around during workshop)
Draft letter to workshop participants

EXTERNAL DOCUMENTS
IMF. 2005. Suriname 2004 Article IV Consultation –
Staff Report. IMF Country Report No. 05/143.
cat/longres.cfm?sk=18218.0

imf.org/external/pubs/cat/longres.cfm?sk=18217.0

Sustainable Growth and Poverty Reduction.
World Bank Country Economic Memorandum, Draft
Confidential. Report No 16673 SR. Washington, DC

IMF. 2003. Suriname 2003 Article IV Consultation –
Staff Report. IMF Country Report No. 03/356.
cat/longres.cfm?sk=17030.0

IMF. 2003. Suriname: Selected Issues and Statistical
Appendix. IMF Country Report No. 03/357.
cat/longres.cfm?sk=17031.0


Extracts from IMF documents – data on GDP in Suriname

Extract from study – “Civil Service Reform: Background and Issues” (Prepared by T. Alleyne, J. Prat & A. Simone)

IDB: Governance in Suriname, Washington D.C. 2001

IDB: Modernization of the State, Washington D.C. 2003


OTHER


Ayeni, Victor: Public Sector Reform in Developing Countries – A Handbook of Commonwealth Experiences: Commonwealth Secretariat, 2001


Hoefte, Rosemarijn and Peter Meel: 20th Century Suriname – Continuities and Discontinuities In A New World Society: Ian Randle Publishers, Jamaica, 2001

Lusthaus, Charles, Marie-Hélène Adrien, Gary Anderson and Fred Carden: Enhancing Organizational Performance – A Toolbox For Self-Assessment: International Development Research Centre, 1999


Rogozinski, Jan: A Brief History of The Caribbean – From The Arawak And The Carib To The Present: The Penguin Group
**PART A: NATIONAL LEADERS’ FORUM – PARTICIPANTS**

**BUSINESS SECTOR**

Dhr. Sirano Zalman (Access Travel)
Dhr. Lo Fo Wong (Actuarieel Buro Lo Fo Wong)
Mw. V. Matawli (Actuarissen)
Mw. L. Venetiaan (Actuarissen)
Dhr. Marica (Advocaten kantoor Marica)
Dhr. Sham Binda (AKSMOS)
Dhr. Wierin Bishesar (AKSMOS)
Dhr. George Lazo (Arinze Tours)
Mw. Sylvia Ang (ASFA)
Dhr. Anwar Wazir (ASFA)
Dhr. G. van Glanenweygel (ASFA)
Dhr. Stephen Smit (Assuria)
Dhr. Humphrey Bendt MSc. (Bendt Training & Consultancy)
Dhr. Henri Orie (Bendt Training & Consultancy)
Dhr. Arun Hindori (Cirkel Group of Companies)
Ir. Hugo Coleridge (Consulting Services N.V.)
Dhr. Jimmy Rosheuvel (RPBG Group)
Ir. Jan Elshout (DFLSA)
Mrs Mireya Mamadeus (Diatel Suriname)
Dhr. Sigmund Proeve (DSB)
Dhr. Lalbihari (FATUM)
Dhr. J.J.F. Tjang-A-Sin (Fernandes Concern Beheer N.V.)
Dhr. Hans Lim-A-Po (FHR)
Dr. Anthony Caram (Financial Stability Consultancy)
Mw. H. Deekman (Flexibel Uitzendbureau)
Mw. N.Healy (Galaxy)
Mw. Irma Loemban Tobing-Klein, Ph.D. (Global Watch)
Mw. S. Jabbar (Godo)
Dhr. Jim Boussaid (Hakrinbank)
Dhr. Helmud Sedoc (Housing International)
Dhr. K.J. van Dijk (Ingenieursburo Van Dijk)
Dhr. Widjai Sardjoe (Intervast)
Dhr. Jack Udenhout (Jack Tours & Travel)
Dhr. R. Kalloe (Kalloo Enterprises)
Dhr. Robert Ameerali
(Kamer van Koophandel en Fabrieken)
Dhr. Henk Naarendorp
(Kamer van Koophandel en Fabrieken)
Dhr. M. man A Hing
(Kamer van Koophandel en Fabrieken)
Dhr. Edmund Kasimbeg (Kasimex Holding N.V.)
Mw. Shirley Sowma (Kersten & Co. N.V.)
Dhr. Vidjai Kirpalani (Kirpalani)
Dhr. S. Kuldipsingh (Kuldipsingh)
Dhr. Maurice Issa (Lucky Store)
Dhr. Conrad Issa (Lucky Store)
Dhr. Imro Manglie (Manglie's Rijstbedrijf)
Dhr. Seffi Held (Multitrack Track Exchange)
Dhr. Humphrey Rodgers
(Nationale Ontwikkelingsbank)
Mw. W. Boedhoe (Nationale Ontwikkelingsbank)
Dhr. Carlo Jadnanansing (Notaris Jadnanansing)
Dhr. Sunil Oemrawsingh (Oemrawsingh Jewelers)
Dhr. Henri Wong (Overbridge River Resort)
Ir. Winston Ramautarsing (Proplan Consultancy)
Dhr. Anne Harmsen (RBTT)
Dhr. Andro Vijzelman (Rudan Trading)
Dhr. Maurice Roemer (Self-Reliance)
Dhr. Andre Misiekaba
(Spaar en kredietcooperatie de Schakel)
Mw. Simone Reeder (Stage center Suriname)
Ing. N. Johanns
(Stichting Suriname Conservation Foundation)
Dhr. Mohan Gopalli (Sufobas)
Dhr. J. Wolff (Sufobas)
Dhr. S. Mathura (Surichange Bank N.V.)
Dhr. Cyril Eersteling (Suriname Safari Tours)
Dhr. Jan van Charante ('t VAT)
Dhr. Eddy Wijngaarde (The Back Lot)
Dhr. T. Ramlakhan (VCB)
Dhr. Marcel Meyer
(Vereniging Surinaams Bedrijfsleven)
Dhr. E.E. Refos (Vereniging Surinaams Bedrijfsleven)
Dhr. W. Sowma (Vereniging Surinaams Bedrijfsleven)
Dhr. Danny Lo-Fo-Sang
(Vereniging Surinaams Bedrijfsleven)
Dr. A. Jesserun (Vincentius Ziekenhuis)
Dr. E. Jesserun (Vincentius Ziekenhuis)
Dhr. Jim Healy Jr. (VSH)
Dhr. Waldo Gobardhan (Waldo's World Wide Travel)
Dhr. Winston Wirht (Wirht Consultancy)
John van Coblijn (Communications Consultant)
Dhr. R. Kalloe (Suritrust)
De heer drs. Rene Abrahams ra (Ernst & Young)
de heer R. Hiralal AA (Deloitte & Touche)
De heer R. Tjong A Hung AA
(Tjong A Hung Accountants en Belastingen)
Michel Kerpenes
Struiken - Wijdenbosch
Stuart Tjon A Joe

TRADE UNIONS
Dhr. Ronald Hooghart (CLO)
Dhr. Michael Miskin (CLO)
Dhr. Roy Adama (C-47)
Dhr. Robby Berenstein (C-47)
Dhr. E. Snijders (De Moederbond)
Dhr. R. Oldenstam (De Moederbond)
Dhr. F. Ramsing (FAL)
Dhr. R. Haverkamp (FAL)
Dhr. Chotkan (OSAV)
Dhr. A.W. Koornaar (PWO)
Dhr. A.J. Zunder (PWO)
Dhr. Wilgo Valies (COL)

RELIGIOUS LEADERS
De Praeses der EBGS
De Vice Praeses der EBGS
De Vz. van de gemeente Arya Dewaker
De Vz. van de Sanathan Dharm
De Vz. van de Surinaamse Madjilites Moeslimien
De Vz. Van de Moeslim Associatie
De Bisschop van de R.K. Gemeente
De Vz. Van de Surinaamse Islamitische Vereniging
Hervormde Kerk

VERTEGENWOORDIGERS VAN DE PUBLIEKE SECTOR
Dhr. drs. Clifford Marica
(Ministerie van Arbeid, Technologie en Milieuzaken)
Mw. Drs. R.S Defares
(Ministerie van Arbeid, Technologie en Milieuzaken)
Dhr. drs. Maurits Hassankhan
(Ministerie van Binnenlandse Zaken)
Dhr. Moensi (Ministerie van Binnenlandse Zaken)
Dhr. Edmund Leilis
(Ministerie van Binnenlandse Zaken)
Mr. J. Joemanbaks
(Ministerie van Binnenlandse Zaken)
Dhr. S. Mahadewsing
(Ministerie van Binnenlandse Zaken)
Mr. S. Jhauw (Ministerie van Binnenlandse Zaken)
Mr. S. Sewdajalsing
(Ministerie van Binnenlandse Zaken)
Mr. S. Sheik Alibaks
(Ministerie van Binnenlandse Zaken)
Mw. drs. Lygia Kraag-Keteldijk
(Ministerie van Binnenlandse Zaken)
Dhr. F. Boekstaaf (Ministerie van Binnenlandse Zaken)
Dhr. drs. Ivan Fernald Ministerie van Defensie)
Dhr. R. Julen (Ministerie van Defensie)
Dhr. drs. Humphrey Hildenberg
(Ministerie van Financiën)
Mw. A. Wijnerman (Ministerie van Financiën)
Dhr. Roy May (Ministerie van Financiën)
Dhr. Siegfried Gilds
(Ministerie van Handel en Industrie)
Dhr. M. Tuur (Ministerie van Handel en Industrie)
Prof. Ludwig Waaldijk
(Ministerie van Handel en Industrie)
Dhr. mr. Chandrikapersad Santokhi
(Ministerie van Justitie en Politie)
Dhr. J. Kross (Ministerie van Justitie en Politie)
Dhr. Kermechand Ragoebarsingh
(Ministerie van Landbouw, Veeteelt en Visserij)
Dhr. J. Bhansing
(Ministerie van Landbouw, Veeteelt en Visserij)
Dhr. dr. Gregory Rusland
(Ministerie van Natuurlijke Hulpbronnen)
Dhr. Jainoel Abdul
(Ministerie van Natuurlijke Hulpbronnen)
Dhr. Edwin Wolff
(Ministerie van Onderwijs en Volksontwikkeling)
Dhr. Adiel Kallan
(Ministerie van Onderwijs en Volksontwikkeling)
Dhr. Richenel Trustful
(Ministerie van Onderwijs en Volksontwikkeling)
Dhr. R. Poelsingh
(Ministerie van Onderwijs en Volksontwikkeling)
Dhr. mr. Ganeshkoemar Kandhai
(Ministerie van Openbare Werken en Verkeer)
Dhr. E.J.I. Gerad (Directeuraat bouwkundige werken en dienstverlening)
Dhr. M. Hoebba
(Directeuraat Civieltechnische werken)
Dr. Rick van Ravenswaay (Ministerie van Planning en Ontwikkelingssamenwerking)
Dhr. I. Rambharse (Ministerie van Planning en Ontwikkelingssamenwerking)
Dhr. Michel Felisie
(Ministerie van Regionale Ontwikkeling)
Mevrouw J. D. van Varsseveld
(Ministerie van Regionale Ontwikkeling)
Dhr. Hendrik Setrowidjojo
(Ministerie van Sociale Zaken en Volkshuisvesting)
Mw. Clarisse Pawironadi – Dasi (Ministerie van Sociale Zaken en Volkshuisvesting)
Mw. drs. Alice Amafo (Ministerie van Transport, Communicatie en Toerisme)
Dhr. C. Waterberg (Ministerie van Volksgezondheid)
Mw. M-L Eersel (Ministerie van Volksgezondheid)
Drs. M. Ahsim – Sardjoe
(Ministerie van Volksgezondheid)
Dhr. Micheal Jong Tjien Fa (Ministerie van Ruimtelijke Ordening, Grondbeleid en Bosbouw)
Decentralisatie
Dhr. Harry Kensmill (Technical Committee PSR)
Dhr. O. Spong (Technical Committee PSR)
Dhr. Bas Ahmadali (Technical Committee PSR)
Dhr. A. Hardien (Technical Committee PSR)
Dhr. H. Pinas (Technical Committee PSR)
Dhr. M. Piroe (Technical Committee PSR)
Dhr. P. Rostam (Technical Committee PSR)
Dhr. E. Sabajo (Technical Committee PSR)
Mw. M. Sanches (Technical Committee PSR)
Dhr. C. Soetodirjo (Technical Committee PSR)
Mrs M. Bakker (Technical Committee PSR)
Dhr. V. Chotkan (Technical Committee PSR)
Mrs Felter-Modiwirjo (Technical Committee PSR)
Mrs I. File (Technical Committee PSR)
Mw. A. Kantam (Technical Committee PSR)
Mw. G. Relyveld (Technical Committee PSR)
Mw. G. Tjalim (Technical Committee PSR)
Dhr. L. Van Varseveld (Technical Committee PSR)
Dhr. R. Wesenhagen (Technical Committee PSR)
Dhr. Imanuel (N.V. Luchthavenbeheer)
Mw. Lilian Monsels-Thompson
(National Planning Bureau)
Dhr. Errol Mannes (SAIL)
Dhr. Harold Ramdhani (Stichting Staatsziekenfonds)
Dhr. Mark Waaldijk (Staatssolide)
Dhr. Iwan Kortram (Staatssolide)
Dhr. Armand Li-A-Young
(Stichting Toerisme Suriname)
Dhr. Henk Jeserun (Surinam Airways)
Dhr. Enrico Abrahams
(Suriname Debt Management Office)
Dhr. Carlo Godlieb (Surpost)
Dhr. S. Sjauw Kon Fa (SWM)
Mw. Laetitia Fernand (SWM)
Dhr. Roy May (Belastingkantoor)
Dhr. Dirk Currie (Telesur)
de heer A. Ramkisoensing (SBBS)
Mw. Dr. I. May (BGVS)

PARASTATALE ONDERNEMINGEN EN INSTELLINGEN
Dr. I. Sno (Algemeen Buro voor de Statistiek)
Dhr. Arnold Amatkarijo (CEBUMA)
Dhr. Andre Telting (Centrale Bank van Suriname)
Dhr. R. Resida (CLAD)
Dhr. O. Chiragally (EBS)
Dhr. John Defares (Havenbeheer)
Mw. M. Harris (MAS)

VERTEGENWOORDIGERS VAN DE NATIONALE ASSEMBLÉE
Dhr. drs. G. Castelen (Vertegenwoordiger SPA)
Dhr. R. Tamsiran (Vertegenwoordiger Pertjajah Luhur)
Mw. R. Wijdenbosch (Vertegenwoordiger NPS)
Dhr. Cairo (Vertegenwoordiger NPS)
Mw. C. Fereira (Vertegenwoordiger NPS)
Mw. Mr. U. Joella – Sewnundan  
(Vertegenwoordiger VHP)
Dhr. Mr. R. Randjietsingh (Vertegenwoordiger VHP)
Mw. drs. J. Geerlings – Simons  
(Vertegenwoordiger NDP)

VERTEGENWOORDIGERS VAN DE PERS
Desi Truideman (De Ware Tijd)
George Orie (De Ware Tijd)
George Findlay (De West)
Charles Vervuurt (Apintie Radio & Televisie)
Dhr. G. Vliet (ABC TV)
Mw. C. Boetius (ATV)
Mw. Lucille Perica (Dagblad Suriname)
Mw. Henna Draaibaar (NOS)
Dhr. S. Van Fredrikslust (Radio 10)
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Mw. Nina Jurna (RTL Nederland)
Dhr. H. Strijk (STVS)
Mw. N. Ramcharan (STVS)
Dhr. Dennis Samson (Times of Suriname)

VERTEGENWOORDIGERS VAN DE UNIVERSITEIT
Dhr. drs. August Boldewijn (ADEK)
Mw. dr. Renate de Bies (ADEK)
Mw. mr. Sieglien Burleson (ADEK)
Dhr. dr. Hans Breeveld (ADEK)
Dhr. drs. Fred Budike (ADEK)
Dhr. drs. R. Suntik (ADEK)
Dhr. dr. Allan Li Fo Sjoe (ADEK)
Dhr. drs. S. Mungra (ADEK)
Dhr. dr. J. Menke (SWI)
De heer dr. J. Menke (MWT)
De heer drs. Ing. E. Akrum (IMWO)
De heer dr. R. van Kanten (SELOS)

VERTEGENWOORDIGERS VROUWENBEWEGING
Mw. Siegmien Staphorst (NVB)
Mw. Spier (NVB)
Mw. I. Gilliad (Vrouwenplatform)
Bestuurslid (Vrouwenplatform)
Mw. Vreedzaam (Stichting Sanne Mara Issa)
Mw. Kross (Stichting Sanne Mara Issa)

VERTEGENWOORDIGERS VAN DONOREN
Dhr. Pablo Adams (IDB)
Dhr. Sylvano Tjong Ahin (IDB)
Dhr. Maximiliaan Ooft (UNDP)
Dhr. Hendrik Lolkema (Nederlandse Ambassade)
Dhr. Bas van Noordenne (Nederlandse Ambassade)
Mw. H. Laakso (Europese Commissie)
NGO’S
Dhr. H. Wesenhagen (Buro Forum NGO’s)
de heer Perry van Leesten (Stichting Caesarea)
mevrouw Karin Blufpand (Stichting Projekten)
Mevrouw dr. Julia Terborg (Pro Health)
de heer Vincent Kok Sey Tjong (Vereiniging van Particuliere Sociale Instellingen in Suriname)
mevrouw Christien Naarden (Pater Albrechtstich-ting)

JEUDPARLEMENT
Melvin Bouva (Jeudparlement)
M. Bhagghoe (Jeudparlement)
Yildiz Bighli (Jeugd ambassadeur)
M. Manorath (Jeugd ambassadeur)

PART B: ROAD MAP WORKSHOP – PARTICIPANTS

KABINET PRESIDENT
Dhr. Drs. R.R. Venetiaan
(President Van De Republiek Suriname)
Dhr. O. Spong (Lid Technische Commissie)

ATM
Dhr. Drs. C. Marica (Minister)
Mw. Drs. R. Defares (Directeur)

BINNENLANDSE ZAKEN
Dhr. Drs. M. Hassankhan (Minister)
Dhr. Mr. A. Moensi (Directeur)

Mw. M. Bakker (Lid Technische Commissie)
Dhr. A. Hardien (Lid Technische Commissie)
Dhr. S. Jhauw (O.D. Personeelsbeleid)

CLAD
Dhr. R. Mayland (Reigster Accountant)

FINANCIEN
Dhr. Drs. H. Hildenberg (Minister)
Mw. Drs. A. Wijnerman (Directeur Financien)
Mw. M. Van Embricqs, MA (Beleidsadviseur Mi-nister)
Mw. S. Radja (Begrotingsboekhouding)
Mw. S. Khedoe (Hoofd Econ. Aangelegenheden)
Mw. M. Kramawitana (Onderhoofs Econ. Aange-legenheden)
Mw. G. Tjalim (Lid Technische Commissie)

HANDEL EN INDUSTRIE
Dhr. S. Gilds (Minister)

INTER-AMERICAN DEVELOPMENT BANK
Dhr. S. Tjong Ahing (Operation Specialist)
Mr. P. Adams (Country Representative)

JUSTITIE EN POLITIE
Dhr. C. Santokhi (Minister)
Mw. I. File (Beleidsmedewerker)
Mw. K. Mathoera (Commissaris Van Politie)
PART C: LIST OF KEY INFORMANTS INTERVIEWED

ASSOCIATION OF SMALL AND MEDIUM SIZE ENTERPRISES IN SURINAME
Mr. Sham Binda, President
Mr. Wierin Bishesar, Secretary

CEBUMA
Mr. Amatkario Arnold, Deputy Head

CENTRAL BANK OF SURINAME
Dr. Glenn Gersie, Executive Director,
Monetary & Economic Affairs
Mr. William Orie
Mr. Sanjay Gaurisankar, Head, Research Department

CENTRAL NATIONAL AUDIT OFFICE
Dr. R.M. Resida, General Manager
Mr. H. Hiwat, Assistant Accountant

CHAMBER OF COMMERCE
Mr. Robert Ameerali, Chairman
Mr. B. Gangaram-Panday
Ms. C. Dawson

CONFEDERATION OF CIVIL SERVANTS ORGANISATION (CLO)
D. Telting, Secretary General
R. L. A. Hooghart, Chair
Mr. Michael Miskin, Treasurer

DIRECTOR KABINET PRESIDENT
Mr. Harry Kensmil, Advisor to the Vice President
Mrs. Lilian Truideman, Acting Head of the State Council Secretariat
Mr. Spong
GENERAL BUREAU OF STATISTICS
Mr. John T. Sontosoemarto, Deputy Director
Ms. W. Cicilson

INTER-AMERICAN DEVELOPMENT BANK
Mr. Silvano Tjong-Ahin
Mr. Pablo Adam
Mr. Bernhard Fritz-Krockow, Head of Mission
Ms. Mariana Torres, IMF

MINISTRY OF EDUCATION & COMMUNITY DEVELOPMENT
Permanent Secretary, Directorate of Culture
Permanent Secretary, Directorate of Sports
Mr. Dielingen, Finance Department
Mr. Mans, Finance Department
Mr. A. Kallan, Permanent Secretary and Director, Education
Mr. Poelsing, Permanent Secretary, Sports Affairs
Mr. R. Trustfull, Permanent Secretary and Director, Youth Affairs
Mr. H. Pinas, Deputy Director, Education
Mr. Chin, Director Administration
Mr. Watson, Director, Recreation and Sports
Mrs. C. Bloem

MINISTRY OF FINANCE
Minister of Finance, Mr. Humphrey Hildenberg
Ms. S. Radja, Head of Bookkeeping Department
Ms. Halfide, Head of Treasury Department
Mr. Wijngaarde, Head of Compatibility Office
Ms. M Wijnerman
Mrs. Marion van Embrigs
Ms. G. Tjalim, Economic Affairs Department, Coordinator of Public Finance section
Mr. Bryan Samijo, Economic Affairs Department
Mr. Ritesh Ganpat, Economic Affairs Department
Ms. Malene Troenosetro, Economic Affairs Department
Ms. Rachel Deekman, Economic Affairs Department
Mr. Noordruik, Economic Affairs
Mrs. Coats, Central Paymaster
Ms. S. Khedoe

MINISTRY OF HEALTH
Dr. Celsius Waterberg, Minister
Permanent Secretary Mrs. M. Eersel

MINISTRY OF HOME AFFAIRS
Minister of Home Affairs, Dr. Maurits Hassankhan
Mr. S. Jhauw
Ms. M. Bakker, Policy Advisor
Mr. A. Hardien
Mr. Jomenbaks
Mr. H. Wesenhagen, Project Coordinator, PSMSP
MINISTRY OF JUSTICE
Mrs. Sanchez, Head of Police Complaints and Investigations Department
Ms. Sital

MINISTRY OF LABOR
Minister of Labor, Technological Development and Environment, Mr. Cliff Marica
Mr. Glenn Peroe, Technical Commission Member and Advisor to the Minister
Ms Shirley Defares, Permanent Secretary
Ms Claudette Kiwat, Acting Deputy Permanent Secretary
Mr. Feller, Director
Mr. Pinas, Director
Mr. Seeger, Foundation for Promotion of Public Enterprises
Mrs. S. Sewdajal, Head of Finance Department
Dr. John Courtar, Mead Medical Office, Labour Inspectorate
Mr. Andre Koornaar, Policy Advisor

MINISTRY OF PLANNING AND DEVELOPMENT
Minister of Planning and Development, Mr. Rick Van Ravenswaay
Mr. I. Rambharse, Permanent Secretary
Mr. P. Rostam, Acting Deputy Permanent Secretary
Ms. Iris Sandel, Deputy Director, Project Monitoring and Evaluation
Mr. Prawaash Rostam, Deputy Director, Admin. Services
Ms. Essed
Ms. Marrion Maks, Advisor
Dr. L. Monsels-Thompson, Head of National Planning Office
A subsequent presentation and meeting was held with about 20 staff members

MINISTRY OF PUBLIC WORKS
Minister of Public Works, Mr. G. Kandhai
This meeting was followed by a presentation and discussion with 27 key staff members of the ministry

MINISTRY OF REGIONAL DEVELOPMENT
Permanent Secretary
Minister of Regional Development, Mr. Michel Felisi
Mr. Bas Ahmadali

MINISTRY OF SOCIAL AFFAIRS
Permanent Secretary, Ms. Clarisse Pawironadi-Dasi
Mr. Philip Tjon Tgoei, Social Housing
Mr. Clyde Sortodirjo, Member of Technical Committee & Ministerial Advisor
Mrs. Sarigoeno
Ms. Fara Pahahoanhhani, Head of Planning Branch
MINISTRY OF TRADE AND INDUSTRY
Minister of Trade and Industry, Mr. Siegfried Gilds
Mr. Dankerlui, Permanent Secretary
Mr. Danker Lui Jess, Deputy Permanent Secretary
Mrs. Rila Burleson, Human Resources Manager
Mr. Van Lobbrecht
Prof. Dr. L. Th. Waaldijk
Mr. M. Tuur

MINISTRY OF SOCIAL AFFAIRS AND PUBLIC HOUSING
Mr. Verwey, Permanent Secretary
and Director, Public Housing
Mr. C. Mertosentiko

OPPOSITION PARTY
Mr. Winston Wirht

PRIVATE SECTOR OPINION LEADERS
Mr. R. Kalloe, Kalloe Consultancy
Mr. Humphrey Bendt, Bendt Consultancy
Mr. Henry Ori, Bendt Consultancy

PROJECT COORDINATOR
Mr. Armand Zunder

STATE COUNCIL
Dr. R. Baptista, Vice Chair
Ms. Lillian Truidman, Secretary

SURINAME BAR ASSOCIATION
Mr. Baarh
Mr. R.M.F. Oemar
Mr. Lesley Rogers
Mrs. Maikel Caprino

SURINAME DEBT MANAGEMENT OFFICE
Mr. Enrico Abrahams, Director
Miss Orsini Silent, Manager, Back Office
Miss Maltine Kishna, Manager, Front Office
Miss Malty Dwarkasing, Manager Middle Office, Debt Analyst
Mr. Delano Pinas

SURINAME MANUFACTURERS ASSOCIATION (ASFA)
Mr. Anwar Wazir
Mr. Van Glanenweygel

SURINAME TRADE AND INDUSTRY ASSOCIATION
Mr. E. E. Refos, Director and colleagues

TAX AGENCY
Mrs. Aruna Rampersad,
Head of Fiscal Affairs Direct Taxes
Mrs. Marita Wijnerman,
Head of Fiscal Affairs Indirect Taxes
Mr. Raoul Amatkarijo,
Head of Process Management and Audit
Mr. Roy May
TECHNICAL COMMISSION
H. Kensmil, Chairman (Cabinet Vice-President)
O. Spong (Cabinet President)
A. Hardien, Secretary (Ministry of Home Affairs)
B. Ahmadali (Ministry of Regional Development)
M. Maks (Ministry of Planning & Development Cooperation)
Miss G. Tjalim (Ministry of Finance)
M. Piroe (Ministry of Labour, Technology Development & Environment)
H. Pinas (Ministry of Education)
M. Sanches (Ministry of Justice & Police)
M. Bakker (Ministry of Home Affairs)
V. Chorkan (Ministry of Home Affairs)
G. Relyveld (Ministry of Planning & Development Cooperation)
M. Finkie (Ministry of Finance)

C. Eersel (Ministry of Labour, Technology Development & Environment)
I. File (Ministry of Justice & Police)
L. Varsseveld Van (Ministry of Regional Development)
R. Wesenhagen (Ministry of Education)
A. Kalidien (Ministry of Planning & Development Cooperation)
N. Elliot (Ministry of Planning & Development Cooperation)

UN DEVELOPMENT PROGRAM
Mr. Richard Flaman, Consultant
Mr. Maximilian Ooft, Officer in Charge