



SURINAME

October 2024

SEVENTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVER OF NONOBSERVANCE OF A PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR SURINAME

In the context of the Seventh Review Under the Extended Arrangement Under the Extended Fund Facility, Requests for Modification of Performance Criteria, Waivers of Nonobservance of Performance Criteria, and Financing Assurances Review, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on September 18, 2024, following discussions that ended on August 9, 2024, with the officials of Suriname on economic developments and policies underpinning the IMF arrangement under the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on September 5, 2024.
- A **Statement by the Executive Director** for Suriname.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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IMF Executive Board Completes Seventh Review Under the Extended Fund Facility Arrangement for Suriname

FOR IMMEDIATE RELEASE

- The Executive Board of the International Monetary Fund completed the seventh review under the Extended Fund Facility (EFF) arrangement for Suriname, allowing for an immediate purchase equivalent to SDR 46.7 million (about USD 63 million) of which SDR 19.1 million or about USD 25.8 million would be for budget support.
- The authorities' commitment to maintaining prudent macroeconomic policies and implementing difficult reforms are yielding positive results: the economy is growing, inflation is coming down, international bond spreads are at record lows, and investor confidence is returning.
- Building on the progress made thus far under the program, the authorities should entrench fiscal discipline, particularly in the run up to the elections while protecting the poor and vulnerable. Persevering with structural reforms to strengthen institutions and address governance weaknesses is also critical.

Washington, DC – September 18, 2024: The Executive Board of the International Monetary Fund (IMF) completed the seventh review under the Extended Fund Facility (EFF) arrangement for Suriname. The completion of the review allows the authorities to draw the equivalent of SDR 46.7 million (about USD 63 million), bringing total program disbursement to SDR 337.1 million (about USD 455 million). In completing the review, the Executive Board approved the authorities' request for a waiver of non-observance of the end-June 2024 performance criteria on the central government primary balance based on the corrective actions the authorities have already taken.

Suriname is implementing an ambitious economic reform agenda to restore macroeconomic stability and debt sustainability, while laying the foundations for strong and more inclusive growth. The program includes policies to restore fiscal and debt sustainability, protect the poor and vulnerable, upgrade the monetary and exchange rate policy framework, address banking sector vulnerabilities, and advance the anti-corruption and governance reform agenda. These policies are supported by the EFF arrangement, which was approved by the Executive Board on December 22, 2021 ([see Press Release No. 21/400](#)), in an amount equivalent to SDR 472.8 million (366.8 percent of quota).

Following the Executive Board discussion on Suriname, Mr. Kenji Okamura, Deputy Managing Director, and Acting Chair, issued the following statement:

"The authorities' reforms under the EFF-supported program are being increasingly reflected in macroeconomic stability and improving investor confidence. The economy is growing, inflation is declining, international bond spreads have reached historic lows, and donor support is increasing.

“The near-term priority is to reinforce the planned fiscal consolidation and protect the vulnerable from the burden of the adjustment. Phasing out electricity subsidies and strengthening tax administration will help create fiscal space for higher social assistance and infrastructure spending. Fully implementing the recently finalized social assistance reform plan will make social programs more efficient and effective. Strengthening commitment controls and addressing weaknesses in cash management will contain public spending and prevent accumulation of supplier arrears.

“The debt restructuring process is nearing completion. Bilateral agreements with all official creditors and most commercial creditors have been achieved. Domestic debt arrears have been cleared.

“A tight monetary policy is supporting disinflation. Implementing the recently-finalized plan for central bank recapitalization will strengthen the central bank’s operational and financial autonomy. The authorities’ demonstrated commitment to a flexible, market-determined exchange rate is supporting international reserve accumulation. Timely implementation of recapitalization plans for commercial banks that do not meet regulatory capital requirements will bolster financial sector resilience.

“The authorities should persevere with their ambitious structural reform agenda to strengthen institutions, address governance weaknesses, build climate resilience, and improve data quality. This important work will continue to be supported by capacity development from the Fund and other development partners.”



SURINAME

September 5, 2024

SEVENTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVER OF NONOBSERVANCE OF A PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. The authorities' commitment to a range of policy reforms is showing results in terms of macroeconomic stability and investor perceptions. The economy is growing, inflation is declining, donor support is increasing, and international bond spreads are at historic lows.

Program implementation. The authorities' missed the end-June primary balance target due to an overpayment to the electricity company (EBS); the overpayment has subsequently been returned to the state budget (a prior action for completion of this review). All other quantitative targets were met. The latest data indicates that the end-March target on social assistance spending (reported as missed in the last review) was also met. Supply side and institutional reforms are moving ahead despite a challenging political environment.

Policy outlook. Monetary and fiscal restraint are continuing to support disinflation and a reduction in the public debt. Even with binding capacity constraints, progress continues to be made in tax administration, improving spending efficiency and budget management, phasing out untargeted subsidies, expanding the social safety net, addressing governance and corruption, preventing the accumulation of spending arrears, and bolstering financial sector resilience.

Approved By
Nigel Chalk (WHD)
and Bergljot Barkbu
(SPR)

Discussions were held in Paramaribo and via video conferences during July 29–August 9, 2024. The mission team comprised of Anastasia Guscina (head), Abreshmi Nowar and Atif Chaudry (all WHD), Urban Sila (FAD), Riaan van Greuning (FIN), David Robinson (LEG) Yesim Aydin (MCM), Peter Wankuru (SPR), Charles Amo-Yartey (Resident Representative) and Ansjela Bhagwandin (Resident Representative Office). Karel Eckhorst (OED) participated in the discussions. The team met with the President, the Vice President, the Minister of Finance and Planning, the Minister of Justice and Police, the Minister of Home Affairs, the Minister of Labor, the Central Bank Governor, members of parliament, other senior government officials, representatives of the private sector, and development partners.

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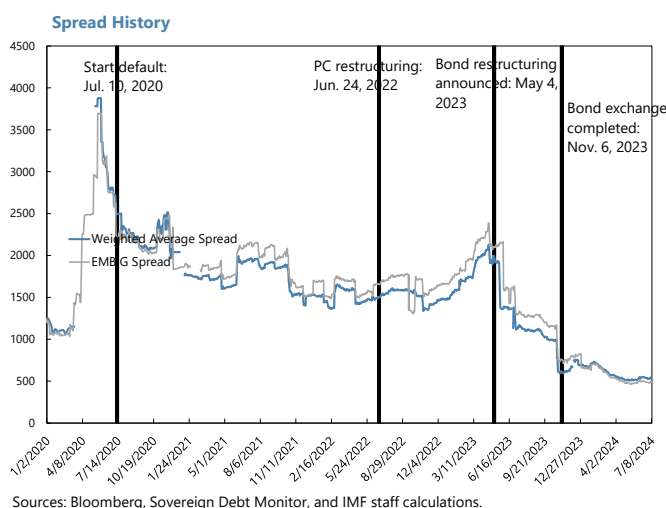
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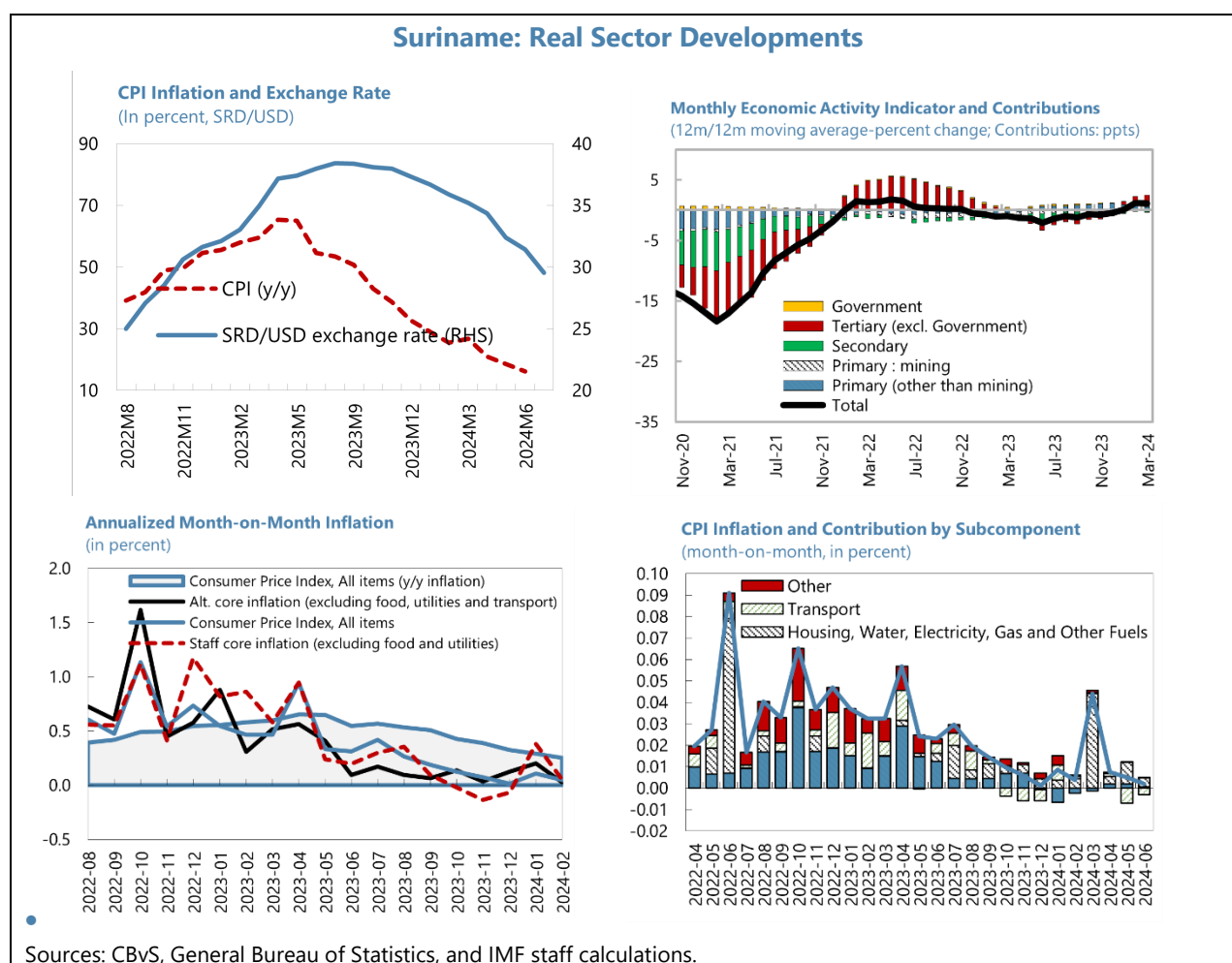
1. The authorities continue to implement a range of reforms in a challenging socio-political environment. Over the course of the past year, the authorities fully eliminated fuel subsidies, are in the process of phasing out electricity, water, and gas subsidies, expanded the VAT base, and took measures to contain the public wage bill.

2. Economic outcomes are steadily improving.

- Growth is estimated at 2.1 percent in 2023 with a rebound in the second half of the year (led by agriculture, transportation, construction, and hospitality-related sectors). Growth should reach around 3 percent in 2024. Nonetheless, it is expected to take several years for real activity to return to its pre-pandemic level.
- Headline inflation fell to 16.2 percent y-o-y in June despite the scaling back of subsidies. Inflation is expected to continue falling to 12.7 percent y-o-y by end-2024.
- Usable international reserves now stand at close to 6 months of imports (125 percent of the ARA metric).
- Efforts to improve oversight of the financial system have put the banks on a path to a stronger capital position. Nonetheless, important financial system vulnerabilities remain.

3. Spreads have fallen to the lowest levels on record, highlighting the progress made towards restoring market access. Debt restructuring agreements have been agreed with all official and most commercial creditors and the authorities are in active negotiations with the remaining commercial creditors (which make up 4 percent of external debt), offering the same terms as agreed with other creditors. The authorities have started negotiations with bilateral creditors on the second stage of the debt treatment involving stock treatment.

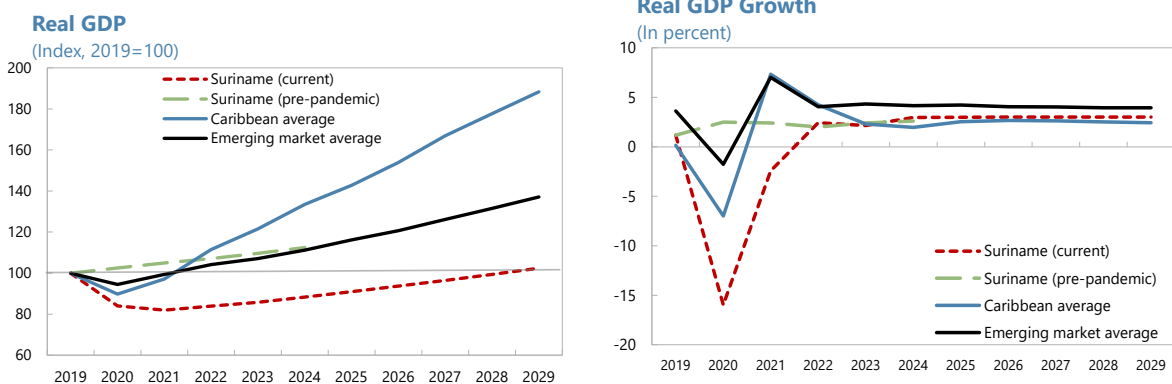




4. There are important downside risks to the near-term outlook. Policy implementation challenges are the foremost risk, particularly given binding capacity constraints and the potential for social and political pressures to intensify in the run-up to the election. Ongoing efforts to increase spending on social protection programs, improve governance and tackle corruption, and increase public sector wages should help mitigate this risk. The materialization of credit losses in the banks could create deposit outflows and trigger financial instability. The main external risk arises from a worsening in the terms of trade (notably from materially higher oil prices and/or lower gold prices).

5. Over the medium term there are significant upside risks. A final investment decision on the development of large new oil fields is expected by end of this year, with production scheduled to begin in 2028. These investments would boost growth and employment, raise living standards, increase export and fiscal revenues, strengthen the balance of payments, and improve debt dynamics (see Box 1). However, caution is warranted to prevent misallocation of these natural resource proceeds and/or Dutch Disease-type dynamics.

Suriname: Real GDP and GDP Growth 1/



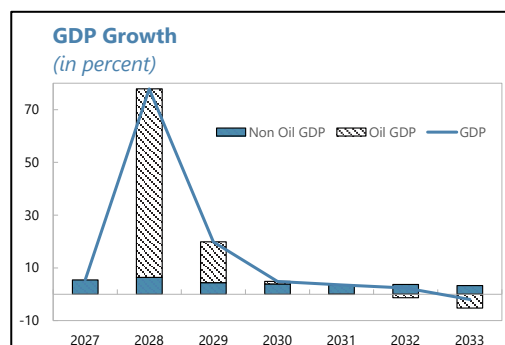
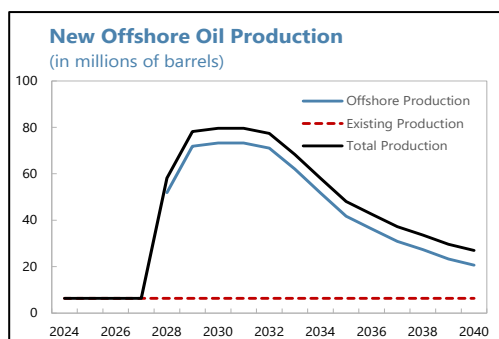
Sources: General Bureau of Statistics and IMF staff estimates.

1/ Caribbean and emerging market average excludes Suriname; 2023-24 values are based on IMF WEO projections.

Box 1. Oil Scenario

This box presents a preliminary hypothetical scenario where a final investment decision (FID) for oil extraction is made on block 58 by end-2024. With an FID, oil production is expected to begin by 2028, peaking at 73 million barrels in 2030 and 2031 before tapering off gradually. With the total project investment of USD 12 billion and pre-investment flows starting at end-2024, growth will begin to pick up as early as 2025, reaching a peak of about 78 percent in 2028, with the non-oil GDP growth stabilizing at 5 percent over the long term. The government’s take from oil revenue is based on the royalty payments, corporate income taxes and terms of the production sharing contract.¹ Part of the new oil revenue is expected to be used to pay down debt obligations as agreed based on the Value Recovery Instrument (VRI).

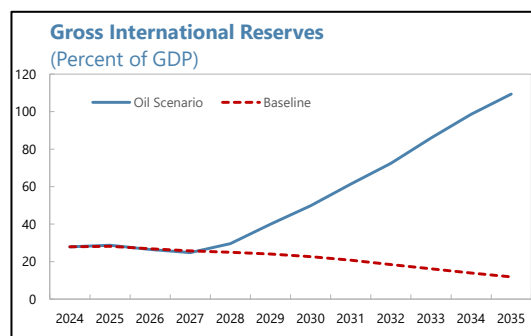
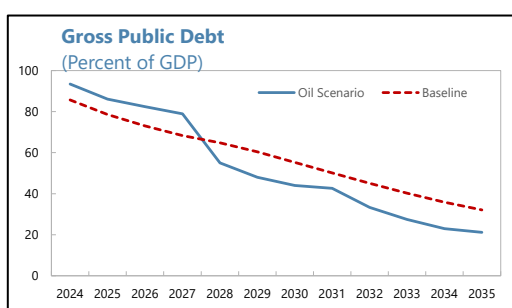
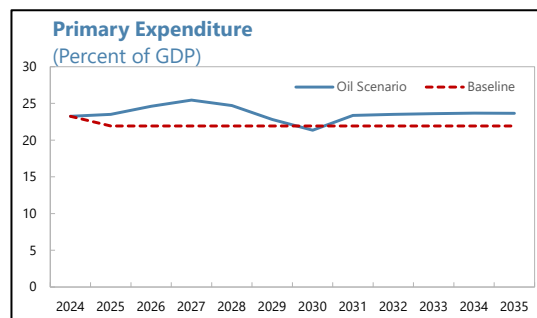
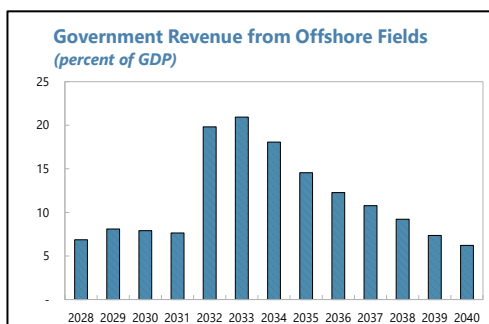
The successful development of this natural resource represents a major upside risk to the fiscal and external position. The value of oil exports will peak in 2029 with an increase of about 47 percentage points of GDP relative to the baseline. Oil revenue is expected to rise to a high of about 22 percent of GDP in 2033. The value of oil revenues tied to payments of debt in the VRI amounts to an average of about 1.4 percent of GDP annually in 2028-2031. Gross international reserves (GIR)² are expected to increase to 109 percent of GDP by 2035.



¹ Contract terms publicly available in Apache investor presentation and on Apache/APA corporation’s website (<https://investor.apacorp.com/static-files/dc915dfd-18a5-44e8-94e9-ed9fa2dd7a3c>).

² Gross international reserves include all flows into the Sovereign Wealth Fund.

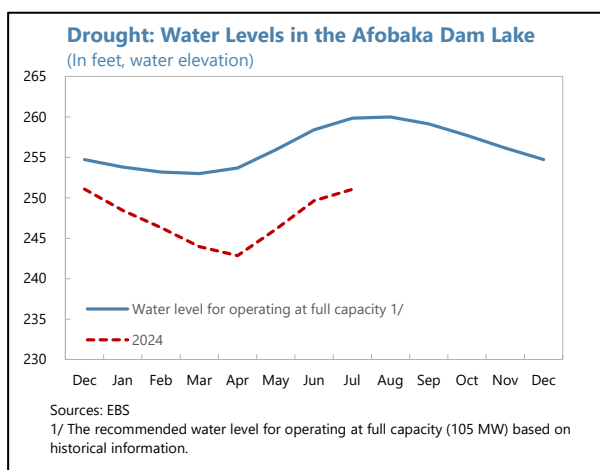
Box 1. Oil Scenario (Concluded)



Sources: Staatsolie and IMF staff calculations.

PROGRAM PERFORMANCE

6. Program performance has improved. The authorities met the end-June PCs on the ceiling on the central government mineral revenue in local currency, NIR, and NDA of the central bank, all continuous PCs, and the IT on VAT refund arrears and social assistance spending (Table 12). The PC on the central government fiscal balance was not met since the cap on electricity settlements by Staatsolie—instituted in May by the MOFP—was not observed (due to weak financial controls). Because of an ongoing drought in the interior, water levels in the reservoir have been low and EBS has relied on more expensive thermal sources (USD 16 cents per kWh) rather than hydro (USD 2 cents per kWh). As a result, the revenues from the recent tariff increases was spent by the electricity company (EBS) to cover power generation. Data revisions indicate that the end-March IT on social spending,



which was reported as missed at the time of the 6th review, was also met.¹

7. The authorities request a waiver for non-observance of the fiscal PC based on the temporary nature of nonobservance and the corrective actions taken by the authorities. As a corrective action for requesting a waiver on non-observance of the QPC, the EBS has returned the May-June overpayment to the state budget (*prior action*). In addition, to ensure that the fiscal PC target is brought back on track, the authorities have mandated that, EBS will now be required to remit to the budget each month starting August 2024 the additional revenues (about SRD 250 million or 0.15 percent of GDP) that are now being collected as a result of recent increases in electricity tariffs. The authorities are also taking steps to further mobilize revenues (f19) to ensure that end-year primary balance target remains within reach.

8. Institutional reforms are moving ahead, albeit with some delays largely due to capacity constraints (Table 13). A time-bound recapitalization plan for the CBvS has been finalized (*prior action*) (Annex II). The end-June SB requiring all line ministries to report each month the stock of arrears to the MoFP was met ahead of schedule in May. The continuous SB on publishing the quarterly budget execution report and end June-SB mandating that all importers/exporters use a Fiscal Identification Number were also met. The SB on publishing on the CBvS' website the FY 2021 audited IFRS financial statements (end-June 2024 SB) was implemented with delay in August). The SB on launching the FX trading platform (end- September 2023 SB) is expected to be implemented with delay in September 2024. With the help of FAD CD progress is being made to introduce quarterly expenditure ceilings for line ministries, and full implementation is expected by end-September. The enactment of the new procurement law is expected by end-September. The end-June 2024 SB on amending the Anti-Corruption legal framework to criminalize acts of corruption was not met but is expected to be implemented by end November.

Suriname: Summary of Program Performance							
Review:	1st	2nd	3rd	4th	5th	6th	7th
Test-date:	Dec.-21	Dec.-22	Jun.-23	Sep.-23	Dec. 23	Mar. 24	Aug. 24
Quantitative Performance Criteria (QPC)							
Fiscal/debt targets							
1. Primary fiscal balance (cash basis) of central government (floor)	Met	Not Met	Met	Not Met	Met	Not Met	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling)	Met	Met	Met	Met	Met	Met	Met
3. New central government guaranteed debt (continuous ceiling)	Met	Met	Met	Met	Met	Met	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	Met	Not Met	Not Met	Met	Met	Met	Met
Monetary targets							
5. Gross credit to the central government by the central bank (continuous ceiling)	Met	Met	Met	Met	Met	Met	Met
6. Net international reserves of the central bank (floor)	Met	Met	Met	Met	Met	Not Met	Met
7. Net domestic assets of the central bank (ceiling)	Not Met	Not Met	Met	Met	Met	Not Met	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (continuous ceiling)	Met	Met	Met *	Met	Met	Met	Met
9. Central government mineral revenue in local currency (ceiling)				Met	Met	Met	Met
Indicative Targets (IT)							
1. Social spending of central government (floor)	Not Met	Met	Not Met	Not Met	Not Met	Met**	Met
2. VAT refund arrears						Met	Met

* Assessed from the 2nd review. The ceiling was breached by direct sales of US\$ 13 million in February 2023 while the program was off-track.
** Revised data shows that the IT on social spending, which was reported as not met at the 6th review, was actually met.

¹ Some of the social assistance funds that were transferred to the Ministry of Social Affairs in December 2023 were actually spent in January, leading to an upward revision in 2024Q1 data. The authorities are benefiting from GFS STA TA to record these payments properly.

POLICY DISCUSSIONS

A. Improving Fiscal Sustainability While Supporting the Vulnerable

9. The authorities remain committed to the 2024 budget target (a primary central government surplus of 2.8 percent of GDP):

- *Wage bill.* The authorities will maintain the wage bill at 6.8 percent of GDP in 2024. The authorities are expediting the removal of unregistered workers and chronically absent civil servants from public payrolls.
- *VAT.* 60 percent of the consumption basket is already taxed at the standard 10 percent rate. A new 5 percent rate was introduced on water, electricity and cooking gas in June 2024. Over 4,300 taxpayers have registered for VAT by July 2024 and refund arrears are gradually being cleared. Efforts are being made to improve compliance through the imposition of penalties and interest for late filing and payment of tax.² The authorities are fast-tracking refunds for taxpayers that have a track record of filing accurately and on-time. To facilitate sharing and the cross-matching of data to identify unregistered taxpayers and underreporting, the use of fiscal identification numbers was made mandatory for all importers and exporters.
- *Tax administration.* The authorities continue strengthening the Tax Department, including the Large Taxpayer Unit and by end-November intend to recruit 25 new staff for the Tax Department by end-November.
- *Taxes on fuel.* Fuel prices are now determined by an automatic pricing mechanism based on international prices and specific taxes on fuel have been reimposed and increased (expecting to generate 0.8 percent of GDP in revenues in 2024).
- *Increase in non-tax revenues.* The government increased the leasing fees for government land and started allowing the purchase of government land under lease. The government has also decided to increase rates for air navigation services (that had remained unchanged for more than 10 years). These measures are estimated to bring 0.3 percent of GDP in revenues in 2024.
- *Electricity subsidies.* Average electricity tariffs have been increased by more than 80 percent since the start of 2023 and tariffs for commercial users reached cost recovery in June 2024. Further increases (of 7 percent) for households are scheduled for September and November. Low- and middle-income households (proxied by electricity consumption) are receiving discounts on their energy bills which will be phased out once a more effective cash transfer program is in place.

² Late filing of tax returns and failure to pay due in June 2024 (for May 2024) and onwards will incur penalties and interest. All outstanding returns for the taxable periods January 2023 to April 2024 had until July 31 to file and pay/or arrange for payment of VAT without penalties and interest. After that date, penalties and interest will be strictly applied.

The authorities will adjust the schedule of electricity tariff increases to reflect the changing energy mix due to the drought.

- *Liquefied petroleum gas subsidies.* LPG prices have been increased by 27 percent by June and subsequent increases will ensure the subsidy is fully eliminated by September 2026.
- *Cash transfers.* Cash transfers were increased by 0.4 percent of GDP in 2023 and a further bonus was

paid in January. The end-March IT on social assistance spending, which was reported as missed at the last review, was met as was the end-June IT. The authorities have improved the consistency of social spending data reporting and recording and developed, with the help of the ILO and IDB, a time-bound strategic plan to improve the efficiency and effectiveness of social benefits. A monthly report will be published on the number of households or individuals covered by each social program in each district and the average value of cash transfers they receive.

- *Capital spending.* Capital expenditure is expected to increase to 3.3 percent of GDP in 2024 and climate resilience considerations are being integrated into the appraisal and selection of capital projects.³ The Surinamese and Guyanese authorities are discussing the construction of a new bridge to connect the two countries (Suriname's share of the cost would amount to 3.5 percent of GDP). The project is at a preliminary evaluation stage and the authorities anticipate that any expenditure on the bridge will be met within the existing medium-term budget envelope. Staff has cautioned the Surinamese authorities about the potential fiscal risks involved in such a large-scale infrastructure project, particularly given limited fiscal space and likely low economic and societal returns.

10. Gross financing needs are manageable and public debt is on a firmly declining trajectory.

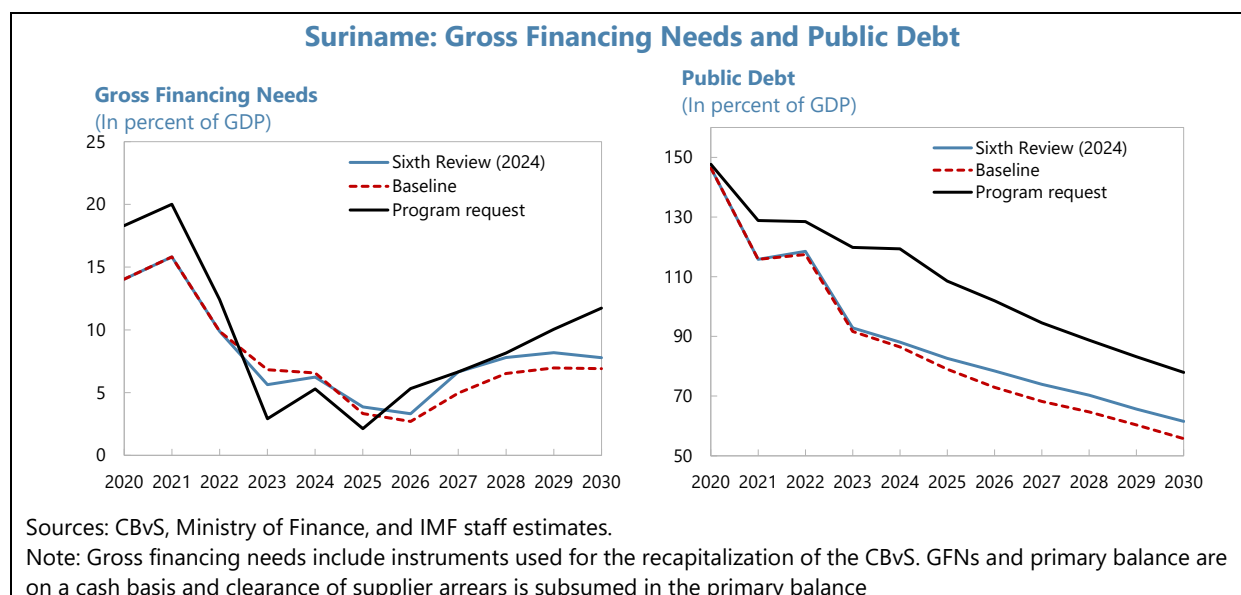
Gross financing needs (GFNs) are elevated in 2024 due to the clearance of past arrears

	2022	2023		2024		2025		Total	
		6th review ^{1/}	Curr. Proj.	6th review	Curr. Proj.	6th review	Curr. Proj.	6th review	Curr. Proj.
Annual change of Primary Balance	1.6	0.3	0.2	1.4	1.6	0.8	0.7	4.0	4.0
Adjustment from Policy Changes	0.5	4.4	4.2	2.9	2.6	1.2	1.5	8.9	9.0
Revenue measures	-0.6	1.5	1.5	2.3	2.0	0.2	0.2	3.0	3.4
Replacing sales tax with VAT	0.0	0.4	0.4	0.6	0.6	0.2	0.2	1.2	1.2
Sales tax increase on G&S	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.4
Royalties increase for gold miners	0.3	0.2	0.2	0.3	0.3	0.0	0.0	0.9	0.9
Income tax	0.2	-0.5	-0.5	0.1	0.1	0.0	0.0	-0.4	-0.2
Corporate tax	-1.0	0.6	0.6	0.1	0.1	0.0	0.0	-0.6	-0.3
Taxes on fuel	-0.4	0.8	0.8	0.4	0.4	0.0	0.0	0.6	0.8
Scaling back exemptions	0.0	0.1	0.1	0.2	0.2	0.0	0.0	0.3	0.3
Air navigation charge increases	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.2	0.2
Land conversion and land lease fee increase	0.0	0.0	0.0	0.4	0.2	0.0	0.0	0.6	0.4
Expenditure measures	1.1	2.9	2.7	0.6	0.6	1.0	1.3	5.9	5.6
Wage bill restraint	-0.5	1.4	1.4	0.0	0.0	0.0	0.0	1.0	1.0
Goods and services expenditure	2.3	0.0	0.0	0.0	0.0	0.1	0.1	2.5	2.4
Phased electricity subsidy elimination	0.5	0.3	0.2	1.4	1.2	1.3	1.6	3.4	3.5
Phased fuel subsidy elimination	-1.8	1.4	1.4	0.4	0.4	0.0	0.0	0.0	0.0
Phased gas subsidy elimination	0.0	0.1	0.1	0.2	0.2	0.1	0.1	0.4	0.4
Social programs spending	-0.4	-0.3	-0.4	-0.8	-0.8	0.0	0.0	-1.6	-1.6
Other transfers and subsidies	1.6	0.4	0.4	0.1	0.1	0.0	0.0	2.2	2.2
Capital spending	-0.6	-0.3	-0.3	-0.7	-0.4	-0.6	-0.6	-1.9	-2.2
Contribution by Non-Policy Factors	1.1	-4.1	-4.0	-1.5	-1.1	-0.4	-0.8	-4.9	-5.0
Revenue	1.1	-3.4	-3.2	-1.5	-1.1	-0.4	-0.8	-4.2	-4.3
Expenditure	0.0	-0.7	-0.7	0.0	0.0	0.0	0.0	-0.7	-0.7
Memo									
Primary Balance	1.0		1.3		2.8		3.5		

Sources: Ministry of Finance and Planning and IMF staff calculations.
^{1/} See IMF Country Report No. 2024/006

³ To safeguard public investment, climate adaptation measures are critical for Suriname given its vulnerability to natural disaster shocks and flooding given that 30 percent of the landscape is less than 3 meters above sea level.

(see Annex I) but are still within the limits in the program⁴. Public debt is expected to fall below 70 percent by 2027 and Suriname's debt is judged to be sustainable on a forward-looking basis (Annex I).⁵



11. To further strengthen fiscal institutions, the authorities are working to:

- Build capacity at the debt management office so as to improve the recording, reporting, and timely payment of external and domestic public debt;
- Strengthen the quality and consistency of the quarterly budget execution reports;
- Ensure the Minister of Finance has the authority to access all banks accounts held by government entities at commercial banks;
- Establish a treasury single account for a subset of line ministries (*end-Jan 2025 SB*).
- Implement the procurement law;
- Publish a report quantifying the principal fiscal risks faced by the largest state-owned enterprises.

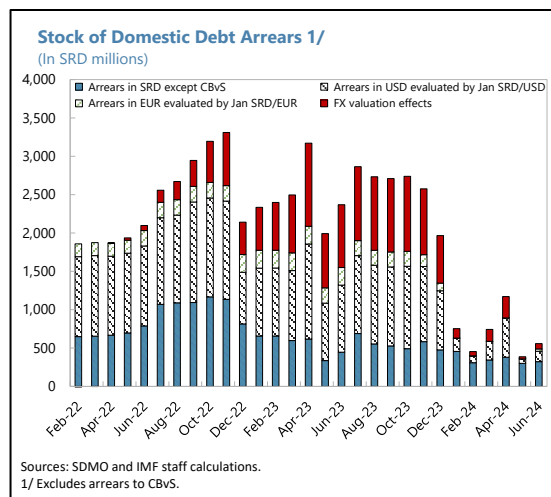
⁴ The program parameters for GFN are under 12 percent of GDP in any year, and under 9 percent on average over the medium- to long-term.

⁵ Projections for the path of GFNs and the public debt stock have improved compared to the 6th review. The sharp appreciation of the SRD in recent months, combined with falling inflation, has resulted in a sizable appreciation of the real effective exchange rate (REER). Given that most of Suriname's public debt is denominated in foreign currency (DSA Figure 3), the REER appreciation has pushed down debt service and debt levels. The CBvS recapitalization plan raises claims of banks on CG and GFN in the MT.

- Starting with the next year’s budget, the authorities will include budgetary allocations for electricity, water, and fuel payments for each ministry and, to improve fiscal transparency, seek to eliminate intra-SOE settlements.

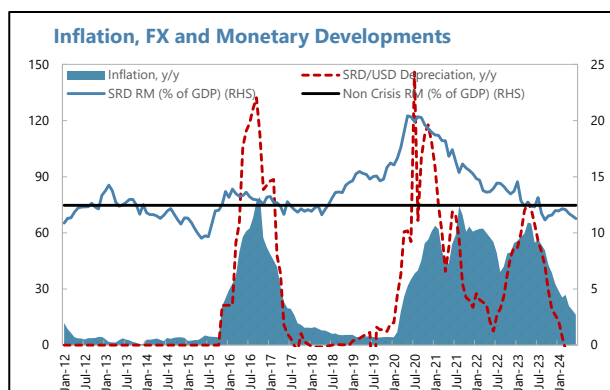
12. Clearance of domestic arrears and prevention of new arrears accumulation is underway (Annex I).

Legacy debts to the CBvS have been restructured into a new loan and advances from the CBvS to the central government have been repaid. All domestic debt arrears had been cleared except a small amount of disputed arrears that are currently being audited. A new continuous IT on non-accumulation of domestic debt arrears has been proposed to the Board for adoption. The flow in other accounts payable, mostly to suppliers, stood at 1.1 percent of GDP in July and the stock of VAT refund arrears was 0.5 percent of GDP.⁶ The authorities are committed to paying all domestic debt obligations on time, pay VAT refunds arrears by end-2024, and gradually clear all verified other accounts payable by end-2027. Line ministries now report their outstanding arrears to the Ministry of Finance on a monthly basis, will be subject to quarterly expenditure ceilings starting in Q4, and are required to receive prior authorization before signing contracts. The government will not be held legally responsible for contracts that do not have such prior authorization.



B. Bringing Down Inflation

13. Inflation continues to fall as a result of restrictive macroeconomic policies. Limits on the growth of the monetary base (supported by ongoing open market operations) and a reduction in the fiscal deficit have resulted in a decline in inflation.⁷ The stock of reserve



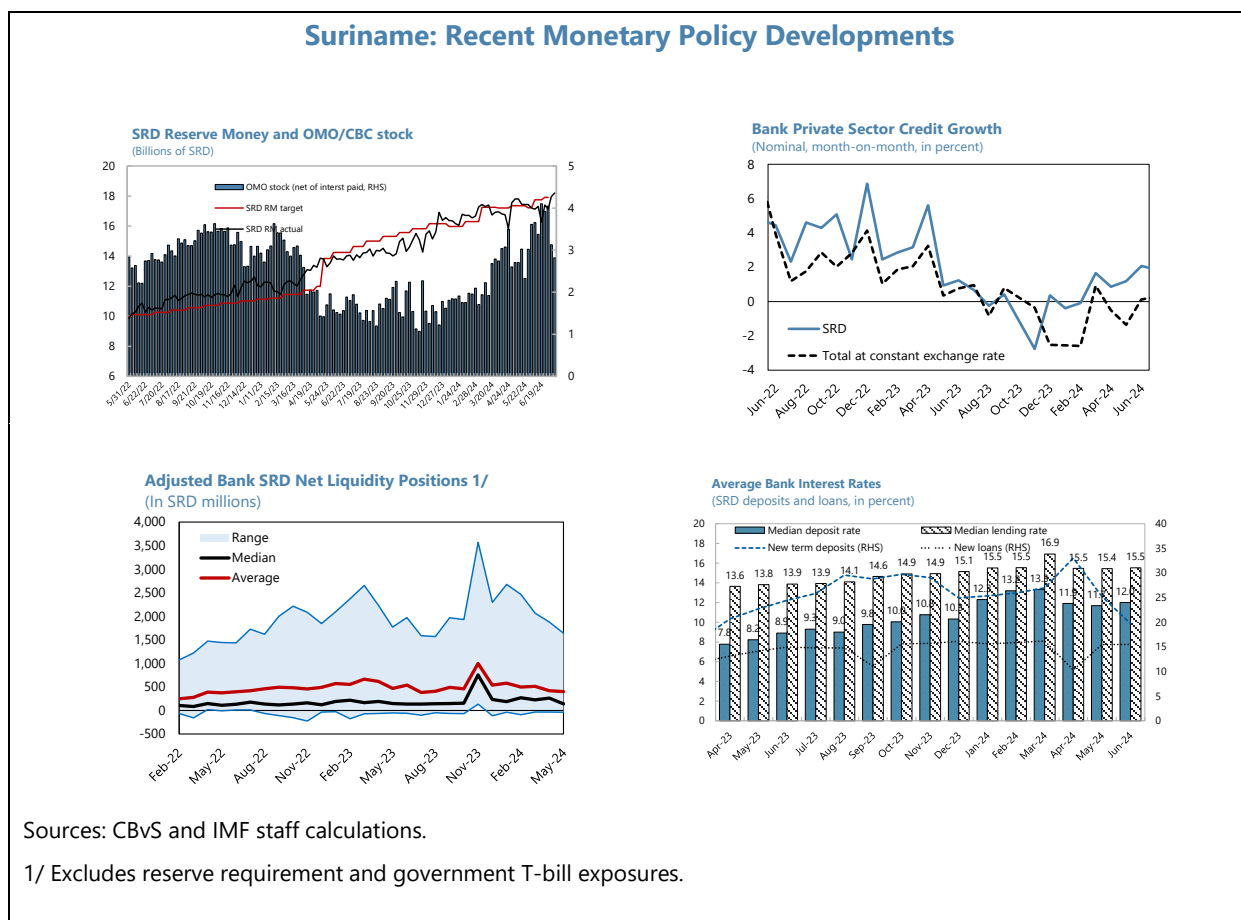
⁶ Reconciled data, with the help of IMF CD, provides clarity on the flows of other accounts payable, yielding an end-2023 stock of SRD 5.2 billion. This stock includes legacy arrears of SRD 0.48 billion and VAT refund arrears of SRD 0.809 billion.

⁷ As Suriname relies on imports for most of its consumption and investments needs, there is a quick pass through from exchange rate depreciation to inflation, which feeds back to exchange rate through a quick PPP adjustment. Persistent excess liquidity may set out a vicious cycle of exchange rate depreciation and high inflation. Moreover, the Suriname financial sector is also highly dollarized. Any exchange rate depreciation easily results in further deposit and transactional dollarization, un-anchoring inflation expectations. To understand the relationship between inflation,

(continued)

money-GDP is close to historical average and private sector credit growth has contracted indicating that liquidity conditions are relatively tight. To soundly anchor inflation expectations, the current reserve money targets should be maintained while monitoring the credit developments as banks shift to their core business and unwind their long positions in central bank instruments.

14. The interbank market functions poorly causing some banks to maintain large precautionary liquidity buffers and hampers the transmission of monetary policy to short term interest rates.⁸ Large banks maintain significant liquidity balances due to concerns about counterparty risk in the interbank market and a general reluctance to increase balance sheet exposure to sovereign or central bank paper. The central bank should allow term deposits and all instruments issued by the central bank to be used as a collateral for CBvS liquidity facilities which should increase the willingness of banks to invest in central bank paper. As the domestic debt arrears are cleared and the government is current on its securities, the central bank should also



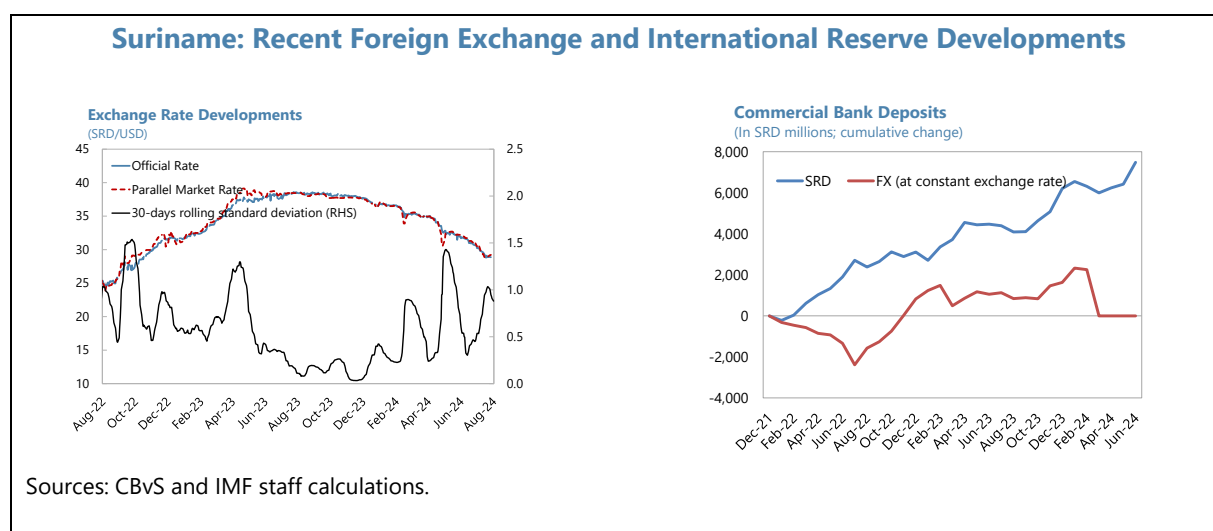
exchange rate and excess liquidity, inflation(m/m) was regressed on lagged inflation (one month and two months), lagged exchange rate (m/m, one month) and excess liquidity proxied by Reserve money as percentage of GDP (interpolated monthly using inflation). All the covariates were significant in explaining the m/m inflation in Suriname.

⁸ The CBvS' standing lending and intraday facilities are in place to help banks cover sudden short-term liquidity gaps. Additionally, banks can request from the CBvS to have access to their reserve averaging facility to meet their short-

(continued)

encourage the use of government paper as collateral for usage of central bank liquidity facilities. The central bank should simplify the existing two separate systems for holding reserves at the CBvS and implementing the Treasury Single Account (by moving government balances out of the banking system to the central bank). The Fund is providing CD to the central bank to support it in transitioning to a price based monetary policy framework and, eventually, to inflation targeting.

15. Electronic FX trading expected to be launched in September will improve market transparency, liquidity and price discovery. Both the FX trading platform and the central bank's FX auction platform will improve the efficiency and transparency of the FX market. The regulations of both platforms have been updated to make them consistent with Suriname's obligations under Article VIII, including in line with the new MCP policy. The CBvS is also working to strengthen its FX reserves management and operations⁹.



C. Addressing Banking Sector Risks

16. The CBvS should continue to address the vulnerabilities and enhance the resilience of the banking system. The banking system remains liquid with liquid assets comprising 53.5 percent of total assets although liquidity is skewed toward the two systemic banks.¹⁰ Nonperforming loans (NPLs) continue to decline relative to end 2023 (7.2 percent of loans at end-May 2024), partly due to the repayment of government arrears to banks. The CBvS is in the process of concluding the assessment of banks' NPL resolution plans and will provide further guidance to the banks on a case-by-case basis. Banks' profitability still largely depends on profits from holdings of central bank

term liquidity needs. However, these facilities are underused (the SLF was last used in April 2023). Instead, banks borrow bilaterally from other banks through FX/SRD swaps.

⁹ The Fund has provided CD on FX reserves management and operations.

¹⁰ The Fund is providing CD on the development of an operational risk management framework to strengthen the resilience of the banking sector.

instruments, but with the decline in interest rates on central bank instruments, banks could start expanding lending to the private sector which will require careful monitoring of banks' loan portfolios and risk management systems.

	2022	2023	2024	2025	Total
Inflow of FX (CBvS and Central Government)	590	694	674	555	2,513
Govt mineral and other FX revenues 1/	260	160	236	355	1,011
IFI financing (budget support)	200	190	150	25	565
IMF financing	54	157	251	63	580
Other (incl. project financing)	76	186	38	112	411
Outflow of FX (CBvS and Central Government)	386	292	647	532	1,857
Debt service 2/	134	165	374	322	995
Other FX outflows (incl. use of project financing)	97	127	273	210	707
PBOC swap reversal	154	0	0	0	154
Private sector (net)	-2	-250	0	0	-252
Commercial banks' transfers (net) 3/	-2	-250	0	0	-252
FX purchases by CBvS	0	0	0	0	0
FX sales to private sector by CBvS and Central Government 4/	0	0	0	0	0
Change in Gross Foreign Reserves of CBvS (+: Increase)	202	152	27	23	404
Private sector	-2	-250	0	0	-252
Public sector	204	402	27	23	656

Sources: CBvS and IMF staff estimates.

1/ Government mineral and other revenue received in foreign currency that are transferred to the CBvS.

2/ Debt service to all external and domestic obligations of the central government and CBvS denominated in FX.

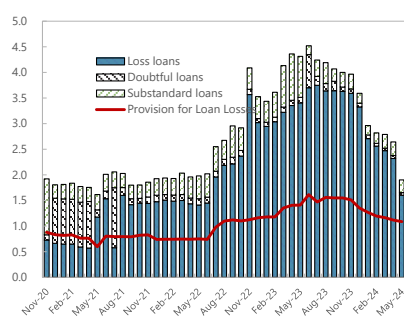
3/ Commercial banks' transfers to/from their accounts at the CBvS from/to their Nostro account abroad.

4/ Direct FX sale by the central government to fuel importers in February 2023.

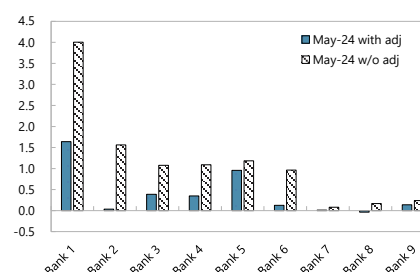
17. The timely completion of bank recapitalization plans and prudent monitoring of their solvency and viability are essential to preserve stability in the banking system. The reported level of capital adequacy for the banking system is 21.8 percent as of May 2024. Banks with capital shortages (accounting for 5.4 percent of total banking sector assets) have submitted recapitalization plans to the CBvS and are expected to reach the regulatory minimum for common equity tier one (CET1) and capital adequacy (CAR) by the end of 2024 and 2026, respectively. They also have quarterly interim CET1 and CAR targets. The CBvS should continue to assess the solvency and viability of these banks on a continuous basis and escalate the prompt corrective actions agreed with the banks in the event the interim targets are not met. Any public support to private banks will need to have strict conditionality to minimize cost, enhance public confidence, and provide a clear exit strategy for the government. The new governance framework established for government-owned banks should ensure they are run on a fully commercial basis, providing a level-playing field with private banks. The recapitalization of the state-owned bank will take place in 2025, following the reform of its board and senior management structure and improvements in its internal audit systems.

Suriname: Selected Financial Sector Indicators

NPLs and Provisioning 1/
(In SRD billions)



Adjusted and Unadjusted SRD Net Liquidity Positions 2/
(In SRD billions)



Source: CBvS and IMF staff calculations.

1/ The large shift in December 2020 from substandard to doubtful loans shows the reclassification of a large loan by one of the banks in line with CBvS provisioning guidance. The movement between doubtful and loss loans in July 2021 likely is a reporting error that was corrected in August 2021.

2/ Adjusted means exclusion of required reserves and exposures to government T-bills.

D. AML/CFT and Governance

18. To strengthen central bank governance, the CBvS' Council and Executive Board have been fully constituted and efforts continue to establish a regular cycle for external audits. The FY2021 financial statements were published in August 2024 and FY 2022 financial statements are expected to be published this year (*end-September SB, proposed to be reset to end-December 2024*). The MoFP and CBvS have finalized a plan to recapitalize the central bank (a **prior action** for completion of the review).

19. Other key governance reforms are showing some progress (MEFP 128):

- By end September, the authorities expect to enact amendments to the anti-corruption legal framework to criminalize acts of corruption in line with Chapter III of the UN Convention against Corruption (end-June SB, proposed to be set as a new structural benchmark for end-November 2024) and require: (i) income and asset declarations of politically exposed persons; (ii) a routine verification of these declarations; (iii) publication of income and asset declarations; and (iv) establishing proportionate and dissuasive sanctions for non-compliance (end-September SB, proposed to be reset to end-November 2024).
- The new procurement law expected to be enacted in September will require the publication of all tenders and contracts awards, all procurement contracts, the names of the awarded entities and their beneficial owners, the names of the public officials awarding the contracts, and an ex-post validation of delivery of the contracted services.
- The government enacted in November 2022 a new AML/CFT law to bring it in line with international standards. Further amendments to the AML/CFT were approved by parliament in July 2024. To fully comply with CFATF requirements, Suriname needs to: (i) enhance AML/CFT

supervision for all financial institutions; (ii) develop and implement risk based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit; (iv) increase ML/TF related investigations, prosecutions and confiscations; and (v) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions on Terrorism and Proliferation Financing. Work is underway in these areas and a new national risk assessment is planned for mid-2024.

E. Improving the Quality and Dissemination of Economic Statistics

20. Progress is being made in improving the quality and timeliness of monetary, fiscal, financial and balance of payment statistics. The authorities have increased the budget of the statistics office, but further efforts are needed to improve the production and timeliness of GDP statistics and provide more disaggregated data on consumer prices. There is ongoing IMF technical assistance by STA to improve national accounts statistics, government finance statistics, and on tracking and estimating other accounts payable with suppliers and its arrears. CARTAC is supporting the authorities in improving their annual estimates of expenditure-based GDP. CD missions are also planned after the authorities requested additional support to develop supply and use tables to compare and enhance the compilation of both expenditure-based GDP and activity-based GDP.

PROGRAM ISSUES

21. Staff proposes modifications to program conditionality as follows:

- To modestly adjust the QPCs on NIR and NDA for the remainder of 2024 to align them with revisions in the macro-framework.
- To add a continuous IT on non-accumulation of new domestic debt arrears by the Central Government.¹¹
- To remove the QPC on collecting mineral revenues in SRD as the authorities have discontinued the practice starting July 1, 2024, and will now collect all mineral revenues in foreign currency.
- Should the FID materialize, state oil company (Staatsolie) would need debt financing to exercise its option. Given the significant upside for Suriname in having Staatsolie participate in the project alongside other commercial parties, it is proposed to carve issuance of such debt from the continuous PC on zero collateralized borrowing (DSA ¶16).

¹¹ Domestic debt arrears for program monitoring purposes are defined as domestic debt obligations of the central government owed to commercial banks, Central bank, non-bank financial institutions (pension, insurance, and non-depository banks) and non-financial sector (suppliers and other private sector), which either have not been paid within 30 days after the contractual due date or within the contractual grace period, whichever is longer.

22. Access and capacity to repay. Suriname's capacity to repay continues to be assessed as adequate under the program baseline but subject to significant risks. Successful implementation of the program will be critical to mitigate these risks. Fund credit outstanding will peak in 2025 at 50 and 12 percent of usable reserves and GDP, respectively, and will remain elevated through 2030 (Table 11). Annual debt service to the Fund peaks in 2029 at 4 percent of exports of goods and services. Out of the SDR 46.7 million scheduled for the seventh review, SDR 19.1 million (41 percent) would be made available for budget support.

23. Lending into arrears. Staff assess that good faith efforts are being made to reach a collaborative agreement with the remaining private external creditors. These creditors are not deemed to be a holdout risk and the arrears to these creditors do not undermine the medium-term external viability of Suriname's balance of payments and its capacity to repay the Fund. As such, the requirements of the lending into arrears policy are judged to have been met.

24. Program financing. Suriname's program continues to be fully financed with firm commitments of financing for the next 12 months and good prospects for adequate financing for the remaining program period.¹²

	2021	2022	2023	2024	2025	Total
Financing gap	237	421	307	398	87	1,450
Official financing	34	253	308	398	87	1,079
O/w: IMF	34	53	158	248	62	554
Purchases	55	53	158	248	62	575
O/w: for budget support	55	53	103	102	26	338
Repurchases	21	0	0	0	0	21
O/w: IFIs	0	200	150	150	25	525
Financing from external arrears accumulation (net)	203	168	-1	0	0	371

Source: IMF staff calculations.
1/ Excludes financing from external debt restructuring.

STAFF APPRAISAL

25. Despite a challenging socio-political environment and binding institutional capacity constraints the authorities remain committed to their ambitious reform agenda. They have fully eliminated fuel subsidies, are gradually phasing out electricity and gas subsidies, are removing unregistered and chronically absent employees from the public payroll and broadened the VAT base. Social assistance spending targets have been met for two consecutive reviews helping to maintain social cohesion and support for the government's reform efforts. The authorities have also finalized the CBvS' recapitalization plan.

26. The authorities missed the end-June primary fiscal target but have subsequently taken corrective actions. Weak financial controls led to an overpayment to the electricity sector which has subsequently been returned to the state budget. The fiscal position is now back on track to meet the end-year primary balance target. The electricity company (EBS) will also now remit directly to the state budget resources arising from the recent increases in electricity tariffs.

¹² The IDB commits to providing budget support of at least USD 150 million in 2024 conditional on the IMF program review and its own conditionality. Similarly, the CDB will provide USD 25 million in budget support in 2025. Other IFIs commit to disbursing agreed project loans conditional on the IMF program review and their own conditionality.

27. The authorities are working to improve public financial management and hire qualified civil servants to key positions in order to rebuild capacity. Procurement processes are being improved to increase transparency and accountability, quarterly expenditure ceilings are being introduced for each line ministry, cash management is being strengthened, and steps have been put in place to avoid future accumulation of arrears.

28. Debt restructuring is in its final phase. Negotiations with the Paris Club (PC) for the second phase of their debt treatment are scheduled for end-September and discussions with the remaining small group of private external creditors are ongoing. The current debt management strategy can be strengthened including through greater coordination between SDMO, the MoFP, and CBvS for timely processing of domestic debt service payments. Increasing access to domestic issuance would be supported by a consistent and well-communicated debt management strategy.

29. A strong CBvS balance sheet is crucial for operational independence and the robust implementation of monetary policy. With the combined efforts of the MoFP and the CBvS the central bank recapitalization plan has been finalized. The plan outlines a binding timeline to complete the recapitalization before the end of the program. A successful implementation of CBvS recapitalization, as required by the new Central Bank Act, will help the CBvS manage its liabilities more effectively and send a positive signal to financial markets.

30. The transmission of monetary policy remains weak. Improving banks' understanding of how to access CBvS liquidity facilities and expediting bank requests for liquidity support will help lower the precautionary balances that they currently maintain. Establishing a Treasury Single Account and transferring funds to the central bank will make liquidity forecasting easier. The central bank remains committed to a fully flexible exchange rate and the soon-to-be-operational electronic FX trading platform will help improve price discovery.

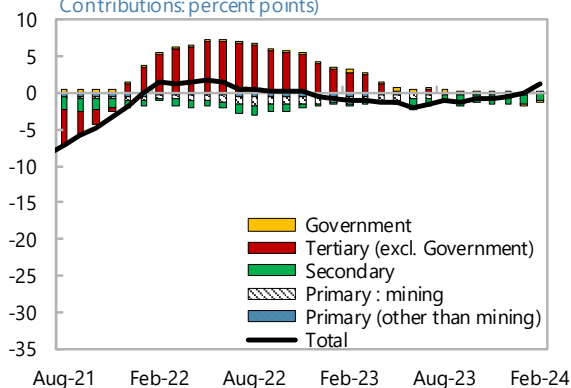
31. The CBvS continues to address vulnerabilities in the banking system. Timely completion of recapitalization plans of banks with capital shortages and prudent monitoring of capital adequacy, liquidity and asset quality of banks are essential to preserve stability in the banking sector. Improved risk-based supervision will help with the timely identification and mitigation of vulnerabilities. The CBvS should increase its monitoring of non-bank financial institutions, particularly with respect to their interconnectedness with the banking system. The bank resolution framework should be operationalized through the issuance of relevant regulations and guidelines. Ongoing efforts to strengthen AML/CFT will support financial system integrity and prevent the potential loss of corresponding banking relationships.

32. The expected Final Investment Decision on the development of Suriname's energy resources increases the urgency to strengthen governance and establish proper institutional arrangements for management of this oil wealth. Future oil wealth should be channeled to improving social infrastructure, raising the standards of living in an equitable manner, and lifting long-term term growth. Operationalizing the sovereign wealth fund and setting up clear fiscal rules will be critical to ensure prudent use of the proceeds from oil.

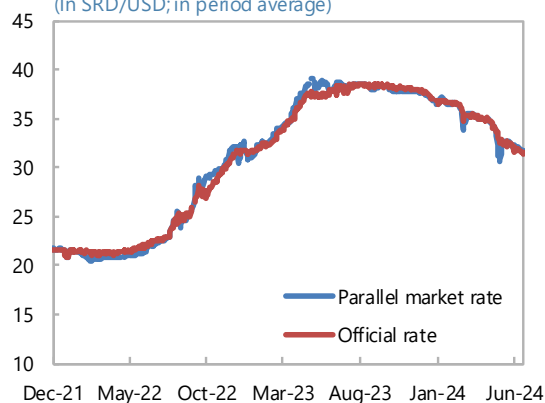
33. Staff supports the authorities' request for the completion of the seventh review under the EFF arrangement and the completion of the financing assurances review. The authorities are committed at the highest level to restoring macroeconomic and financial stability. In view of the commitments made by the Surinamese authorities and the significant policy efforts made to date coupled with corrective actions taken, staff supports the authorities' request for the modification of performance criterion and the request for waiver for the nonobservance of performance criterion. Implementation of prior actions also signal authorities' commitment for a successful implementation of the program.

Figure 1. Suriname: Recent Economic Developments

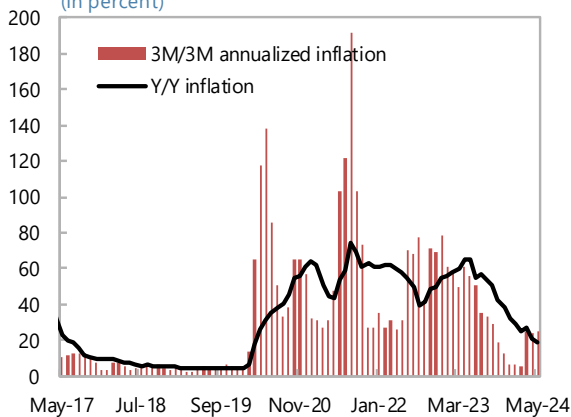
Monthly Economic Activity Indicator and Contributions
(MEA: 12m/12m moving average- In percent change;
Contributions: percent points)



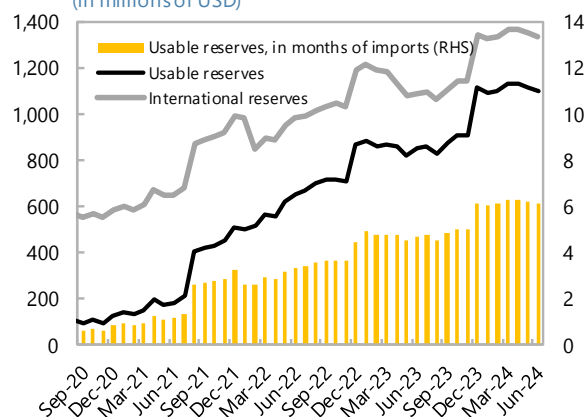
Exchange Rate
(In SRD/USD; in period average)



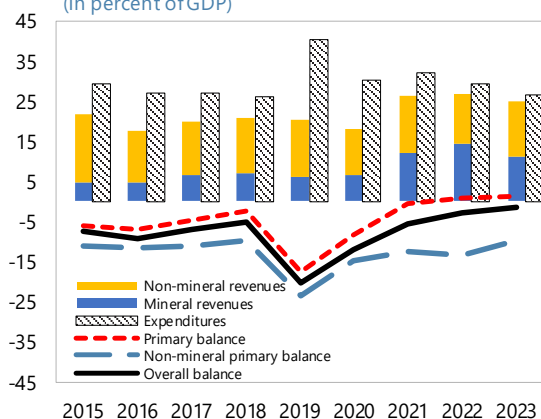
Inflation
(In percent)



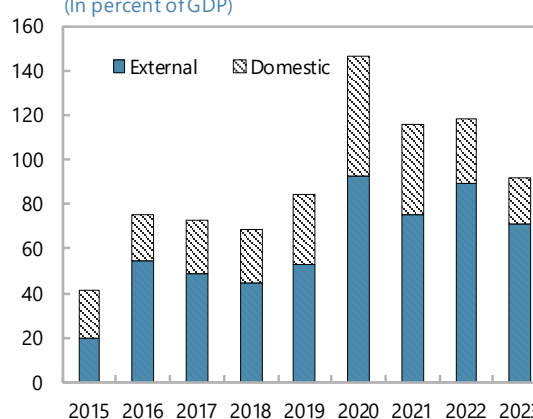
Gross International Reserves
(In millions of USD)



Fiscal Outcomes
(In percent of GDP)

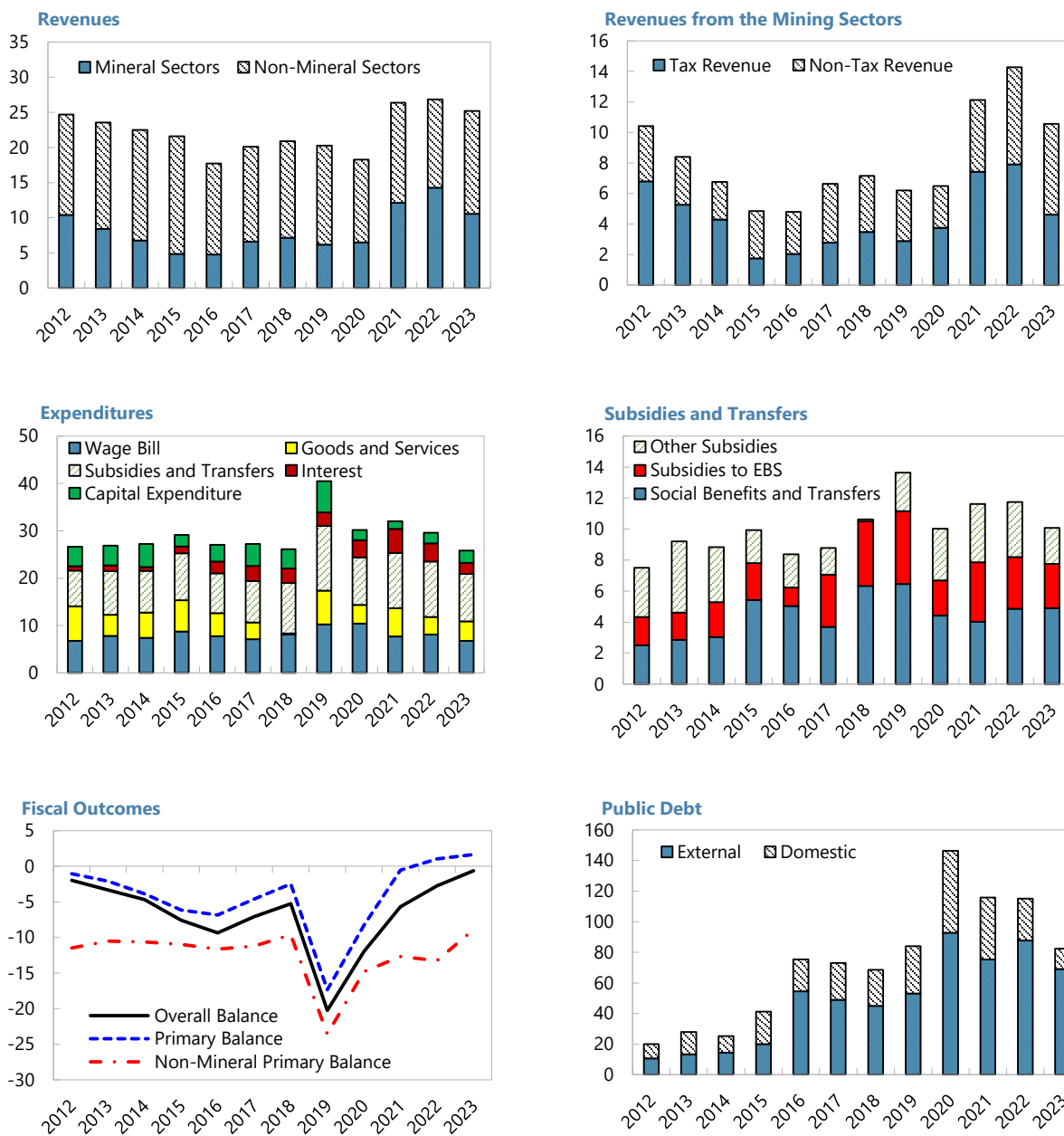


Public Debt
(In percent of GDP)



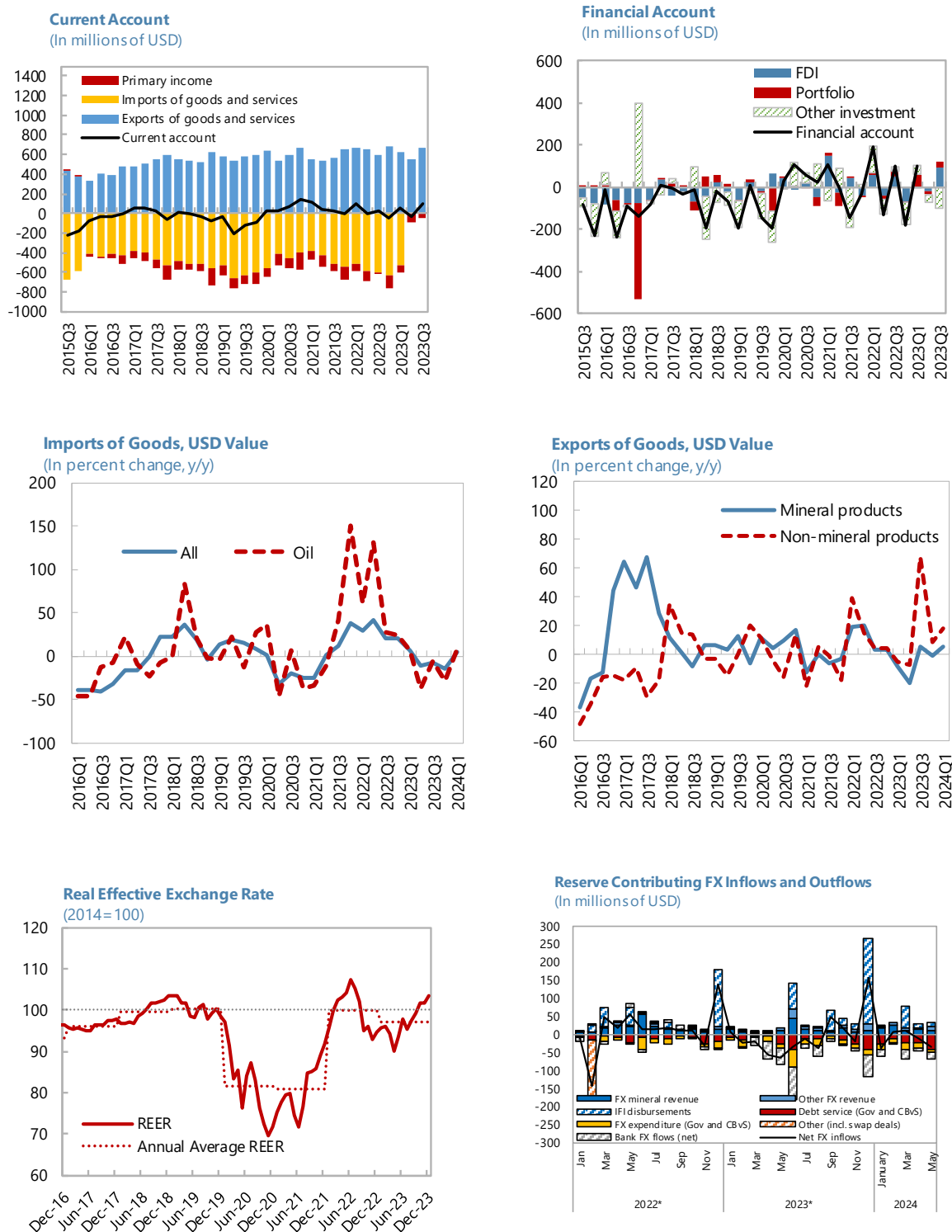
Sources: Central Bank of Suriname, General Bureau of Statistics, Ministry of Finance; SDMO and IMF staff estimates.

Figure 2. Suriname: Fiscal Developments, 2012–23
(In percent of GDP)



Sources: Ministry of Finance; and IMF staff estimates.

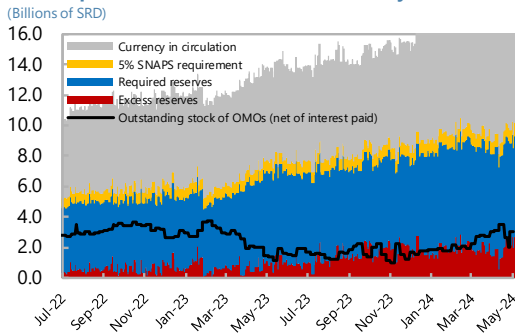
Figure 3. Suriname: External Sector Developments



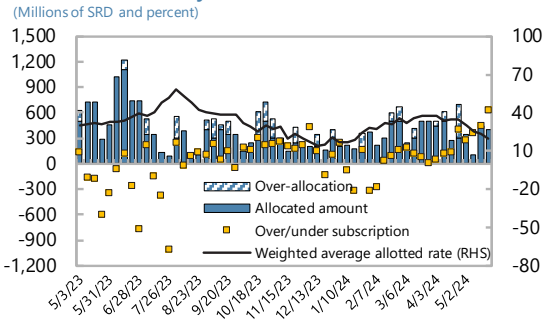
Sources: International Financial Statistics (IFS); Central Bank of Suriname; and IMF staff estimates.

Figure 4. Suriname: Monetary Developments

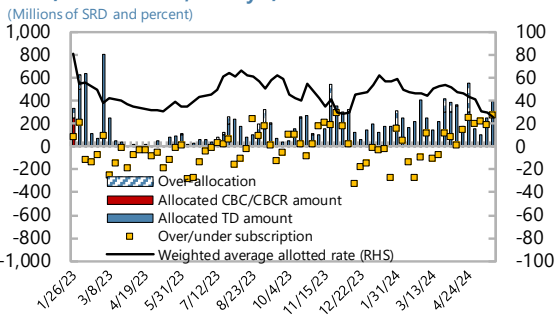
SRD Required/Excess Reserves and Currency in Circulation



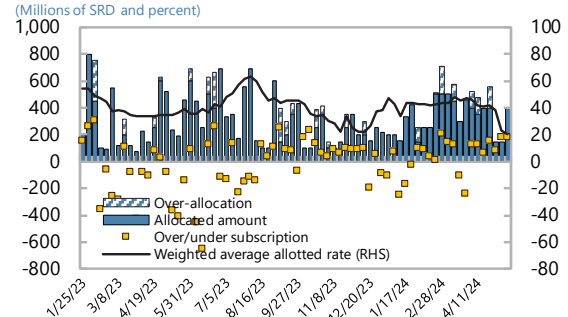
OMO Auctions, 7-day



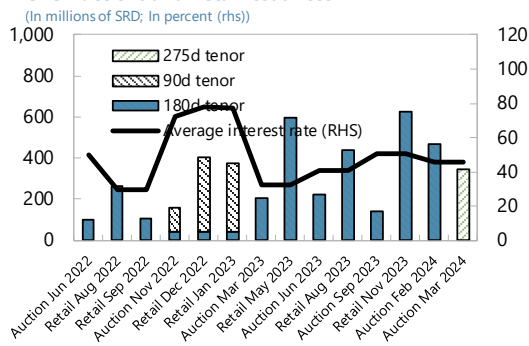
OMO/CBC Auctions, 90-day 1/



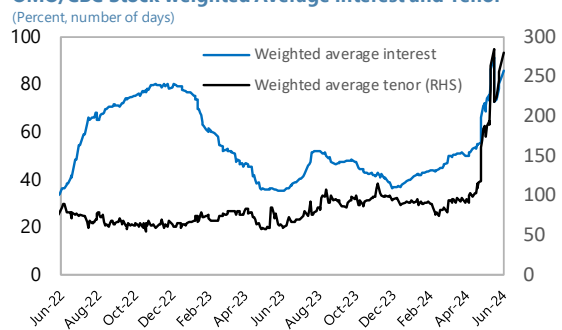
OMO Auctions, 30-day



CBC Auctions and Retail Issuances



OMO/CBC Stock weighted Average Interest and Tenor



Sources: Central Bank of Suriname and IMF staff calculations.
1/ Nov 28 was a wholesale CBC auction.

Table 1. Suriname: Selected Economic Indicators

	Est.										
	2021	2022	2023	2024	2024	2025	2025	2026	2027	2028	2029
				6th Review		6th Review					
Real sector (percent change)											
Real GDP	-2.4	2.4	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nominal GDP	56.9	47.3	54.5	21.4	18.3	16.7	15.1	11.9	10.5	8.0	8.0
GDP deflator	60.8	43.8	51.2	17.9	14.8	13.3	11.7	8.6	7.3	4.9	4.9
Consumer prices (period average)	59.1	52.4	51.6	20.7	19.1	14.8	12.8	9.6	7.4	5.0	5.0
Consumer prices (end of period)	60.7	54.6	32.6	14.2	12.7	11.0	11.3	8.2	6.0	5.0	5.0
Labor market (percent)											
Unemployment rate	11.2	10.9	10.6	10.3	10.3	10.0	10.0	9.9	8.7	8.2	7.7
Labor force participation rate	58.2	58.7	59.0	59.4	59.4	59.8	59.8	60.2	60.6	61.0	61.4
Money and credit (percent change)											
Broad money	45.3	45.1	19.5	4.7	0.2	11.7	10.8	10.0	9.1	8.2	7.9
Broad money (percent of GDP)	76.0	74.9	58.0	50.0	49.1	47.8	47.3	46.5	45.9	46.0	45.9
Reserve money	48.0	44.8	4.9	7.8	3.7	13.1	11.2	11.2	8.8	7.8	7.7
Reserve money (percent of GDP)	31.2	30.7	20.8	18.5	18.3	17.9	17.7	17.6	17.3	17.3	17.2
Private sector credit	18.5	65.7	18.6	19.8	14.3	17.6	18.9	12.2	9.4	7.7	7.6
Private sector credit (in real terms)	-26.3	7.2	-10.6	4.9	1.5	5.9	6.9	3.7	3.2	2.6	2.5
Private sector credit (percent of GDP)	18.1	20.4	15.7	15.4	15.1	15.5	15.6	15.7	15.5	15.5	15.4
Central government (percent of GDP)											
Revenue and grants	26.4	26.8	25.1	25.7	26.1	25.5	25.4	25.4	25.4	25.4	25.4
Total expenditure	32.1	29.5	26.7	26.7	26.6	25.5	25.3	25.3	25.4	25.2	25.1
Of which: Primary expenditure	26.9	25.8	23.9	23.0	23.3	22.0	21.9	21.9	21.9	21.9	21.9
Statistical discrepancy	0.2	3.5	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (net lending/borrowing) 1/	-5.7	-2.7	-1.6	-0.9	-0.6	0.0	0.1	0.1	0.1	0.2	0.4
Primary balance	-0.5	1.0	1.3	2.7	2.8	3.5	3.5	3.5	3.5	3.5	3.5
Non-resource primary balance	-12.7	-13.2	-10.1	-7.4	-8.1	-6.6	-6.8	-6.9	-6.9	-6.8	-6.8
Net acquisition of financial assets 2/	-0.4	5.2	3.6	0.6	5.7	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	5.0	4.4	3.3	1.5	-0.1	0.0	-0.9	-0.8	-0.4	-0.6	-1.0
Net domestic financing	0.7	-3.9	-4.7	-4.5	-5.5	-0.8	-1.8	-1.2	1.5	1.3	1.7
Net external financing	-1.8	3.6	8.0	6.0	5.4	0.8	0.9	0.4	-1.9	-1.9	-2.7
External arrears (net)	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government debt 3/ (percent of GDP)	115.8	116.9	90.3	87.4	85.7	82.0	78.6	73.0	68.3	64.8	60.4
Domestic	40.4	29.1	18.7	17.2	15.5	13.6	11.8	9.4	10.1	10.7	11.7
o/w: change due to GDP deflator movement	-20.3	-12.3	-9.9	-3.2	-2.4	-2.0	-1.6	-0.9	-0.6	-0.5	-0.5
External	75.4	87.8	71.6	70.2	70.1	68.4	66.8	63.6	58.2	54.0	48.8
o/w: change due to exchange rates movement	12.1	27.1	9.3	...	...	...	...	...	...	...	...
o/w: change due to GDP deflator movement	-35.1	-23.0	-29.8	-10.9	-9.3	-8.2	-7.4	-5.3	-4.3	-2.7	-2.5
External sector (percent of GDP)											
Current account balance	5.7	2.1	3.9	3.0	1.8	2.5	1.6	1.5	1.3	1.2	1.1
Capital and financial account	4.4	10.8	7.0	12.1	9.4	3.6	2.9	1.4	0.7	0.1	-0.5
Overall balance	1.1	-9.8	-5.1	-9.0	-7.6	-1.2	-1.3	0.1	0.6	1.1	1.6
Financing	-1.1	9.8	5.1	9.0	7.6	1.2	1.3	-0.1	-0.6	-1.1	-1.6
Change in reserves (- = increase)	-8.8	-1.9	-3.1	-0.2	-0.6	-0.8	-0.5	-0.3	-0.2	-0.1	-0.1
Official financing	1.1	7.0	8.2	9.2	8.1	1.9	1.8	0.2	-0.4	-1.0	-1.5
External arrears (net)	6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items											
GDP at current prices (SRD billions)	60.7	89.5	138.2	167.9	163.5	196.0	188.1	210.4	232.5	251.1	271.3
Terms of trade (percent change)	-20.1	-9.2	1.1	-2.8	-3.9	-2.2	-2.6	-1.3	-0.7	-1.0	-1.1
Gross international reserves (USD millions)	992	1,195	1,346	1,355	1,373	1,390	1,396	1,412	1,424	1,431	1,436
In percent of Reserve adequacy (risk-weighted measure) 4/	112	135	150	149	145	151	145	147	151	155	159
In months of imports	5.1	6.5	7.3	7.0	6.6	6.8	6.5	6.5	6.3	6.1	5.9
Usable gross international reserves (USD millions) 5/	512	865	1,112	1,121	1,139	1,156	1,162	1,177	1,189	1,197	1,202
In percent of Reserve adequacy (risk-weighted measure)	58	98	124	123	120	125	121	123	126	129	133
In months of imports	2.6	4.7	6.0	5.8	5.5	5.7	5.4	5.4	5.3	5.1	4.9
REER based on weighted average ER (percent change, + = appreciation) 6/	-0.6	28.6	1.6	...	...	...	...	...	...	...	...
Nominal effective exchange rate (percent change, + = appreciation)	-36.5	11.0	-5.4	...	...	...	...	...	...	...	...
Inflation differential	56.6	15.9	7.4	...	...	...	...	...	...	...	...
REER based on official ER (percent change, + = appreciation) 6/	-20.4	28.6	1.6	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	20.8	36.7	41.1	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, period average)	18.3	33.2	40.1	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	20.8	36.7	41.1	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, period average) 6/	19.7	33.2	40.1	...	...	...	...	...	...	...	...
Gold production (growth rate)	-6.6	4.5	12.5	1.6	1.6	1.2	1.2	1.3	1.3	1.3	1.3
Gold price (USD per troy ounce)	1,800	1,802	1,943	2,061	2,328	2,151	2,544	2,644	2,723	2,756	2,787
Growth Rate	1.7	0.1	7.9	6.1	19.8	4.3	9.3	3.9	3.0	1.2	1.1
Oil price (USD per barrel)	69.2	96.4	80.6	77.7	82.9	73.8	78.1	74.1	71.6	69.9	68.8
Growth Rate	65.8	39.2	-16.4	-3.6	2.9	-5.0	-5.8	-5.1	-3.5	-2.3	-1.6

Sources: Surinamese authorities and Fund staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy.

2/ Includes acquisition of stake in gold mine and loans to state-owned enterprises.

3/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

4/ Based on IMF, 2015, "Assessing Reserve Adequacy."

5/ Excluding the PBOC swap and ring-fenced reserves.

6/ The weight of the official exchange rate is 30 percent and that of the parallel market exchange rate is 70 percent in this measure. Fiscal and monetary sectors in this macro-framework use the official rate (except for public debt which uses the weighted average exchange rate), and real and BOP sectors use the weighted average exchange rate. The official and parallel market exchange rates converged in June 2021.

Table 2. Suriname: Real Sector, by Expenditures 1/
(Percent change, unless otherwise indicated)

	Est.	Proj.									
		2022	2023	2024	2024	2025	2025	2026	2027	2028	2029
				6th Review		6th Review					
Growth rates (constant prices)											
Real GDP	2.4	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Private Absorption	4.3	1.7	0.4	2.4	3.1	3.0	2.2	3.0	3.1	2.8	
Public Consumption	-16.6	-5.8	-0.8	-0.3	0.7	1.0	1.9	2.8	3.2	3.0	
Public Gross Investment	44.8	29.5	26.6	15.4	19.2	20.4	3.0	3.0	3.0	3.0	
Exports	7.8	2.0	9.5	10.6	3.0	2.6	2.6	3.6	2.7	3.5	
Imports	8.0	0.3	4.7	10.2	4.3	3.6	0.5	3.6	2.9	3.1	
Contributions (constant prices)											
Real GDP growth	2.4	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Private Absorption	3.6	1.4	0.4	2.0	2.6	2.5	1.9	2.5	2.5	2.4	
Public Consumption	-2.1	-0.6	-0.1	0.0	0.1	0.1	0.2	0.2	0.3	0.3	
Public Gross Investment	0.7	0.7	0.8	0.4	0.7	0.7	0.1	0.1	0.1	0.1	
Net Exports	0.1	0.7	1.9	0.5	-0.3	-0.3	0.8	0.2	0.1	0.3	
Growth rates (current prices)											
Nominal GDP	47.3	54.5	21.4	18.3	16.7	15.1	11.9	10.5	8.0	8.0	
Private Absorption	63.5	52.5	20.1	22.6	19.4	17.1	11.6	11.1	8.8	8.6	
Public Consumption	27.2	42.7	20.9	18.8	15.6	14.0	11.9	10.5	8.0	8.0	
Public Gross Investment	108.2	95.9	49.2	32.5	35.1	34.5	11.9	10.5	8.0	8.0	
Exports	41.4	45.9	12.5	-2.0	10.8	14.2	7.1	8.4	6.9	6.9	
Imports	56.1	41.8	10.7	1.6	14.7	18.4	6.3	9.2	8.1	7.7	
Contributions (current prices)											
Nominal GDP growth	47.3	54.5	21.4	18.3	16.7	15.1	11.9	10.5	8.0	8.0	
Private Absorption	45.1	41.3	15.6	17.6	14.9	13.8	9.5	9.0	7.2	7.1	
Public Consumption	3.7	5.0	2.3	2.0	1.7	1.5	1.3	1.1	0.9	0.9	
Public Gross Investment	1.8	2.2	1.4	0.9	1.2	1.1	0.5	0.4	0.3	0.3	
Net Exports	-3.3	5.9	2.1	-2.3	-1.2	-1.4	0.6	-0.1	-0.4	-0.2	
Deflators (Growth Rates)											
GDP	43.8	51.2	17.9	14.8	13.3	11.7	8.6	7.3	4.9	4.9	
Private Absorption	56.7	50.0	19.6	19.7	15.8	13.7	9.2	7.8	5.5	5.6	
Public Consumption	52.4	51.6	21.8	19.1	14.8	12.8	9.9	7.4	4.6	4.8	
Public Gross Investment	43.8	51.2	17.9	14.8	13.3	11.7	8.6	7.3	4.9	4.9	
Exports of goods and services	31.3	43.0	2.7	-11.5	7.6	11.3	4.3	4.6	4.0	3.3	
Imports of goods and services	44.6	41.4	5.7	-7.9	10.0	14.3	5.7	5.4	5.0	4.4	
CPI	52.4	51.6	20.7	19.1	14.8	12.8	9.6	7.4	5.0	5.0	
GDP (current prices, USD billions)	3.6	3.7	...	...	...	...	...	...	...	...
GDP (current prices, SRD billions)	89.5	138.2	167.9	163.5	196.0	188.1	210.4	232.5	251.1	271.3	
GDP deflator (Index = 100 in 2015)	593	897	1059	1030	1200	1151	1251	1342	1407	1476	

Sources: IMF staff calculations and projections.

1/ Historical values are not shown due to lack of official GDP estimates by expenditure.

Table 3. Suriname: Central Government Operations
(Millions of SRD)

	Est.										
	2021	2022	2023	2024	2024	2025	2025	2026	2027	2028	2029
				6th Review		6th Review					
Revenues	16,010	24,021	34,758	43,184	42,617	49,948	47,815	53,501	59,111	63,845	68,978
Taxes	11,831	16,649	21,976	28,171	27,948	32,894	30,948	34,993	38,077	41,376	45,273
Direct taxes	8,137	11,126	12,212	14,635	14,986	16,806	15,557	17,810	18,936	20,458	22,704
Of which: mineral taxes	4,502	7,070	7,167	8,185	8,694	9,280	8,318	9,710	9,987	10,792	12,261
Indirect taxes	3,693	5,523	9,765	13,536	12,961	16,087	15,391	17,183	19,141	20,918	22,570
Grants	140	87	375	443	443	0	0	0	0	0	0
Non-tax revenues	4,039	7,285	12,407	14,570	14,226	17,055	16,867	18,508	21,034	22,469	23,705
Of which:											
Mineral resource revenues	2,864	5,706	8,500	8,925	9,116	10,565	11,081	12,161	14,161	15,046	15,685
Expenditures	19,465	26,427	36,943	44,754	43,556	50,018	47,650	53,304	58,952	63,320	67,992
Primary expenditures	16,339	23,099	33,016	38,571	38,004	43,090	41,233	46,136	50,975	55,056	59,483
Compensation of employees	4,664	7,274	9,332	11,251	11,115	13,129	12,787	14,308	15,808	17,074	18,447
Other primary current expenditure	10,693	13,778	19,675	21,469	21,577	22,055	21,300	23,833	26,332	28,440	30,727
Of which: fuel and electricity subsidies	2,326	4,590	4,849	2,400	2,900	0	0	0	0	0	0
Of which: cash transfer programs	892	1,717	3,163	5,122	5,122	5,977	5,893	6,488	7,169	7,743	8,366
Net acquisition of nonfinancial assets	983	2,047	4,009	5,851	5,312	7,906	7,146	7,996	8,834	9,542	10,309
Interest	3,126	3,329	3,928	6,183	5,553	6,928	6,416	7,167	7,977	8,264	8,509
Overall balance (net lending/borrowing) 1/	-3,455	-2,406	-2,185	-1,570	-939	-70	165	197	160	524	986
Of which: primary balance	-329	923	1,742	4,613	4,613	6,859	6,582	7,364	8,137	8,788	9,495
of which overdue VAT refunds 2/			594	0	0	0	0	0	0	0	0
Overall balance (with VAT refunds on accrual basis)			-2,779	-1,570	-939	6,859	6,582	7,364	8,137	8,788	9,495
Net financial transactions	-3,325	731	315	-1,570	-939	-70	165	197	160	524	986
Net acquisition of financial assets 3/	-267	4,631	4,935	1,000	9,382	0	0	0	0	0	0
Net incurrence of liabilities	3,058	3,899	4,620	2,570	-119	70	-1,711	-1,607	-966	-1,532	-2,730
Domestic (Net)	-2,328	-5,225	-7,537	-2,482	-4,695	535	-1,909	-1,339	3,944	3,364	4,668
Amortizations	-2,846	-1,474	-4,796	-4,584	-3,986	-2,270	-2,048	-1,820	-1,999	-5,350	-5,639
Central bank	0	0	0	0	0	-224	-224	-337	-337	-337	-337
Commercial banks	-1,954	-629	-2,942	-2,097	-1,811	-440	-392	-542	-650	-2,280	-2,490
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0
Other domestic 4/	-892	-844	-1,854	-2,487	-2,175	-1,605	-1,431	-941	-1,012	-2,733	-2,813
Disbursements	518	-3,751	-2,741	2,102	-709	2,805	139	481	5,943	8,713	10,307
Central bank	-1,478	-4,463	-3,629	2,000	-709	2,850	-61	0	0	0	0
Claims on government	252	0	0	0	0	0	0	0	0	0	0
Liabilities to government	1,730	4,463	3,629	-2,000	709	-2,850	61	0	0	0	0
Commercial banks	796	-168	85	51	0	-23	100	241	2,971	4,357	5,154
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0
Other domestic 4/	1,200	880	803	51	0	-23	100	241	2,971	4,357	5,154
Domestic arrears	2,748	1,765	1,099	-4,997	-4,284	-2,095	-1,546	-1,187	-416	0	0
Accumulation of arrears	3,359	1,765	2,803	0	0	0	0	0	0	0	0
of which: VAT Refund arrears 2/			594	0	0	0	0	0	0	0	0
Payment of arrears	-611	0	-1,704	-4,997	-4,284	-2,095	-1,546	-1,187	-416	0	0
of which: payment of VAT Refund arrears 2/			-611	-611	-611	-611	-611	-611	-611	-611	-611
Foreign (Net)	-1,086	3,214	11,081	10,049	8,861	1,630	1,744	919	-4,493	-4,895	-7,398
Amortizations	-2,922	-4,968	-2,449	-4,192	-3,595	-4,951	-4,403	-3,757	-9,158	-10,166	-11,802
IFIs	-1,119	-1,960	-2,126	-2,313	-1,984	-3,125	-2,782	-2,968	-3,041	-3,735	-3,478
Official bilateral	-257	-1,446	-316	-1,365	-1,171	-1,073	-954	-143	-1,306	-1,361	-2,680
Commercial	-1,546	-1,563	-7	-514	-439	-753	-667	-646	-4,812	-5,069	-5,643
Disbursements	1,014	1,954	4,215	4,198	4,086	4,418	4,231	4,208	5,603	7,695	8,600
IFIs	1,006	1,954	4,215	4,198	4,086	4,409	4,231	4,208	4,068	3,766	3,391
Official bilateral	8	0	0	0	0	0	0	0	0	0	0
Commercial	0	0	0	0	0	9	0	0	1,534	3,929	5,209
Official financing	822	6,228	9,314	10,042	8,369	2,163	1,916	468	-937	-2,425	-4,196
O/w: IMF	822	1,299	3,781	3,979	3,383	1,098	967	-535	-937	-2,425	-4,196
Purchases	1,204	1,299	3,781	3,979	3,383	1,098	967	0	0	0	0
Repurchases	-381	0	0	0	0	0	0	-535	-937	-2,425	-4,196
O/w: IFIs	0	4,928	5,533	6,062	4,986	1,065	948	1,003	0	0	0
External arrears (net)	3,724	4,145	-23	0	0	0	0	0	0	0	0
Statistical discrepancy	131	3,137	2,500	0	0	0	0	0	0	0	0
Memorandum items:											
Electricity subsidy financed through the budget	2,326	2,986	4,274	2,400	2,900	0	0	0	0	0	0
Non-resource balance	-10,821	-13,440	-18,087	-18,802	-18,750	-20,181	-19,234	-21,674	-23,988	-25,313	-26,959
Non-resource primary balance	-7,695	-11,853	-13,925	-12,496	-13,197	-12,986	-12,818	-14,507	-16,011	-17,049	-18,450
Public (central government) debt 5/	70,344	104,627	124,823	146,777	140,046	160,628	147,777	153,676	158,740	162,604	163,887
Official exchange rate (SRD per USD, period average)	18.3	24.6	36.9	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	20.8	31.7	36.7	...	...	...	...	...	...	...	...
Total central government debt interest rate (effective)	1.6	1.5	3.4	4.4	4.1	4.4	4.4	4.7	5.0	5.1	5.2
Domestic central government debt interest rate (effective)	1.4	1.0	15.6	10.1	9.9	7.7	8.7	8.8	7.8	7.6	7.1
External central government debt interest rate (effective)	1.6	1.5	2.2	3.6	3.2	4.0	3.8	4.2	4.6	4.6	4.8

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy. Note, 2021 balances were revised based on new information from authorities.

2/ The VAT refund arrears are converted to debt that is fully amortized in 2024, thereby not affecting the overall balance (cash basis 2024 onwards)

3/ Includes acquisition of stake in gold mine and loans to state owned enterprises, and recap of CBvS in 2024

4/ Comprised of holding of T-bills and notes by non-bank financial institutions.

5/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

Table 4. Suriname: Central Government Operations
(In percent of GDP)

	Est.										
	2021	2022	2023	2024	2024	2025	2025	2026	2027	2028	2029
				6th Review		6th Review					
Revenues	26.4	26.8	25.1	25.7	26.1	25.5	25.4	25.4	25.4	25.4	25.4
Taxes	19.5	18.6	15.9	16.8	17.1	16.8	16.5	16.6	16.4	16.5	16.7
Direct taxes	13.4	12.4	8.8	8.7	9.2	8.6	8.3	8.5	8.1	8.1	8.4
Of which: mineral taxes	7.4	7.9	5.2	4.9	5.3	4.7	4.4	4.6	4.3	4.3	4.5
Indirect taxes	6.1	6.2	7.1	8.1	7.9	8.2	8.2	8.2	8.2	8.3	8.3
Grants	0.2	0.1	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Non-tax revenues	6.7	8.1	9.0	8.7	8.7	8.7	9.0	8.8	9.0	8.9	8.7
Of which:											
Mineral resource revenues	4.7	6.4	6.1	5.3	5.6	5.4	5.9	5.8	6.1	6.0	5.8
Expenditures	32.1	29.5	26.7	26.7	26.6	25.5	25.3	25.3	25.4	25.2	25.1
Primary expenditures	26.9	25.8	23.9	23.0	23.3	22.0	21.9	21.9	21.9	21.9	21.9
Compensation of employees	7.7	8.1	6.8	6.7	6.8	6.7	6.8	6.8	6.8	6.8	6.8
Other primary current expenditure	17.6	15.4	14.2	12.8	13.2	11.3	11.3	11.3	11.3	11.3	11.3
Of which: fuel and electricity subsidies	3.8	5.1	3.5	1.4	1.8	0.0	0.0	0.0	0.0	0.0	0.0
Of which: cash transfer programs	1.5	1.9	2.3	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Net acquisition of nonfinancial assets	1.6	2.3	2.9	3.5	3.3	4.0	3.8	3.8	3.8	3.8	3.8
Interest	5.1	3.7	2.8	3.7	3.4	3.5	3.4	3.4	3.4	3.3	3.1
Overall balance (net lending/borrowing) 1/	-5.7	-2.7	-1.6	-0.9	-0.6	0.0	0.1	0.1	0.1	0.2	0.4
Of which: primary balance	-0.5	1.0	1.3	2.7	2.8	3.5	3.5	3.5	3.5	3.5	3.5
of which overdue VAT refunds 2/	-	-	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (with VAT refunds on accrual basis)	-	-	-2.0	-0.9	-0.6	0.0	0.1	0.1	0.1	0.2	0.4
Net financial transactions	-5.5	0.8	0.2	-0.9	-0.6	0.0	0.1	0.1	0.1	0.2	0.4
Net acquisition of financial assets 3/	-0.4	5.2	3.6	0.6	5.7	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	5.0	4.4	3.3	1.5	-0.1	0.0	-0.9	-0.8	-0.4	-0.6	-1.0
Domestic (Net)	-3.8	-5.8	-5.5	-1.5	-2.9	0.3	-1.0	-0.6	1.7	1.3	1.7
Amortizations	-4.7	-1.6	-3.5	-2.7	-2.4	-1.2	-1.1	-0.9	-0.9	-2.1	-2.1
Central bank	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
Commercial banks	-3.2	-0.7	-2.1	-1.2	-1.1	-0.2	-0.2	-0.3	-0.3	-0.9	-0.9
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 4/	-1.5	-0.9	-1.3	-1.5	-1.3	-0.8	-0.8	-0.4	-0.4	-1.1	-1.0
Disbursements	0.9	-4.2	-2.0	1.3	-0.4	1.4	0.1	0.2	2.6	3.5	3.8
Central bank	-2.4	-5.0	-2.6	1.2	-0.4	1.5	0.0	0.0	0.0	0.0	0.0
Claims on government	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to government	2.8	5.0	2.6	-1.2	0.4	-1.5	0.0	0.0	0.0	0.0	0.0
Commercial banks	1.3	-0.2	0.1	0.0	0.0	0.0	0.1	0.1	1.3	1.7	1.9
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 4/	2.0	1.0	0.6	0.0	0.0	0.0	0.1	0.1	1.3	1.7	1.9
Domestic arrears	4.5	2.0	0.8	-3.0	-2.6	-1.1	-0.8	-0.6	-0.2	0.0	0.0
Accumulation of arrears	5.5	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: VAT Refund arrears	-	-	0.4	-	-	-	-	-	-	-	-
Payment of arrears	-1.0	0.0	-1.2	-3.0	-2.6	-1.1	-0.8	-0.6	-0.2	0.0	0.0
of which: payment of VAT Refund arrears	-	-	-	-0.4	-0.4	-	-	-	-	-	-
Foreign (Net)	-1.8	3.6	8.0	6.0	5.4	0.8	0.9	0.4	-1.9	-1.9	-2.7
Amortizations	-4.8	-5.6	-1.8	-2.5	-2.2	-2.5	-2.3	-1.8	-3.9	-4.0	-4.4
IFIs	-1.8	-2.2	-1.5	-1.4	-1.2	-1.6	-1.5	-1.4	-1.3	-1.5	-1.3
Official bilateral	-0.4	-1.6	-0.2	-0.8	-0.7	-0.5	-0.5	-0.1	-0.6	-0.5	-1.0
Commercial	-2.5	-1.7	0.0	-0.3	-0.3	-0.4	-0.4	-0.3	-2.1	-2.0	-2.1
Disbursements	1.7	2.2	3.0	2.5	2.5	2.3	2.3	2.0	2.4	3.1	3.2
IFIs	1.7	2.2	3.0	2.5	2.5	2.3	2.3	2.0	1.8	1.5	1.3
Official bilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.6	1.9
Official financing	1.4	7.0	6.7	6.0	5.1	1.1	1.0	0.2	-0.4	-1.0	-1.5
O/w: IMF	1.4	1.5	2.7	2.4	2.1	0.6	0.5	-0.3	-0.4	-1.0	-1.5
Purchases	2.0	1.5	2.7	2.4	2.1	0.6	0.5	0.0	0.0	0.0	0.0
Repurchases	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.4	-1.0	-1.5
O/w: IFIs	0.0	5.5	4.0	3.6	3.1	0.5	0.5	0.5	0.0	0.0	0.0
External arrears (net)	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statistical discrepancy	0.2	3.5	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:											
Electricity subsidy financed through the budget	3.8	3.3	3.1	1.4	1.8	0.0	0.0	0.0	0.0	0.0	0.0
Non-resource balance	-17.8	-15.0	-13.1	-11.2	-11.5	-10.3	-10.2	-10.3	-10.3	-10.1	-9.9
Non-resource primary balance	-12.7	-13.2	-10.1	-7.4	-8.1	-6.6	-6.8	-6.9	-6.9	-6.8	-6.8
Public (central government) debt 5/	115.8	116.9	90.3	87.4	85.7	82.0	78.6	73.0	68.3	64.8	60.4
Official exchange rate (SRD per USD, period average)	18.3	24.6	36.9	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	20.8	31.7	36.7	...	...	...	...	...	...	...	...
Domestic debt interest rate (effective)	1.4	1.0	15.6	10.1	9.9	7.7	8.7	8.8	7.8	7.6	7.1
External debt interest rate (effective)	1.6	1.5	2.2	3.6	3.2	4.0	3.8	4.2	4.6	4.6	4.8

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy. Note, 2021 balances were revised based on new information from authorities.

2/ The VAT refund arrears are converted to debt that is fully amortized in 2024, thereby not affecting the overall balance (cash basis 2024 onwards)

3/ Includes acquisition of stake in gold mine and loans to state owned enterprises.

4/ Comprised of holding of T-bills and notes by non-bank financial institutions.

5/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

Table 5. Suriname: Balance of Payments
(In millions of U.S. dollars, unless otherwise indicated)

	Est.										
	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029	
				6th Review		6th Review					
Current account	176	76	147	131	87	113	79	78	72	71	68
Exports of goods and services	2,300	2,600	2,534	2,714	2,755	2,734	2,758	2,792	2,884	2,957	3,055
Imports of goods and services	1,876	2,342	2,218	2,339	2,500	2,438	2,594	2,608	2,714	2,814	2,930
Trade balance, goods	865	755	775	803	701	717	614	603	582	542	495
Exports, f.o.b.	2,204	2,457	2,360	2,478	2,487	2,456	2,459	2,455	2,503	2,531	2,562
Of which: gold, petroleum	1,996	2,218	2,089	2,236	2,253	2,208	2,222	2,213	2,230	2,249	2,271
Imports, f.o.b.	1,338	1,701	1,585	1,675	1,786	1,739	1,845	1,852	1,921	1,989	2,067
Trade balance, services	-442	-497	-460	-428	-437	-422	-440	-409	-401	-388	-359
Exports	96	143	173	236	267	277	299	337	381	427	493
Imports	538	640	633	663	704	700	739	747	782	815	852
Primary income, net	-393	-308	-308	-394	-324	-324	-232	-234	-203	-165	-141
Credit	7	12	47	48	48	48	49	49	50	51	52
Debit	400	320	355	442	371	372	280	284	254	216	193
Secondary income, net	146	126	139	149	146	142	137	118	95	82	73
Capital and financial account	135	392	261	523	460	166	144	74	38	8	-29
Capital account	37	0	1	0	0	0	0	0	0	0	0
Financial account	98	392	260	523	460	166	144	74	38	8	-29
Foreign direct investment	124	-3	65	56	148	24	132	135	109	128	160
Portfolio investment	-47	19	46	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	1	2	3
Other investment	21	376	149	466	313	142	11	-61	-71	-120	-189
Net Acquisition of Assets	-43	-36	-61	0	0	0	0	0	0	0	0
Net Incurrence of Liabilities	-64	-411	-210	-466	-313	-142	-11	61	71	120	189
Central government	-104	-122	48	0	15	-13	-5	11	-84	-56	-71
Disbursements	55	79	114	108	123	104	112	105	133	175	190
IFIs	55	79	114	108	123	103	112	105	97	86	75
Official bilateral	0	0	0	0	0	0	0	0	0	0	0
Commercial	0	0	0	0	0	0	0	0	36	90	115
Amortization	159	202	66	108	108	116	116	94	218	232	260
IFIs	61	80	58	60	60	73	73	74	72	85	77
Official bilateral	14	59	9	35	35	25	25	4	31	31	59
Commercial	84	63	0	13	13	18	18	16	114	116	124
Other Sectors (including SOE)	40	-289	-258	-466	-328	-129	-7	50	155	176	260
Errors and omissions	-81	-39	-78	0	0	0	0	0	0	0	0
Overall balance	34	-354	-189	-392	-374	-53	-65	4	34	63	98
Financing	-34	354	189	392	374	53	65	-4	-34	-63	-98
Change in reserves (- = increase)	-271	-68	-118	-9	-27	-35	-23	-15	-12	-7	-5
Official financing	34	254	308	401	401	88	88	12	-22	-55	-92
O/w: IMF	34	54	158	251	251	63	63	-13	-22	-55	-92
Purchases	55	54	158	251	251	63	63	0	0	0	0
O/w: for budget support	56	53	103	103	102	26	25	0	0	0	0
Repurchases	21	0	0	0	0	0	0	13	22	55	92
O/w: IFIs	0	200	150	150	150	25	25	25	0	0	0
External arrears (net) 1/	203	168	-1	0	0	0	0	0	0	0	0
Memorandum items:											
Gross international reserves	992	1,195	1,346	1,355	1,373	1,390	1,396	1,412	1,424	1,431	1,436
In months of imports of goods and services	5.1	6.5	7.3	7.0	6.6	6.8	6.5	6.5	6.3	6.1	5.9
In percent of Reserve adequacy (risk-weighted measure) 2/	112	135	150	149	145	151	145	147	151	155	159
Usable gross international reserves 3/	512	865	1,112	1,121	1,139	1,156	1,162	1,177	1,189	1,197	1,202
In months of imports of goods and services	2.6	4.7	6.0	5.8	5.5	5.7	5.4	5.4	5.3	5.1	4.9
In percent of Reserve adequacy (risk-weighted measure) 2/	58	98	124	123	120	125	121	123	126	129	133
Reserve adequacy (risk-weighted measure), USD millions 2/	886	886	895	912	948	922	962	958	940	926	904
In months of imports	4.5	4.8	4.3	4.5	4.4	4.5	4.4	4.3	4.0	3.8	3.7
GDP (in millions of USD)	3,084	3,631	3,747	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,800	1,802	1,943	2,061	2,328	2,151	2,544	2,644	2,723	2,756	2,787
Oil price (USD per barrel)	69	96	81	78	83	74	78	74	72	70	69
Weighted average exchange rate (SRD per USD, period average)	19.7	33.2	40.1	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	20.8	36.7	41.1	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+ = appreciation; percent change; period average)	-0.6	8.4	-2.8	...	...	...	...	...	...	...	...
External Debt 4/	4,088	4,181	4,289	4,413	4,615	4,483	4,693	4,641	4,476	4,332	4,139
External debt (Percent of GDP)	140.2	148.1	114.0	106.2	103.7	101.7	97.2	90.6	82.7	77.0	70.2
o/w: Change in external debt due to exchange rate movements	21.8	50.3	15.3	...	...	...	...	...	...	...	...

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ External arrears in 2020 are implicitly covered in errors and omissions.

2/ Based on IMF, 2015, "Assessing Reserve Adequacy."

3/ Excluding the PBOC swap and ring-fenced reserves.

4/ Includes both private and public sector debt.

Table 6. Suriname: Balance of Payments
(Percent of GDP)

	Est.										
	2021	2022	2023	2024	2024	2025	2025	2026	2027	2028	2029
				6th Review		6th Review					
Current account	5.7	2.1	3.9	3.0	1.8	2.5	1.6	1.5	1.3	1.2	1.1
Exports of goods and services	74.6	71.6	67.6	62.6	56.0	59.4	55.6	53.2	52.2	51.7	51.1
Imports of goods and services	60.8	64.5	59.2	53.9	50.6	53.0	52.1	49.5	48.9	49.0	48.8
Trade balance, goods	28.1	20.8	20.7	18.5	14.3	15.6	12.4	11.5	10.5	9.5	8.3
Exports, f.o.b.	71.5	67.7	63.0	57.2	50.6	53.4	49.6	46.8	45.3	44.2	42.9
<i>Of which: gold, petroleum</i>	64.7	61.1	55.8	51.6	45.8	48.0	44.8	42.2	40.4	39.3	38.0
Imports, f.o.b.	43.4	46.9	42.3	38.6	36.3	37.8	37.2	35.3	34.8	34.7	34.6
Trade balance, services	-14.3	-13.7	-12.3	-9.9	-8.9	-9.2	-8.9	-7.8	-7.3	-6.8	-6.0
Exports	3.1	3.9	4.6	5.4	5.4	6.0	6.0	6.4	6.9	7.5	8.3
Imports	17.4	17.6	16.9	15.3	14.3	15.2	14.9	14.2	14.2	14.2	14.3
Primary income, net	-12.7	-8.5	-8.2	-9.1	-6.6	-7.0	-4.7	-4.5	-3.7	-2.9	-2.4
Credit	0.2	0.3	1.3	1.1	1.0	1.1	1.0	0.9	0.9	0.9	0.9
Debit	13.0	8.8	9.5	10.2	7.6	8.1	5.7	5.4	4.6	3.8	3.2
Secondary income, net	4.7	3.5	3.7	3.4	3.0	3.1	2.8	2.2	1.7	1.4	1.2
Capital and financial account	4.4	10.8	7.0	12.1	9.4	3.6	2.9	1.4	0.7	0.1	-0.5
Capital account	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	3.2	10.8	6.9	12.1	9.4	3.6	2.9	1.4	0.7	0.1	-0.5
Foreign direct investment	4.0	-0.1	1.7	1.3	3.0	0.5	2.7	2.6	2.0	2.2	2.7
Portfolio investment	-1.5	0.5	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other investment	0.7	10.3	4.0	10.8	6.4	3.1	0.2	-1.2	-1.3	-2.1	-3.2
Net Acquisition of Assets	-1.4	-1.0	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	-2.1	-11.3	-5.6	-10.8	-6.4	-3.1	-0.2	1.2	1.3	2.1	3.2
Central government	-3.4	-3.4	1.3	0.0	0.3	-0.3	-0.1	0.2	-1.5	-1.0	-1.2
Disbursements	1.8	2.2	3.0	2.5	2.5	2.3	2.3	2.0	2.4	3.1	3.2
IFIs	1.8	2.2	3.0	2.5	2.5	2.3	2.3	2.0	1.8	1.5	1.3
Official bilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.6	1.9
Amortization	5.2	5.6	1.8	2.5	2.2	2.5	2.3	1.8	3.9	4.0	4.4
IFIs	2.0	2.2	1.5	1.4	1.2	1.6	1.5	1.4	1.3	1.5	1.3
Official bilateral	0.5	1.6	0.2	0.8	0.7	0.5	0.5	0.1	0.6	0.5	1.0
Commercial	2.7	1.7	0.0	0.3	0.3	0.4	0.4	0.3	2.1	2.0	2.1
Other Sectors (including SOE)	1.3	-8.0	-6.9	-10.8	-6.7	-2.8	-0.1	1.0	2.8	3.1	4.3
Errors and omissions	-2.6	-1.1	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	1.1	-9.8	-5.1	-9.0	-7.6	-1.2	-1.3	0.1	0.6	1.1	1.6
Financing	-1.1	9.8	5.1	9.0	7.6	1.2	1.3	-0.1	-0.6	-1.1	-1.6
Change in reserves (- = increase)	-8.8	-1.9	-3.1	-0.2	-0.6	-0.8	-0.5	-0.3	-0.2	-0.1	-0.1
Official financing	1.1	7.0	8.2	9.2	8.1	1.9	1.8	0.2	-0.4	-1.0	-1.5
O/w: IMF	1.1	1.5	4.2	5.8	5.1	1.4	1.3	-0.3	-0.4	-1.0	-1.5
Purchases	1.8	1.5	4.2	5.8	5.1	1.4	1.3	0.0	0.0	0.0	0.0
O/w: for budget support	1.8	1.5	2.7	2.4	2.1	0.6	0.5	0.0	0.0	0.0	0.0
Repurchases	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	1.0	1.5
O/w: IFIs	0.0	5.5	4.0	3.5	3.1	0.5	0.5	0.5	0.0	0.0	0.0
External arrears (net) 1/	6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:											
Gross international reserves	992	1,195	1,346	1,355	1,373	1,390	1,396	1,412	1,424	1,431	1,436
In months of imports of goods and services	5.1	6.5	7.3	7.0	6.6	6.8	6.5	6.5	6.3	6.1	5.9
In percent of Reserve adequacy (risk-weighted measure) 2/	112	135	150	149	145	151	145	147	151	155	159
Usable gross international reserves 3/	512	865	1,112	1,121	1,139	1,156	1,162	1,177	1,189	1,197	1,202
In months of imports of goods and services	2.6	4.7	6.0	5.8	5.5	5.7	5.4	5.4	5.3	5.1	4.9
In percent of Reserve adequacy (risk-weighted measure) 2/	58	98	124	123	120	125	121	123	126	129	133
Reserve adequacy (risk-weighted measure), USD millions 2/	886	886	895	912	948	922	962	958	940	926	904
In months of imports	4.5	4.8	4.3	4.5	4.4	4.5	4.4	4.3	4.0	3.8	3.7
GDP (in millions of USD)	3,084	3,631	3,747	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,800	1,802	1,943	2,061	2,328	2,151	2,544	2,644	2,723	2,756	2,787
Oil price (USD per barrel)	69	96	81	78	83	74	78	74	72	70	69
Weighted average exchange rate (SRD per USD, period average)	19.7	33.2	40.1	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	20.8	36.7	41.1	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+ = appreciation; percent change; period average)	-0.6	8.4	-2.8	...	...	...	...	...	...	...	...
External Debt 4/	4,088	4,181	4,289	4,413	4,615	4,483	4,693	4,641	4,476	4,332	4,139
External debt (Percent of GDP)	140.2	148.1	114.0	106.2	103.7	101.7	97.2	90.6	82.7	77.0	70.2
o/w: Change in external debt due to exchange rate movements	21.8	50.3	15.3	...	...	...	...	...	...	...	...

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ External arrears in 2020 are implicitly covered in errors and omissions.

2/ Based on IMF, 2015, "Assessing Reserve Adequacy."

3/ Excluding the PBOC swap and ring-fenced reserves.

4/ Includes both private and public sector debt.

Table 7. Suriname: Gross External Financing Requirements
(In millions of US. dollars, unless otherwise indicated)

	Est.					Proj.					
	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029	
				6th Review	6th Review						
1. Gross external financing requirements	82	239	25	444	349	157	69	16	15	-14	-66
A. Current account deficit	-176	-76	-147	-131	-87	-113	-79	-78	-72	-71	-68
B. Public sector debt amortization	259	308	166	208	208	141	141	144	243	233	262
(i) Central government	159	202	66	108	108	116	116	94	218	232	260
(ii) CBvS	0	0	0	0	0	0	0	0	0	1	2
(iii) SOEs	100	107	100	100	100	25	25	50	25	0	0
C. Other outflows	-1	7	5	366	228	129	7	-50	-155	-176	-260
2. Sources of financing	197	-77	-198	-111	-187	68	-32	20	49	49	31
A. Asset sales (net) (Other investment account)	43	36	61	0	0	0	0	0	0	0	0
B. Foreign direct investment (net)	-124	3	-65	-56	-148	-24	-132	-135	-109	-128	-160
C. Portfolio flows (net)	47	-19	-46	0	0	0	0	0	0	0	0
(i) Central government	0	0	0	0	0	0	0	0	0	1	2
(ii) SOEs	0	0	0	0	0	0	0	0	0	0	0
(iii) Other	47	-19	-46	0	0	0	0	0	0	-1	-2
D. Public sector debt financing	55	79	114	108	123	104	112	105	133	175	190
(i) Central government	55	79	114	108	123	104	112	105	133	175	190
(ii) SOEs	0	0	0	0	0	0	0	0	0	0	0
E. Other inflows (net)	176	-176	-263	-163	-163	-11	-11	50	25	1	2
<i>Balance (2-1) excluding expected accumulation of gross reserves; Gap (-)</i>	115	-315	-223	-555	-536	-89	-101	4	34	63	98
<i>Surplus (+)</i>											
3. Expected change in gross reserves of the CBvS; accumulation (-)	-271	-68	-118	-9	-27	-35	-23	-15	-12	-7	-5
4. Errors and omissions	-81	-39	-78	0	0	0	0	0	0	0	0
5. Financing needs -(2-1+3+4)	237	423	418	563	563	124	124	12	-22	-55	-92
Allocation by:											
(i) Official financing	34	254	308	401	401	88	88	12	-22	-55	-92
a. IMF	34	54	158	251	251	63	63	-13	-22	-55	-92
Purchases	55	54	158	251	251	63	63	0	0	0	0
O/w: for budget support	56	53	103	103	102	26	25	0	0	0	0
Repurchases	21	0	0	0	0	0	0	13	22	55	92
b. IFIs	0	200	150	150	150	25	25	25	0	0	0
(ii) External arrears (net)	203	168	-1	0	0	0	0	0	0	0	0
(iii) Financing from external debt restructuring 1/			111	163	163	36	36				
						(In percent of GDP)					
1. Gross external financing requirements	2.7	6.6	0.7	10.2	7.1	3.4	1.4	0.3	0.3	-0.2	-1.1
A. Current account deficit	-5.7	-2.1	-3.9	-3.0	-1.8	-2.5	-1.6	-1.5	-1.3	-1.2	-1.1
B. Public sector debt amortization	8.4	8.5	4.4	4.8	4.2	3.1	2.8	2.7	4.4	4.1	4.4
(i) Central government	5.2	5.6	1.8	2.5	2.2	2.5	2.3	1.8	3.9	4.0	4.4
(ii) CBvS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) SOEs	3.2	2.9	2.7	2.3	2.0	0.5	0.5	1.0	0.5	0.0	0.0
C. Other outflows	0.0	0.2	0.1	8.5	4.6	2.8	0.1	-1.0	-2.8	-3.1	-4.3
2. Sources of financing	6.4	-2.1	-5.3	-2.6	-3.8	1.5	-0.6	0.4	0.9	0.9	0.5
A. Asset sales (net) (Other investment account)	1.4	1.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign direct investment (net)	-4.0	0.1	-1.7	-1.3	-3.0	-0.5	-2.7	-2.6	-2.0	-2.2	-2.7
C. Portfolio flows (net)	1.5	-0.5	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) SOEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Other	1.5	-0.5	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Public sector debt financing	1.8	2.2	3.0	2.5	2.5	2.3	2.3	2.0	2.4	3.1	3.2
(i) Central government	1.8	2.2	3.0	2.5	2.5	2.3	2.3	2.0	2.4	3.1	3.2
(ii) SOEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. Other inflows (net)	5.7	-4.8	-7.0	-3.8	-3.3	-0.2	-0.2	1.0	0.5	0.0	0.0
<i>Balance (2-1) excluding expected accumulation of gross reserves; Gap (-)</i>	3.7	-8.7	-5.9	-12.8	-10.9	-1.9	-2.0	0.1	0.6	1.1	1.6
<i>Surplus (+)</i>											
3. Expected change in gross reserves of the CBvS; accumulation (-)	-8.8	-1.9	-3.1	-0.2	-0.6	-0.8	-0.5	-0.3	-0.2	-0.1	-0.1
4. Errors and omissions	-2.6	-1.1	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Financing needs -(2-1+3+4)	7.7	11.6	11.2	13.0	11.5	2.7	2.5	0.2	-0.4	-1.0	-1.5
Allocation by:											
(i) Official financing	1.1	7.0	8.2	9.2	8.1	1.9	1.8	0.2	-0.4	-1.0	-1.5
a. IMF	1.1	1.5	4.2	5.8	5.1	1.4	1.3	-0.3	-0.4	-1.0	-1.5
Purchases	1.8	1.5	4.2	5.8	5.1	1.4	1.3	0.0	0.0	0.0	0.0
O/w: for budget support	1.8	1.5	2.7	2.4	2.1	0.6	0.5	0.0	0.0	0.0	0.0
Repurchases	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	1.0	1.5
b. IFIs	0.0	5.5	4.0	3.5	3.1	0.5	0.5	0.5	0.0	0.0	0.0
(ii) External arrears (net)	6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Financing from external debt restructuring 1/			3.0	3.8	3.3	0.8	0.7	0.0	0.0	0.0	0.0

Sources: Fund staff estimates and projections.

1/ Calculated as a difference between the debt restructuring scenario and a scenario without debt restructuring.

Table 8. Suriname: Depository Corporations Survey and Central Bank Accounts
(Millions of SRD)

	2019	2020	2021	2022	2023	2024	2024	2025	2025
						6th Review		6th Review	
Monetary Survey									
Net foreign assets	5,867	11,674	23,827	47,473	68,778	72,481	69,842	79,191	77,430
Net international reserves (Held by the CBvS)	4,345	7,905	20,727	36,876	45,624	45,135	41,646	47,820	43,582
Net other foreign assets	1,522	3,769	3,100	10,596	23,154	27,346	28,195	31,371	33,848
Net domestic assets	13,430	20,119	22,358	19,544	11,326	11,401	10,436	14,487	11,544
Net claims on the public sector	4,787	11,310	10,682	4,684	-4,661	-5,060	-5,379	-3,237	-6,160
Of which: on central government	5,055	11,360	10,501	5,301	-3,973	-4,292	-4,682	-3,291	-5,421
From CBvS	3,248	8,234	6,877	780	-5,497	-5,953	-5,979	-4,398	-6,903
From Commercial Banks	1,807	3,126	3,624	4,521	1,524	1,661	1,297	2,007	1,482
Net claims LC	78	985	390	-385	-2,088	-2,187	-2,201	-2,196	-2,197
Net claims FC	1,729	2,141	3,234	4,906	3,612	3,848	3,498	4,203	3,679
(In USD millions)	234	153	155	154	100	95	95	95	94
Credit to the private sector	7,310	9,299	11,019	18,255	21,641	25,917	24,745	30,466	29,420
Other items, net	1,334	-490	657	-3,395	-5,655	-9,456	-8,930	-12,743	-11,716
Broad money 1/	19,269	31,793	46,185	67,016	80,103	83,882	80,278	93,678	88,974
Currency in circulation	1,973	3,498	4,397	5,578	6,654	6,547	6,597	7,595	8,079
Local currency deposits	6,842	8,473	10,623	13,321	16,676	16,834	16,964	19,531	20,775
Foreign currency deposits	10,454	19,823	31,165	48,117	56,774	60,501	56,716	66,551	60,119
Central Bank (CBvS)									
Net foreign assets	2,394	4,039	11,266	28,020	35,439	33,831	31,481	35,342	32,756
(In USD millions)	324	288	539	882	977	837	857	795	841
Net international reserves	4,345	7,905	20,727	36,876	45,624	45,135	41,646	47,820	43,582
(In USD millions)	587	564	992	1,161	1,257	1,117	1,133	1,076	1,119
Of which:									
Gross International Reserves	4,790	8,199	20,730	37,934	48,852	54,785	50,453	60,088	54,377
(In USD millions)	648	585	992	1,194	1,346	1,356	1,373	1,352	1,396
Liabilities	-445	-294	-3	-1,058	-3,229	-9,649	-8,807	-12,268	-10,795
(In USD millions)	-60	-21	0	-33	-89	-239	-240	-276	-277
Net other foreign assets	-1,951	-3,866	-9,461	-8,856	-10,184	-11,304	-10,165	-12,478	-10,826
Gross Other foreign assets	21	44	63	95	125	155	141	170	149
(In USD millions)	3	3	3	3	3	4	4	4	4
Gross other foreign liabilities	-1,971	-3,910	-9,524	-8,951	-10,309	-11,459	-10,306	-12,648	-10,975
(In USD millions)	-267	-279	-456	-282	-284	-284	-280	-284	-282
SDR allocations	-901	-1,779	-6,189	-8,947	-10,305	-11,454	-10,301	-12,642	-10,970
(In USD millions)	-122	-127	-296	-282	-284	-283	-280	-284	-282
Other (incl. RMB Swap with PBoC)	-1,070	-2,131	-3,335	-5	-5	-5	-5	-6	-5
(In USD millions)	-145	-152	-160	0	0	0	0	0	0
Net domestic assets	7,198	8,766	7,689	-565	-6,669	-2,770	-1,589	-227	480
Net claims on public sector	3,248	8,234	6,877	780	-5,497	-5,953	-5,979	-4,398	-6,903
Of which: central government	3,248	8,234	6,877	780	-5,497	-5,953	-5,979	-4,398	-6,903
Net claims on commercial banks	264	-2,496	-4,731	-7,380	-7,941	-1,434	-1,036	2,084	4,303
Other items, net	3,686	3,027	5,544	6,035	6,768	4,617	5,427	2,087	3,080
Reserve money	9,593	12,817	18,967	27,470	28,816	31,061	29,892	35,115	33,236
Currency in circulation	2,263	3,861	4,792	6,084	7,215	7,100	7,154	8,237	8,762
Bankers deposits	7,211	8,869	14,054	21,229	21,331	23,671	22,466	26,565	24,191
Other demand deposits in national currency	90	19	23	14	75	75	75	75	75
Gold certificates	28	67	97	143	194	216	197	238	208
Memorandum items: (12-month percent change, unless otherwise indicated)									
Monetary survey									
Velocity (GDP/broad money; end of period)	1.6	1.2	1.3	1.3	1.7	2.0	2.0	2.1	2.1
Broad money	4.7	65.0	45.3	45.1	19.5	4.7	0.2	11.7	10.8
Broad money (constant exchange rate)	4.7	16.4	60.2	11.7	12.8	-2.0	-0.1	8.4	11.7
Broad money (local currency portion only)	21.8	35.8	25.5	25.8	23.4	0.2	1.0	16.0	22.5
Broad money (in real terms)	0.5	2.6	-9.6	-6.1	-9.9	-8.3	-11.1	0.6	-0.4
Broad money (Percent of GDP)	60.7	82.1	76.0	74.9	58.0	50.0	49.1	47.8	47.3
FX deposits	-6.4	0.0	5.5	1.6	3.3	-4.3	-1.3	0.0	0.0
Credit to the private sector	0.4	27.2	18.5	65.7	18.6	19.8	14.3	17.6	18.9
Credit to private sector (in real terms)	-3.6	-20.9	-26.3	7.2	-10.6	4.9	1.5	5.9	6.9
Credit to private sector (Percent of GDP)	23.0	24.0	18.1	20.4	15.7	15.4	15.1	15.5	15.6
Central bank									
Reserve money	92.8	33.6	48.0	44.8	4.9	7.8	3.7	13.1	11.2
Reserve money (constant exchange rate)	144.1	-5.6	24.3	21.8	10.9	7.3	7.0	12.1	11.5
Reserve money (local currency portion only)	19.1	42.7	26.3	32.3	35.1	12.0	11.1	15.1	14.4
Reserve money (in real terms)	85.0	-16.9	-7.9	-6.3	-20.9	-5.6	-8.0	1.8	-0.1
Reserve money (Percent of GDP)	30.2	33.1	31.2	30.7	20.8	18.5	18.3	17.9	17.7
Money multiplier (SRD broad money/reserve mon)	1.7	1.6	1.6	1.5	1.4	1.3	1.3	1.3	1.4

Sources: Central Bank of Suriname; and IMF staff calculations and projections.

1/ The definition of broad money excludes deposits of public nonfinancial corporations (which are included in net claims on the public sector).

Table 9. Suriname: Financial Soundness Indicators

(In percent)

	2018	2019	2020	2021	2022*	2023*	2023	2023	2024	2024
	Dec.	Dec.	Dec.	Dec.	Dec.	Jun	Sep	Dec	Mar	May
Capital Adequacy										
Regulatory capital to risk-weighted assets	9.6	11.4	11.8	14.5	16.8	18.4	18.7	20.3	21.6	21.8
Regulatory Tier 1 capital to risk-weighted assets	9.0	10.8	10.5	13.1	15.5	17.3	16.7	18.4	19.9	20.2
Tier 1 capital to total assets (leverage ratio)	4.9	4.9	4.3	5.7	6.1	7.4	7.1	7.7	8.3	8.7
Asset Quality										
NPL to gross loans	12.0	10.6	14.6	12.8	12.4	16.1	14.3	13.0	10.4	7.2
NPL net of provisions to Tier 1 capital	39.0	34.9	68.1	43.6	35.2	45.5	40.6	33.7	22.8	13.4
Provisions to total NPLs	61.6	60.5	46.0	...	39.9	35.7	..	..	..	..
Large exposures to capital	272.5	228.7	306.5	178.3	150.2	112.8	113.5	95.2	80.1	60.8
Foreign currency loans to total loans	62.8	59.2	49.1	55.5	61.5	61.3	61.5	60.3	58.6	56.2
Earnings and Profitability										
Return on assets (ROA, annualized)	0.1	1.0	2.0	1.8	2.7	1.2	2.0	2.7	0.7	1.0
Return on equity (ROE, annualized)	1.9	16.7	34.8	29.6	44.8	16.0	27.4	36.5	9.3	13.2
Net interest income to gross income	70.6	69.2	47.7	53.5	61.7	63.3	66.2	67.0	76.6	80.3
Spread between lending and deposit rates (ppts)	8.0	7.4	7.4	7.7	8.1	8.4	8.3	8.5	8.7	8.8
Liquidity										
Liquid assets to total assets	40.2	46.8	51.5	58.8	54.3	52.3	53.7	53.6	54.2	53.3
Liquid assets to short-term liabilities	82.1	93.4	101.3	117.0	114.0	102.7	106.7	102.6	103.6	99.8
Total loans to total deposits *	44.6	47.9	40.2	...	35.1	35.2	..	34.1	33.0	34.3
Sensitivity to market risk										
Net open positions in foreign currency to capital 1/	22.2	11.5	20.8	39.4	23.2	21.0	16.8	20.6	17.7	22.6
Foreign currency liabilities to total liabilities	66.5	60.9	69.2	71.6	74.1	75.0	75.3	73.3	71.8	69.0

Source: Central Bank of Suriname

1/ The increase in net asset position in 2020 and 2021 includes a valuation effect attributable to significant depreciation.

* IMF staff calculations

Table 10. Suriname: Schedule of Reviews and Available Purchases

Availability Date	Millions of SDR	Percent of Quota	Conditions
12/22/2021	39.4	30.6	Board Approval of the Extended Arrangement
3/15/2022	39.4	30.6	First review and continuous and end-December 2021 performance criteria
6/14/2023	39.4	30.6	Second review and continuous, end-December 2022 performance criteria
9/14/2023	39.4	30.6	Third review and continuous and end-June 2023 performance criteria
12/14/2023	39.4	30.6	Fourth review and continuous and end-September 2023 performance criteria
3/14/2024	46.7	36.3	Fifth review and continuous and end-December 2023 performance criteria
6/14/2024	46.7	36.3	Sixth review and continuous and end-March 2024 performance criteria
9/14/2024	46.7	36.3	Seventh review and continuous and end-June 2024 performance criteria
12/6/2024	46.8	36.3	Eighth review and continuous and end-September 2024 performance criteria
3/14/2025	46.8	36.3	Ninth and final review and continuous and end-December 2024 performance criteria
Total	430.7	334.1	
Memo:			
Quota	128.9		

Table 11. Suriname: Program Monitoring—Indicators of Fund Credit Under the EFF Supported Program
(In millions of SDR, unless otherwise indicated)

	Proj.												
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prospective Drawings	39.4	118.2	186.9	46.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of quota	30.6	91.7	145.0	36.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	9.8	16.4	40.6	67.9	71.8	71.8	61.9	55.4	31.2
Total Interest / Charges	2.0	8.5	17.9	28.3	29.5	28.7	27.8	24.9	19.3	14.6	11.1	8.0	5.5
Total Debt Services	2.0	8.5	17.9	28.3	39.4	45.1	68.4	92.8	91.1	86.4	73.0	63.4	36.7
Percent of exports	0.1	0.4	0.9	1.4	1.9	2.1	3.1	4.1	3.9	3.5	2.8	2.4	1.3
Percent of usable reserves	0.3	1.0	2.1	3.2	4.5	5.1	7.6	10.3	10.2	10.1	9.2	8.8	5.7
Percent of GDP	0.1	0.3	0.5	0.8	1.0	1.1	1.6	0.1	0.1	0.1	0.1	0.0	0.0
Percent of quota	1.6	6.6	13.9	22.0	30.5	35.0	53.1	72.0	70.7	67.0	56.6	49.2	28.5
Outstanding Credit (eop)	78.8	197.0	383.9	430.7	420.9	404.4	363.8	295.9	224.2	152.4	90.4	35.1	3.9
Percent of exports	4.1	10.4	18.5	20.7	20.1	18.7	16.4	12.9	9.5	6.2	3.5	1.3	0.1
Percent of usable reserves	12.2	23.6	44.7	49.2	47.6	45.4	40.6	32.9	25.1	17.8	11.4	4.8	0.6
Percent of GDP	2.9	7.0	10.3	11.5	10.7	9.8	8.5	6.6	4.8	3.1	1.7	0.6	0.1
Percent of quota	61.1	152.8	297.8	334.1	326.5	313.8	282.2	229.6	173.9	118.2	70.2	27.2	3.0
Memo items:													
Quota	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9
Exports of G&S (US\$ million)	2,600	2,534	2,755	2,758	2,792	2,884	2,957	3,055	3,154	3,284	3,427	3,585	3,759
Gross International Reserves (US\$ million)	1,195	1,346	1,373	1,396	1,412	1,424	1,431	1,436	1,426	1,379	1,294	1,202	1,101
as percent of ARA	135	150	145	145	147	151	155	159	170	167	161	152	142
Gross International Usable Reserves (excluding PBoC swap and ring-fenced reserves (US\$ million)	865	1,112	1,139	1,162	1,177	1,189	1,197	1,202	1,192	1,145	1,060	967	866
as percent of ARA	98	124	120	121	123	126	129	133	142	139	131	122	112
Nominal GDP (SRD million)	89,472	138,223	163,450	188,051	210,413	232,478	251,094	271,284	293,215	317,075	343,063	371,221	401,665

Source: IMF staff calculations and projections.

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/
(In millions of Suriname dollars, unless otherwise indicated)

	2020	2021				2022				2022							
	Act.	end-Dec			Met/Not met	end-Jan.			Met/Not met	end-Feb.			Met/Not met	end-Mar.			
		PC	Adj. PC	Act.		IT	Adj. IT	Act.		IT	Adj. IT	Act.		PC	Adj. PC	Act.	
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0	0	0	Met	
3. New central government guaranteed debt (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0	0	0	Met	
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0	0	0	Met	
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0	0	Met	0	0	0	Met	0	0	0	Met	0	0	0	Met	
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0	0	0	Met	
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070	922	Not Met										371	269	Not Met	
2. Stock of VAT refunds outstanding (ceiling)																	
Memorandum items																	
Reserve money	12,817	18,294	18,967	18,629	18,950	19,061	19,180	19,597	18,881								
Reserve money (local currency portion only)	7,342	9,188	9,271	9,341	9,338	9,494	9,570	9,647	9,289								
Reserve money (constant exchange rates)	12,817	14,838	15,933	14,991	15,893	15,144	16,209	15,297	15,847								
NFA (constant exchange rates)	4,039	6,403	6,953	6,563	6,920	7,844	7,117	8,000	7,020								
Gross international reserves (millions of U.S. dollar)	585	968	992	979	986	1,071	848	1,139	899								
Usable international reserves (millions of U.S. dollar) 5/	129	501	512	513	505	604	518	673	566								
Program exchange rate	14,018	14,018	14,018	14,018	14,018	14,018	14,018	14,018	14,018								

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Jul.				2022 end-Aug.				end Sep.			
	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	773	1,005	311	Not Met	884	946	346	Not Met	994	1,218	345	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	158	159	169	Met	160	168	192	Met	192	169	193	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,142	-1,161	-91	Not Met	-1,016	-1,124	-77	Not Met	-1,316	-986	-14	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,112		1,315	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	22,912		21,413		23,444		22,654		23,858		23,723	
Reserve money (local currency portion only)	10,260		11,098		10,413		11,359		10,566		11,450	
Reserve money (constant exchange rates)	16,765		17,587		16,918		18,084		17,071		18,424	
NFA (constant exchange rates)	8,778		8,698		8,811		9,182		9,253		9,458	
Gross international reserves (millions of U.S. dollar)	1,097		991		1,099		1,018		1,187		1,029	
Usable international reserves (millions of U.S. dollar) 5/	771		667		773		698		862		713	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,013	Met	1,338	1,693	2,181	Met	1,529	1,826	1,855	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2024											
	end-Jan.				end-Feb.				end-Mar.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384	577	-116	Not Met	769	1,492	484	Not Met	1,153	1,653	308	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0			Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0			Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0			Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	-1,662	Met	0	0	-1,662	Met	0	0	-1,662	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-10	-14	Not Met	-25	-1	-2	Not Met	-65	-19	-22	Not Met
7. Net domestic assets of the central bank (ceiling) 2/	454	494	378	Met	1,041	702	855	Not Met	1,423	773	1,346	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	30	30	3	Met	30	30	5	Met	30	30	7	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,308	1,308	1,440	Met*
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	28,866		29,074		29,300		29,226		29,699		28,810	
Reserve money (local currency portion only)	15,978		16,841		16,298		17,416		16,582		17,627	
Reserve money (constant exchange rates)	20,761		21,639		21,085		21,817		21,373		22,442	
NFA (constant exchange rates)	9,112		11,101		8,849		11,270		8,682		10,826	
Gross international reserves (millions of U.S. dollar)	1,188		1,328		1,169		1,334		1,225		1,365	
Usable international reserves (millions of U.S. dollar) 5/	955		1,093		936		1,100		991		1,131	
Program exchange rate	14,018		14,018		14,018		14,018		14,018		14,018	

* Revised data indicate that the social spending target, which was reported as "Not Met" at the 6th review, was actually met.

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (concluded)
(In millions of Suriname dollars, unless otherwise indicated)

	2024														
	end-Jul.			Met/Not met	end Aug.			end Sep.		end Oct.		end Nov.		end Dec.	
	IT	Adj. IT	Act.		IT	Proposed		IT	IT	Proposed		IT	PC	Prop PC	
Quantitative Performance Criteria															
Fiscal/debt targets															
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,346				1,999		2,653	2,653	3,306	3,960			4,613	4,613	
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars) 6/	0				0		0	0	0	0			0	0	
3. New central government guaranteed debt (continuous ceiling)	0				0		0	0	0	0			0	0	
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0				0		0	0	0	0			0	0	
Monetary targets															
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0			0		0		0	0			0	0	
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-122	-74	-45	Met	-137		-171	-179	-184	-194			-258	-241	
7. Net domestic assets of the central bank (ceiling) 2/	2,781	2,105	1,766	Met	2,636		3,707	3,754	3,921	4,248			5,183	4,869	
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 7/	0	0	0	Met	0		0	0	0	0			0	0	
Indicative Targets															
1. Social spending of central government (floor) 2/								3,785						5,122	
2. Stock of VAT refunds outstanding (ceiling)								443						164	
3. Non-accumulation of central government domestic debt arrears (continuous ceiling) (millions of SRD)							0					0		0	
Memorandum items															
Reserve money	30,312				27,229		30,660	28,545	28,985	29,668			31,061	29,892	
Reserve money (local currency portion only)	17,912				17,528		18,215	17,772	18,019	18,240			18,556	18,407	
Reserve money (constant exchange rates)	22,596				22,250		22,844	22,770	22,866	23,055			23,101	23,021	
NFA (constant exchange rates)	9,557				9,355		8,877	8,757	8,686	8,547			7,659	7,893	
Gross international reserves (millions of U.S. dollar)	1,356				1,341		1,375	1,366	1,361	1,352			1,356	1,373	
Usable international reserves (millions of U.S. dollar) 5/	1,121				1,107		1,140	1,132	1,127	1,117			1,121	1,139	
Program exchange rate	14.018				14.018		14.018	14.018	14.018	14.018			14.018	14.018	

Source: Authorities and IMF staff calculations and projections.

1/ Targets as defined in the Technical Memorandum of Understanding.

2/ Cumulative flows from beginning of the year.

3/ The 2020 figure is a stock as of end-June 2021.

4/ The 2020 figure is a stock as of end-December 2020.

5/ Official reserve assets excluding the PBOC swap and ring-fenced reserves.

6/ The zero new natural-resource revenue-collateralized debt contracted by or on behalf of government is subject to an exception applying exclusively to new oil-resource revenue related-collateralized debt contracted by Staatsolie, which is capped at US\$ 2 Billion cumulatively to exclusively finance its stake in the exploration of oil in block 58

7/ Non-observance for the month February 2023

Table 13. Suriname: Structural Benchmarks Under the EFF

Measure	SR 1	Target date 1/	Status	Objective
Prior Actions				
The electric utility company (EBS) to return SRD 500 Million to the state budget to recover the May-June overpayment			Prior Action	Ensure fiscal adjustment in line with program parameters
Prepare a time-bound recapitalization plan for the CBvS			Prior Action	Protect the CBvS's financial autonomy
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters.	14	September 2023	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	17	June 2024	Not met; implemented with delay in August	Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	17	September 2024	Proposed to be reset to December 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	17	April 2024	Not met	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	14	December 2023	Not met; implemented with delay in May 2024	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	16	December 2023	Not met; implemented with delay in February	Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility		October 2023	Not met; implemented with delay in December	Improve strength of the financial sector.
CBvS, in consultation with IMF, to set common equity tier one and capital adequacy ratio targets for banks and outline the corrective measures it would escalate if CET1/CAR	16	March 2024	Not met; implemented with delay in April 2024	Improve strength of the financial sector.

Table 13. Suriname: Structural Benchmarks Under the EFF (continued)

Measure	Target date	Status	Objective	
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).	January 2022	Met	Improve governance and increase transparency.	
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.	January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.	
Publish the financial assessment of EBS that includes its legacy liabilities.	May 2022	Met	Achieve full cost recovery in the electricity sector.	
Commence an audit on outstanding supplier arrears.	April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.	
Passage of laws needed to implement the VAT by the National Assembly.	March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.	
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.	March 2022	Not Met; implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.	
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.	June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.	
Create a large taxpayer unit to increase taxpayer compliance.	June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.	
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	December 2023	Not met; implemented with delay in May 2024	Strengthen social spending.	
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.	June 2023	Met	Improve fiscal data reporting.	
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption	July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.	
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.	7	October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detail procedures) to halt payments of salaries for unregistered workers.	7	October 2023	Not Met; implemented with delay in November 2023	Strengthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	March 2024	Not Met; implemented with delay in April 2024	Strengthen PFM.	
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	Continuous	Met for end-June 2024	Strengthen PFM.	
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.	
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each	14	January 2024	Met	Improve governance and increase transparency.
Mandate that all tax declarations and transactions use a Fiscal Identification Number	8	June 2024	Reformulated as below	Improve tax administration.
Mandate that all importers/exporters use the Fiscal Identification Number.	8	June 2024	Met	Improve tax administration.
Hire 25 new qualified staff for the Tax Department.	8	November 2024	New proposed SB	Improve tax administration.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to domestic debt payments	December 2024	New proposed SB	Improve tax administration.	
Implement a pilot Treasury Single Account for a limited set of ministries.	8	January 2025		Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	8	Continuous	Not Met	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears.	15	March 2024	Not Met; implemented with delay in July 2024	Improve debt management and financial stability
Issue a resolution to clarify that government will not be responsible for contracts agreed	8	April 2024	Met	Strengthen PFM and avoid new expenditure
Mandate all line ministries to report the stock of arrears to the MoF monthly.	15	June 2024	Met	Improve debt management and financial stability

Table 13. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure	Target date	Status	Objective
Governance (anti-corruption)			
Ratify the United Nations Convention Against Corruption (UNCAC).	January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish	June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC	March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	28 June 2024	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to create a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance	28 September 2024	Proposed to be reset to end-November 2024	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	28 November 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)			
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	8 September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)			
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).	28 August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.

Source: IMF staff.

1/ The target dates for all structural benchmarks are the end of the month.

Table 14. Suriname: Decomposition of Public Debt and Debt Service by Creditor
(2023–26)

	Debt Stock incl. arrears end-2023			Debt Stock excl. arrear end-2023		Arrears end-2023			Debt Service		
	(In USD)	(Percent Total debt)	(Percent GDP)	(In USD)	(In USD)	2024	2025	2026	2024	2025	2026
Total	3,397	100	90	2,999	398	372	319	289	8	6	6
External	2,694	79	72	2,503	191	203	228	223	4	5	4
Multilateral creditors	1,319	39	35	1,319	0	117	136	143	2	3	3
IMF	265	8	7	265	0	14	22	31	0	0	1
World Bank	19	1	1	19	0	1	2	2	0	0	0
IADB	847	25	23	847	0	77	87	85	2	2	2
Other Multilaterals	188	6	5	188	0	25	25	24	1	0	0
o/w Caribbean Development Bank	116	3	3	116	0	15	15	15	0	0	0
o/w European Investment Bank	1	0	0	1	0	0	0	0	0	0	0
o/w Islamic Development Bank	41	1	1	41	0	5	5	5	0	0	0
o/w The OPEC Fund for International Development	30	1	1	30	0	4	4	4	0	0	0
Official Creditors	605	18	16	480	125	51	43	20	1	1	0
Bilateral Creditors	428	13	11	356	72	44	33	11	1	1	0
o/w : Paris Club	32	1	1	32	0	0	4	4	0	0	0
China	384	11	10	313	72	41	29	7	1	1	0
India	12	0	0	12	0	3	0	0	0	0	0
ECA-backed loans	177	5	5	124	54	7	11	9	0	0	0
o/w: Paris Club	56	2	1	56	0	4	7	6	0	0	0
China	98	3	3	45	53	3	3	3	0	0	0
India	23	1	1	23	0	0	0	0	0	0	0
Commercial Creditors	769	23	20	704	66	36	49	60	1	1	1
Eurobonds	660	19	18	660	0	24	34	45	0	1	1
o/w: Oppenheimer	660	19	18	660	0	24	34	45	0	1	1
Other private creditors	110	3	3	44	66	12	15	15	0	0	0
o/w: ABN-AMRO Bank N.V.	21	1	1	0	21	1	1	5	0	0	0
o/w: Israel Discount Bank	10	0	0	1	9	1	0	0	0	0	0
o/w: Credit Suisse	11	0	0	7	3	2	2	2	0	0	0
o/w: ICBC	65	2	2	33	33	7	12	8	0	0	0
o/w: KBC	3	0	0	3	0				0	0	0
Domestic	703	21	19	496	207	169	91	66	3	2	1
Held by Central Bank	253	7	7	253	0	49	26	26	1	1	1
Held by Local Banks	118	3	3	83	35	96	13	13	2	0	0
Held by Local Non-Banks	333	10	9	160	172	23	52	27	0	1	1
o/w other accounts payable, incl. supplier arrears	142	4	4	-	142						

Source: IMF staff estimates from Suriname Debt Management Office (SDMO).

The table assumes the following:

- For external debts whose bilateral restructuring agreements were not completed by end-2023, reported debt stocks and debt services are based on original contracts. For external debt whose bilateral restructuring agreements were completed by end-2023, reported debt stocks and debt services are based on these agreements. In the latter case, arrear repayments are included in the projected debt service.
- For domestic debts, the restructuring with CBvS is reflected to calculate domestic debt service.
- The figures are based on existing debts as of end-2023, and debt service from newly contracted debt in 2024 onward are not reflected.

Annex I. Debt Sustainability Analysis

Annex I. Figure 1. Suriname: Risk of Sovereign Stress			
Horizon	Mechanical signal	Final assessment	Comments
Overall	...	High	The overall risk of sovereign stress is high.
Near term 1/	n.a.	n.a.	Not applicable.
Medium term	High	High	Medium-term risks are assessed as high. The GFN tool suggests moderate risk due to large change in bank claims on government amid frontloaded CBvS recapitalization needs. In addition, the fanchart tool gives a high risk signal mainly driven by the width of the chart suggesting a high historical volatility of the macro-fiscal shocks.
Fanchart	High	...	
GFN	Moderate	...	
Stress test	Comm. Prices Cont. Liabty. Nat. Diast.	...	
Long term	...	Moderate	Long-term risks are assessed as moderate. In the long-term, public debt to GDP is expected to continue declining but GFN to GDP is gradually increasing until 2033, mainly due to repayments to IFIs including the Fund and restructured debts. This underscores the importance of maintaining fiscal discipline in the long term.
Sustainability assessment 2/	...	Sustainable	The projected debt path is expected to stabilize and GFNs will remain at manageable levels.
Debt stabilization in the baseline			Yes
DSA Summary Assessment			
<p>Commentary: The authorities' debt restructuring scenario suggests that public debt and GFNs would be sustainable. However, even after restructuring, public debt would remain high and highly vulnerable to macro-fiscal shocks, including recapitalization needs of the CBvS. The vulnerability is particularly highlighted by the moderate risk in GFN financeability—due to large changes in bank claims on sovereign, and high risk signal of the fanchart, which is mainly caused by the past fluctuations in real exchange rate and inflation. The FX vulnerability can be mitigated by the significant share of government revenues received in foreign currency and potential future oil revenues that are not incorporated in the DSA following international practice.</p>			
<p>Source: Fund staff.</p> <p>Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.</p> <p>1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.</p> <p>2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.</p>			

Annex I. Figure 2. Suriname: Debt Coverage and Disclosures

						Comments	
1. Debt coverage in the DSA: 1/							
	CG	GG	NFPS	CPS	Other		
1a. If central government, are non-central government entities insignificant?						No	
2. Subsectors included in the chosen coverage in (1) above:							
Subsectors captured in the baseline						Inclusion	
CPS	NFPS	GG: expected	CG	1	Budgetary central government	Yes	
				2	Extra budgetary funds (EBFs)	No	Not applicable
				3	Social security funds (SSFs)	No	Not applicable
				4	State governments	No	Not applicable
				5	Local governments	No	Not applicable
				6	Public nonfinancial corporations	No	Not applicable
				7	Central bank	No	Not applicable
				8	Other public financial corporations	No	Not applicable
3. Instrument coverage:							
	Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/		
4. Accounting principles:							
Basis of recording			Valuation of debt stock				
	Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/		
5. Debt consolidation across sectors:							
	Consolidated	Non-consolidated					
Color code: ■ chosen coverage ■ Missing from recommended coverage ■ Not applicable							

Reporting On Intra-Government Debt Holdings

Issuer		Holder	Budget. central govt	Extra-budget. funds	Social security funds	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total		
CPS	NFPS	GG: expected	CG	1	Budget. central govt							0	
				2	Extra-budget. funds								0
				3	Social security funds								0
				4	State govt.								0
				5	Local govt.								0
				6	Nonfin pub. corp.								0
				7	Central bank								0
				8	Oth. pub. fin. corp								0
Total			0	0	0	0	0	0	0	0	0		

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.

2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.

3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.

4/ Includes accrual recording, commitment basis, due for payment, etc.

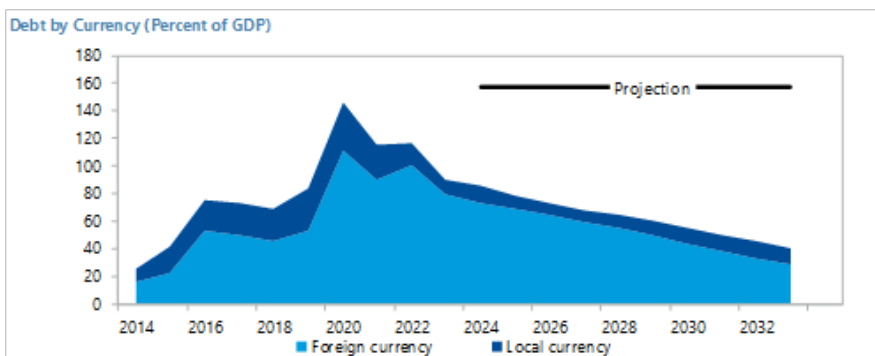
5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).

6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.

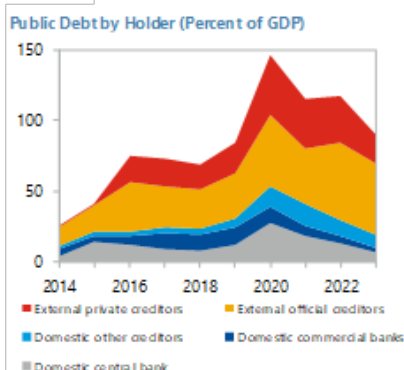
7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: Suriname's public debt under the DSA refers to central government debt including loans to IMF and CBVs. There is no estimate of local governments' and social security funds' debts but they should be considered minimal if any. There is no estimate of SOE debts, but the government has passed a law to expand the legal mandate of SDMO to include the whole NFPC and tracks the financial positions of the 10 largest state-owned enterprises.

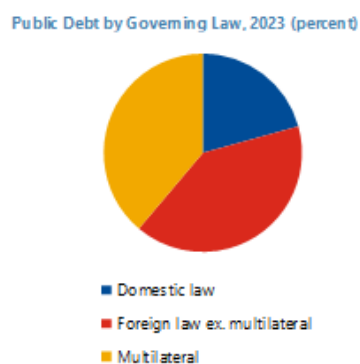
Annex I. Figure 3. Suriname: Public Debt Structure Indicators



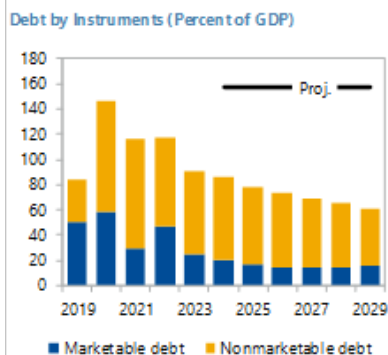
Note: The perimeter shown is central government.



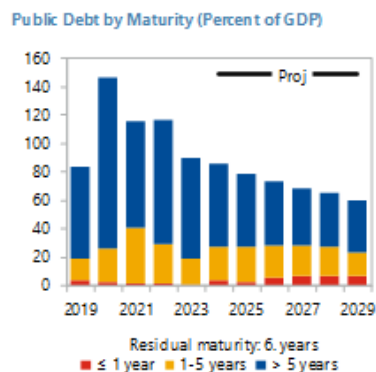
Note: The perimeter shown is central government.



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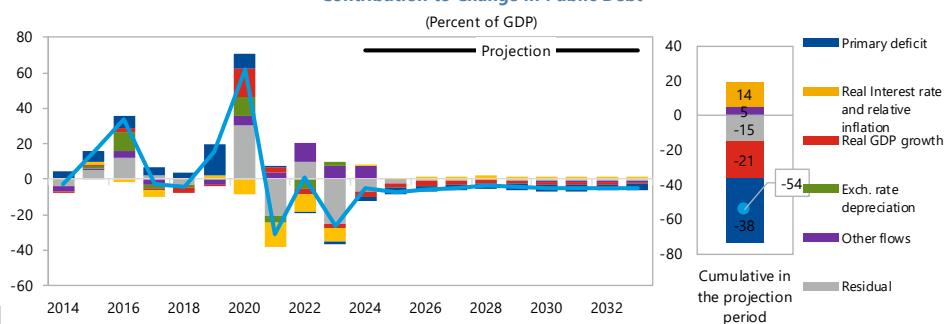
Note: The perimeter shown is central government.

Commentary: Public debt is 90.3 percent of GDP as of end-2023, out of which FX debt accounts for 80 percent of GDP and external public debt accounts for 72 percent of GDP. Multilateral debt accounts for 35 percent of GDP in 2023, about 2/3 of which is owed to Inter-American Development Bank (IADB). Other official debt includes bilateral debt (11 percent of GDP) and ECA-backed debt (5 percent of GDP). Among the official creditors, China is the largest at 10 percent of GDP, followed by the Paris Club at 1 percent of GDP and India at 0.3 percent of GDP. Private debt is comprised of bonds and loans, of which the restructured eurobonds account for 18 percent of GDP and other private creditors account for only 3 percent of GDP. External arrears amount to 5 percent of GDP. Domestic debt is estimated to be 19 percent of GDP as of end-2023, of which debt owed to CBvS accounts for 7 percent of GDP, debt to commercial banks accounts for 3 percent of GDP, debt to non-banking institutions accounts for 3.5 percent of GDP. Domestic arrears, including supplier arrears, as of end-2023 are estimated at 5.5 percent of GDP.

Annex I. Figure 4. Suriname: Baseline Scenario
(Percent of GDP unless indicated otherwise)

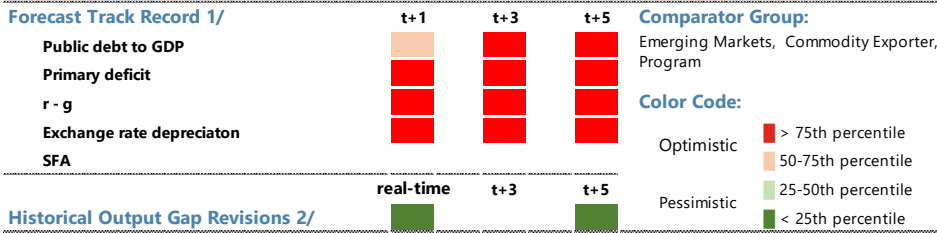
	Actual		Medium-term projection						Extended projection			
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Public debt	90.3	85.7	78.6	73.1	68.3	64.8	60.4	55.3	50.1	45.1	40.3	
Change in public debt	-26.6	-4.6	-7.1	-5.5	-4.7	-3.5	-4.3	-5.2	-5.1	-5.0	-4.8	
Contribution of identified flows	-11.0	0.8	-2.3	-4.0	-3.9	-3.8	-3.8	-4.3	-4.3	-3.7	-3.6	
Primary deficit	-1.3	-2.8	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	
Noninterest revenues	25.1	26.1	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4	
Noninterest expenditures	23.9	23.3	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	
Automatic debt dynamics	-7.9	-2.4	-1.6	-0.9	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	
Real interest rate and relative inflation	-7.9	0.2	0.9	1.4	1.7	1.8	1.7	1.5	1.4	1.3	1.2	
Real interest rate	-37.7	-7.9	-5.3	-2.7	-1.4	0.2	0.2	0.2	0.2	0.2	0.2	
Relative inflation	29.8	8.2	6.2	4.1	3.1	1.6	1.5	1.4	1.2	1.1	1.0	
Real growth rate	-2.5	-2.6	-2.5	-2.3	-2.1	-2.0	-1.9	-1.8	-1.6	-1.5	-1.3	
Real exchange rate	2.4	...	...	...	...	...	...	...	...	...	...
Other identified flows	-1.9	6.0	2.7	0.3	0.0	-0.1	-0.1	-0.6	-0.6	0.0	0.0	
Recapitalization of commercial banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(minus) Interest Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Recapitalization of CBvS	0.0	1.0	-0.1	-0.1	-0.1	-0.1	0.0	-0.6	0.0	0.0	0.0	
Other accounts payable	1.9	1.3	0.8	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	
IMF BoP component	1.5	3.3	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Changes in deposits at CBvS	2.6	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nominal haircut eurobonds	-6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nominal haircut CBvS	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Contribution of residual	-15.6	-5.4	-4.8	-1.5	-0.9	0.3	-0.5	-0.9	-0.8	-1.3	-1.2	
Gross financing needs (incl. arrears clearance)	6.8	6.6	3.3	2.7	5.0	6.5	7.0	6.9	7.0	6.8	6.8	
of which: debt service (excl. arrears)	5.2	8.0	6.8	6.2	8.5	10.0	10.5	10.4	10.5	10.3	10.3	
Local currency	1.5	1.3	0.9	0.9	0.9	2.2	2.3	2.9	3.0	3.3	3.6	
Foreign currency	3.7	6.7	5.9	5.3	7.6	7.8	8.2	7.5	7.5	7.0	6.7	
Memo:												
Real GDP growth (percent)	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Inflation (GDP deflator; percent)	51.2	14.8	11.7	8.6	7.3	4.9	4.9	4.9	5.0	5.0	5.1	
Nominal GDP growth (percent)	54.5	18.3	15.1	11.9	10.5	8.0	8.0	8.1	8.1	8.2	8.2	
Effective interest rate (percent)	1.4	4.4	4.6	4.8	5.2	5.2	5.2	5.3	5.4	5.5	5.6	

Contribution to Change in Public Debt

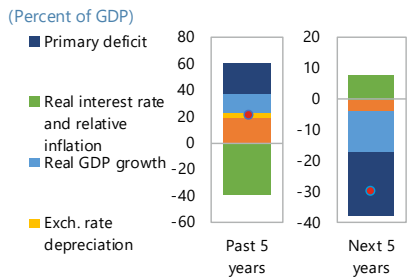


Commentary: Public debt is projected to decline below 90 percent of GDP by 2024 due to fiscal adjustment efforts as well as restructuring agreements, and it would be placed on a steady downward trend over the medium and long term, falling to below 65 percent in 2028, and below 50 percent by 2033. Gross financing needs peak in 2024 due to clearance of domestic debt arrears. GFNs are expected to trough in 2026 and projected to gradually increase in the medium to long run towards 7 percent of GDP because amortization of restructured external debts, bullet payments of CBvS recapitalization bonds, and the IMF loans. The GFN path is anchored by sustained primary surpluses and it is essential to continue fiscal adjustment efforts in the medium to long term. In addition, it is important to keep a liquidity buffer, including the government's deposits, against the increasing financing needs. Note that the CBvS recapitalization assumption, which has not been fully realized, adds 4.5 percent of GDP to the public debt stock in 2024, while the nominal haircut by bondholders had an impact to reduce the public debt stock by 6.7 percent in 2023. The IMF's BOP finance component is added to the debt stock. The GFNs are on a cash basis and reflect arrears clearances.

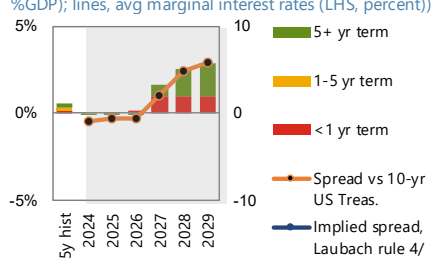
Annex I. Figure 5. Suriname: Realism of Baseline Assumptions



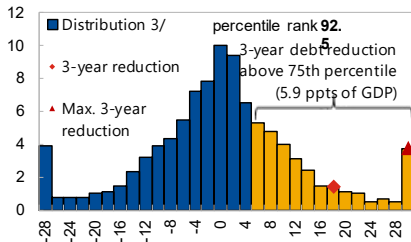
Historical Output Gap Revisions 2/
Public Debt Creating Flows
(Percent of GDP)



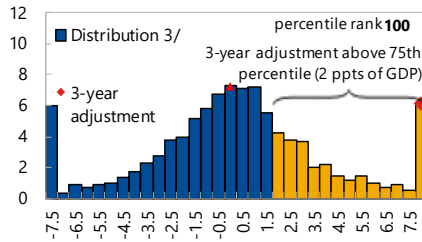
Bond Issuances (Bars, debt issuances (RHS, %GDP); lines, avg marginal interest rates (LHS, percent))



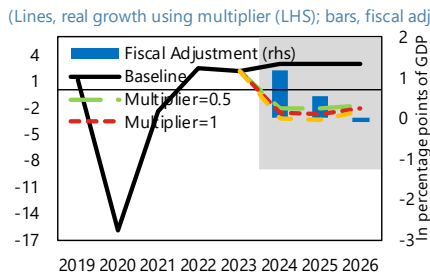
3-Year Debt Reduction
(Percent of GDP)



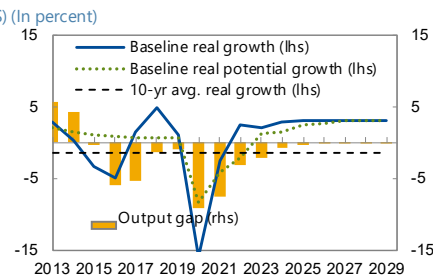
3-Year Adjustment in Cyclically-Adjusted Primary Balance (Percent of GDP)



Fiscal Adjustment and Possible Growth Paths



Real GDP Growth



Commentary: The tools alert to a rapid reduction in public debt and improvement in primary balance, but their projections are underpinned by the authorities' strong commitments to fiscal adjustment, ongoing debt restructuring as well as recovery from COVID-19. The interest-growth gap also shows optimism, but this is partly explained by the fact that about half of total financing is expected to come from IFIs without external market access until at least 2026. In the long term, the real exchange rate is assumed to converge to an appreciation of 0.6 percent per year due to Balassa-Samuelson effects.

Source : IMF Staff.

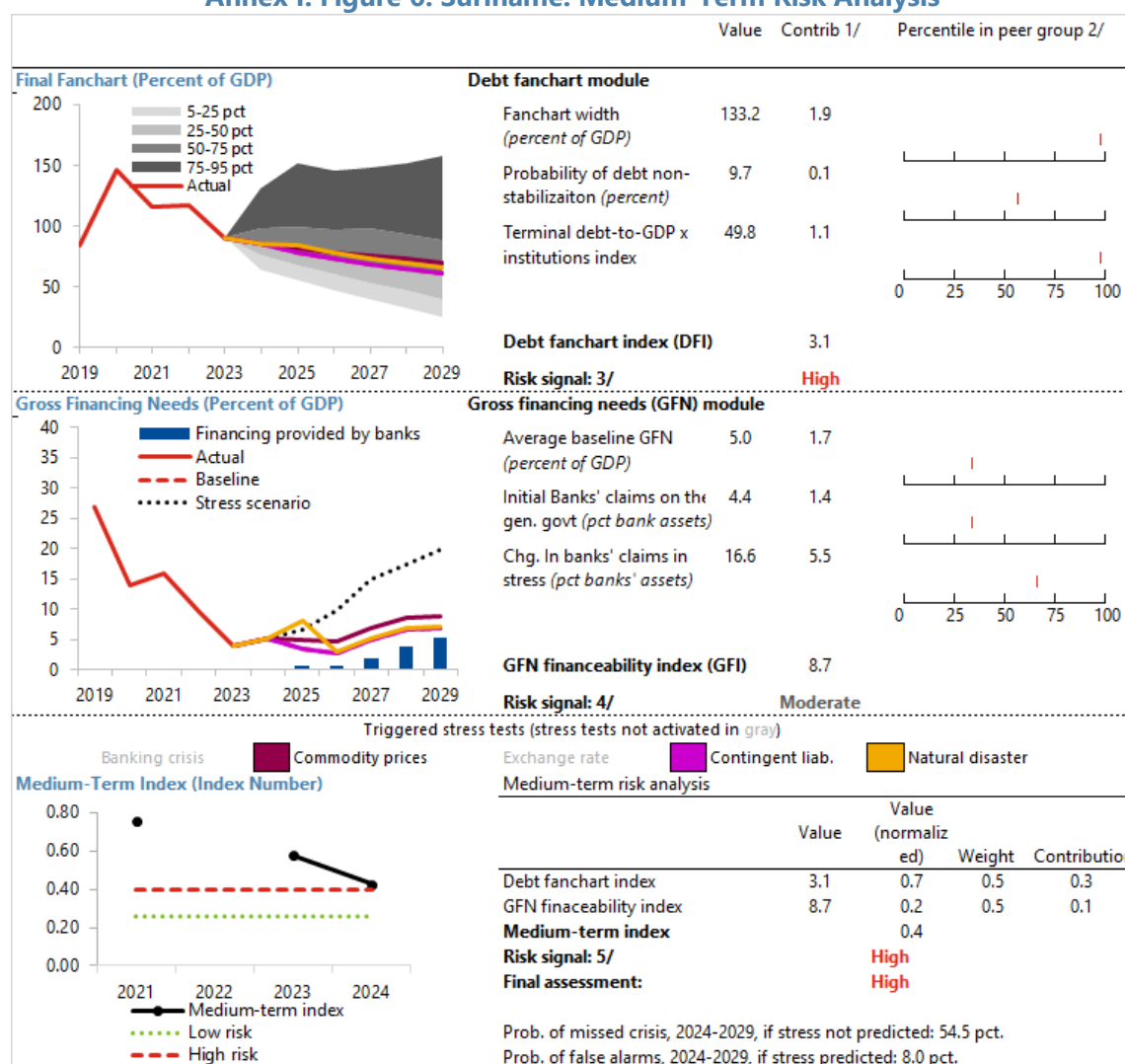
1/ Projections made in the October and April WEO vintage.

2/ Calculated as the percentile rank of the country's output gap revisions (defined as the difference between real time/period ahead estimates

3/ Data cover annual observations from 1990 to 2019 for MAC advanced and emerging economies. Percent of sample on vertical axis.

4/ The Laubach (2009) rule is a linear rule assuming bond spreads increase by about 4 bps in response to a 1 ppt increase in the projected debt-to-GDP ratio.

Annex I. Figure 6. Suriname: Medium-Term Risk Analysis



Commentary: The Debt Fanchart Module points to high risk of debt distress mainly driven by the wide width of the fanchart. Suriname experienced large fluctuations in real exchange rate and inflation in the past, which contributes to the wide width; however, the flexible exchange rate regime and adjustments under the program are expected to mitigate such risks. The risk from debt-non stabilization is relatively contained because of the steady decline in public debt and fiscal adjustment efforts in the medium term, though the terminal debt level in 2029 still stands at a relatively high level (i.e., above 60 percent of GDP). The GFN finance-ability module suggests moderate risk of debt distress, in part due to rising GFN path in the medium term. The risk from the change in bank's claims is higher than expected due to frontloaded recapitalization needs for CBvS which is highlighted by stress scenario in the chart. The recapitalization will ensure the financial health of CBvS to execute its mandate. The modalities used in orchestrating the recapitalization will impact the GFN, with direct equity injections resulting in a significant increase of immediate GFN needs while the use of securities with bullet maturities raises GFN needs in the MT. On the other hand, the risks on public debt can be mitigated by the significant share of government revenues received in foreign currency as well as potential future oil revenues. In line with the best international practice, the DSA does not incorporate impact of potential oil production since available information, so far, does not provide assurances about the economic viability of the oil reserves. Overall, the medium-term risk and overall risk of the baseline are high, considering vulnerability to macro-fiscal shocks and higher GFN needs.

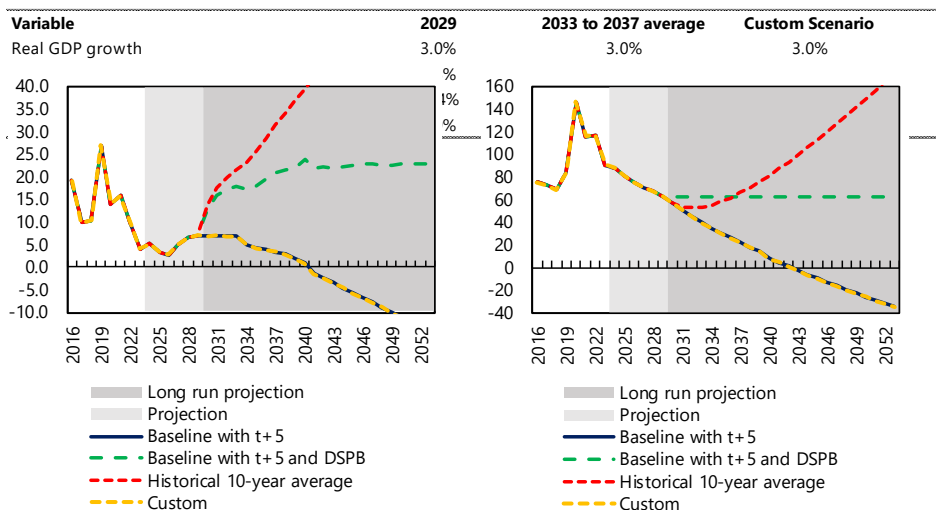
Source: IMF staff estimates and projections.

1/ See Annex IV of IMF, 2022, Staff Guidance Note on the Sovereign Risk and Debt Sustainability Framework for details on index calculation.
2/ The comparison group is emerging markets, commodity exporter, program.
3/ The signal is low risk if the DFI is below 1.13; high risk if the DFI is above 2.08; and otherwise, it is moderate risk.
4/ The signal is low risk if the GFI is below 7.6; high risk if the DFI is above 17.9; and otherwise, it is moderate risk.
5/ The signal is low risk if the GFI is below 0.26; high risk if the DFI is above 0.40; and otherwise, it is moderate risk.

Annex I. Figure 7. Suriname: Long-Term Risk and Analysis

Suriname: Long-Term Risk Assessment: Large Amortization Incl. Custom Scenario

Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio	■
	Amortization-to-GDP ratio	■
	Amortization	■
Medium-term extrapolation with debt stabilizing primary balance	GFN-to-GDP ratio	■
	Amortization-to-GDP ratio	■
	Amortization	■
Historical average assumptions	GFN-to-GDP ratio	■
	Amortization-to-GDP ratio	■
	Amortization	■
Overall Risk Indication		■



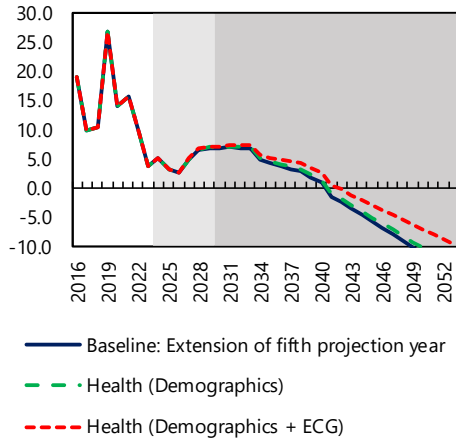
Commentary: The long-term analysis indicates that GFN to GDP and public debt to GDP diverge very quickly if the government followed the past 10-year path. The historical 10-year average scenario is less informative because the scenario includes macro-fiscal shocks during the crisis period of 2020-22. Nevertheless, it highlights the importance of running sufficient PB surpluses to achieve declining GFN to GDP and public debt to GDP paths in the medium to long term. The staff's projection is in line with the case of "Baseline with t+5". GFNs increase over the medium term as repayments to restructured claims and the IMF commence. Therefore, it is essential to continue fiscal reforms and keep sufficient liquidity buffer in the medium term.

Note: The staff projection may deviate from the long-term module's (mechanical) baseline because the former reflects below-the-line transactions (e.g., arrear clearances, debt restructuring).

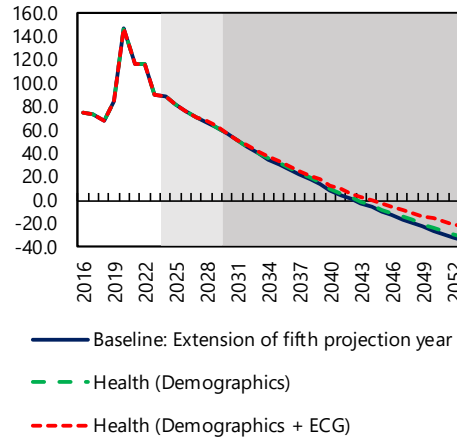
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis (continued)

Suriname: Demographics: Health

GFN-to-GDP Ratio



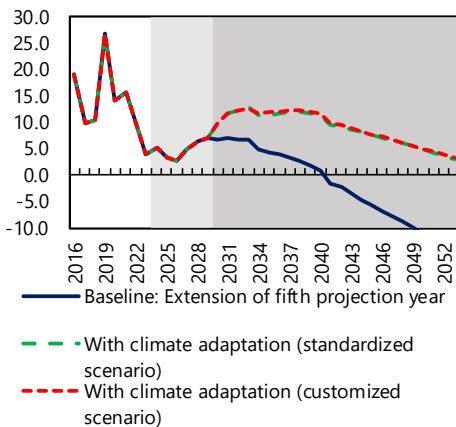
Total Public Debt-to-GDP Ratio



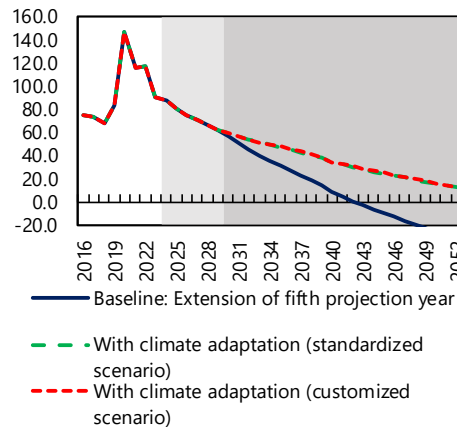
Commentary: Health cost based on demographic changes could provide additional risks in the long-term but this would not have a material impact given that GFN to GDP and public debt to GDP keep declining based on continued fiscal efforts.

Suriname: Climate Change: Adaptation

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

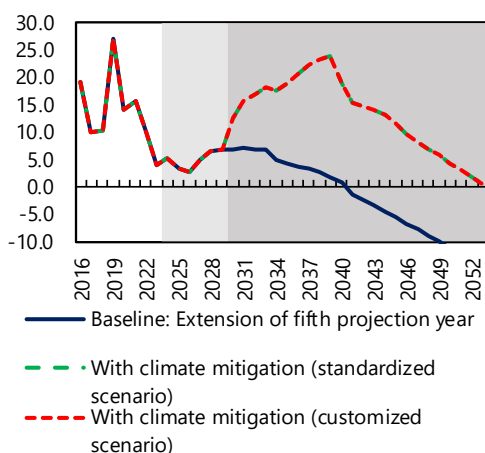


Commentary: Suriname is outside the hurricane belt but is occasionally affected by the tails of hurricanes and local storm events, resulting in flooding. Climate adaptation could cause additional fiscal costs on top of the gradually increasing GFN to GDP in the 2030s. In both the standardized and customized scenarios, adaptation requires additional investment worth 3 percent of GDP per year. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. The long-term analysis refrains from conducting natural resource module until FID of a new oil development is confirmed.

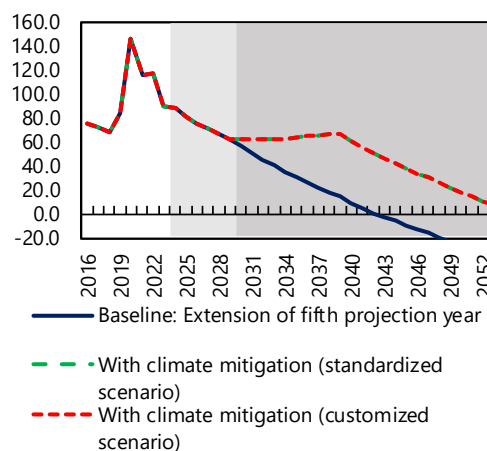
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis (concluded)

Suriname: Climate Change: Mitigation

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



Commentary: Climate mitigation could cause additional fiscal costs on top of the gradually increasing GFN to GDP in the 2030s. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. In the both the standardized and customized scenarios, adaptation requires additional investment worth 5.7 percent of GDP.

A. Public Debt Under Restructuring Scenario

1. The goal of debt restructuring, in conjunction with fiscal consolidation, is to put public debt on a firm downward trajectory and achieve the medium- and long-term debt anchors.

The overarching objective of the program is to reduce public debt to 60 percent of GDP by 2035 and reduce GFNs to an average of 9 percent and an upper limit of 12 percent over 2023–35. These serve as the long-term anchors of the program, providing sufficient buffer given the Suriname's vulnerabilities. A 60 percent debt-to-GDP target is consistent with other recent debt restructurings under IMF-supported programs in the region (e.g., Barbados and Jamaica).

2. The specific assumptions of the baseline program scenario are as follows:

- **Debt restructuring external official creditors.** Under the restructuring scenario, the debt perimeter for restructuring covers external commercial and official bilateral debt (including arrears), in total amounting to about 50 percent of GDP as of end-2021. The authorities reached a restructuring agreement with Paris Club creditors on June 24, 2022, followed by bilateral agreements with all the PC creditors. The final bilateral agreement was reached with Italy in June 2023. Under the agreement with the Paris Club, there is no face value reduction of official debt and ECA-backed commercial debt, but amortization is paused for 7 years (until 2028) and for 8 years (until 2029) respectively. 60 percent of the PC arrears under the bilateral agreement were

already paid and the remaining 40 percent is expected to be paid in 2024. In March 2023, an agreement on official credit lines by EXIM India was made and 60 percent of the end-2021 arrears have already been paid, while the remaining 40 percent is expected to be paid in 2024. In line with the Paris Club agreements, amortization is paused for 7 years (until 2028) without face value reduction. An agreement on loans backed by EXIM India was made in May 2023. An agreement in principle at the technical level was reached with China in November 2023 on both phases of the debt treatment (flow and stock relief), which appears in line with the PC treatment and program parameters. It was signed by both parties in March 2024. The agreements with the Paris Club, India and EXIM China do not include a Value Recovery Instrument (VRI). The agreements with the Paris Club and EXIM China include contingencies for the second phase of debt treatment should the macroeconomic outlook improve, in particular pertaining to oil developments. A final agreement with EXIM China is awaiting approval of the Chinese government. Negotiations with the Paris Club (PC) for the second phase of debt treatment are scheduled for September 2024 followed by negotiations of individual PC creditors.

- Debt restructuring with external private creditors.** The authorities reached an agreement in principle (AIP) with bondholders in May 2023. The formal debt exchange with private external bondholders was finalized in November 2023, reaching a pre-CAC participation rate over 96 percent and a post-CAC participation rate of 100 percent.¹ The new bonds were issued in an aggregate principal amount of USD 650 million, with an additional USD 10 million issued to cover fees and expenses of the bondholder committee. Interest payments started from 2024 with a coupon of 4.95 percent in cash and with a coupon of 3 percent being capitalized until January 2026, when the coupon rate increases to 7.95 percent. The bonds are amortized in 14 semi-annual installments starting in 2027 equal to 1/14th of the outstanding principal amount. The bonds also include a VRI conditional on new revenue streams from a specific oil development project which is currently under the appraisal process. The program baseline conservatively does not incorporate the additional oil revenue nor debt services on VRI given that a relevant final investment decision (FID) has not been made. After a “one-off” floor of USD 100 million secured for the government, the annual allocation to the VRI is limited to 30 percent of the royalty revenues from the oil development project.² In this sense, the VRI would not bring about additional debt sustainability concerns, and the new oil development is considered as potential upside risk. The aggregate amount paid under the VRI is capped at USD 787 million. Under the baseline (without the VRI), using the typical methodology used by official creditors such as the PC this restructuring scenario results in NPV reductions of 19 percent for official and 21 percent for external commercial creditors at a 5 percent discount rate. In April, an agreement was signed with ABN AMRO to restructure two outstanding loans. Negotiations are ongoing

¹ Negotiations with private external creditors for restructuring the non-ECA backed loans are ongoing and are expected to be finalized by end-June. Before the bond exchange, the Eurobonds comprised 95 percent of the total external debts with private external creditors (see Table 1).

² In 2022, royalty revenue is estimated to be 18 percent of the total mining revenue.

with the remaining commercial creditors (ICBC, Credit Suisse, and Israel Discount bank) with expected debt treatment on comparable terms and in line with program parameters.

- **CBvS restructuring:** Legacy debts to the CBvS have been restructured into a new loan with a grace period of 2 years and a maturity of 27 years. All short-term advances made to the CG were repaid to the CBvS in 2023 and there are no outstanding arrears. Losses arising from this restructuring are reflected in the CBvS recapitalization plan.

- **Other domestic restructuring.** As of November 2022, accumulated domestic debt arrears to commercial banks and NBFIs peaked at SRD 3.3 billion. By February 2024, the authorities had finalized the bilateral restructuring negotiations for all domestic debts (mainly by rollovers combined with

extending maturities), including a large USD loan to a commercial bank which accounted for 50

Suriname: Domestic Arrear Clearance Schedule in 2024 (net basis)		
	2024	
	SRD millions	% of GDP
Arrear repayments	4,284	2.6%
Commercial banks and NBFIs	1,673	1.0%
Gold loan	553	0.3%
Suppliers	1,249	0.8%
VAT refunds	809	0.5%
Source: IMF staff estimates.		

percent of

arrears at end-2023. In addition, approximately SRD 299 million in domestic debt arrears owed to Suriname Pensions Fund are disputed and under audit. The authorities have gradually implemented a concrete action plan for clearing all domestic debt arrears and have proposed for adoption a continuous ceiling on non-accumulation of domestic debt arrears, in part to rebuild trust in the market and support financial stability. Apart from disputed arrears, all other domestic debt arrears were fully paid by end July.

- **Supplier arrears and other arrears.** Reconciled data provide a clear trend in the flows of other accounts payable (AOP), yielding end 2023 stock of SRD 3.965 billion in AOP, SRD 0.488 billion in legacy suppliers arrears, and SRD 0.809 billion in VAT refund arrears. The authorities have further accumulated (on a net basis) SRD 1975.5 million by end July 2024.³ The total stock of accounts payable stood at SRD 5.9 billion by July 2024. About 70 percent of this stock is more than 90 days past the due date and hence considered supplier arrears. The authorities are committed to gradually clearing all verified arrears on other accounts payable by 2027, while further improving their capacity through PFM reforms and TA. In addition, there is a gold loan agreement which was in arrears, evaluated at SRD 0.4 billion at end-2022. These arrears were cleared in March 2024 under a renewed agreement. These arrears are being cleared

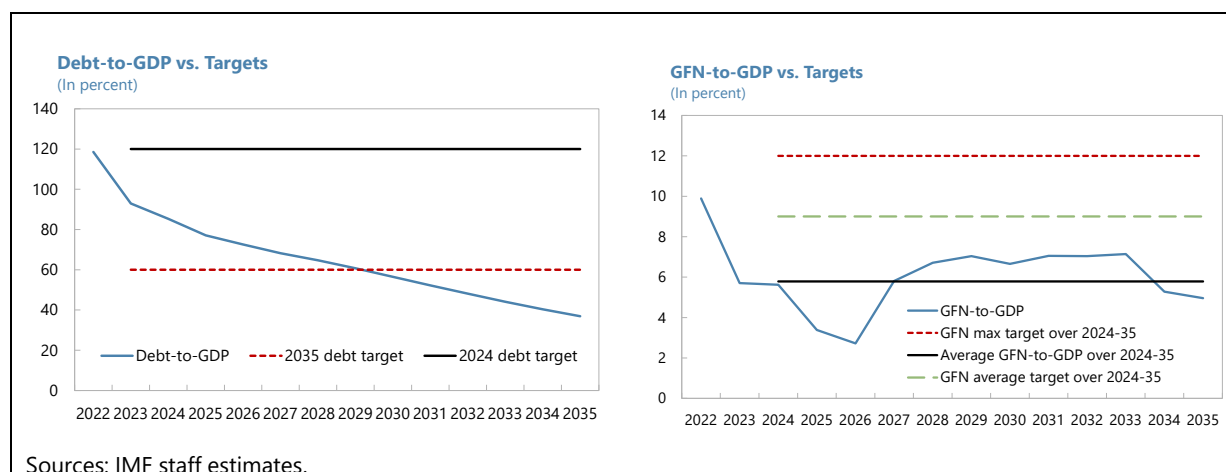
³ STA has provided a framework to help capture the stock of debt with suppliers (arrears) since the invoices were approved, drawing information from authorities' Freebalance (IFMIS) and to track accumulation of new debt arrears, and clearance..

in line with new indicative targets. The domestic arrear repayment schedule in 2024 that incorporates the government strategy and staff's assumption are summarized in the Text Table.

- Financing:** Financing requirements are projected to decline significantly over the medium term due to the external debt restructuring, both through the face-value reduction and coupon reduction on existing external bilateral and commercial debt. Budget support from the IDB is assumed until only 2024 as a conservative assumption, though the government might seek further support afterwards. Project financing from multilateral creditors is assumed to decline gradually in the medium to long term as Suriname switches to market financing of its capital expenditures. Domestic financing is expected to be limited in 2024 and 2025 due to the gradual recovery in the market confidence. The baseline assumes no domestic market access in 2024 but modest issuance of around SRD 200 million in 2025-2026. In 2026 we assume that residual GFNs will be met by 100 percent domestic T bonds. External market access is assumed to resume in 2027. The lack of external and domestic market access creates a potential financing gap in 2024/25 that is filled by CG deposit withdrawal. The government had accumulated deposits of SRD 18.0 billion (13 percent of GDP) by end-2023, so potential delays in market access could be covered by a large liquidity buffer. The recapitalization of the commercial banks is no longer expected to require CG injection of public money but will be covered through conversion of frozen CG deposits. Based on the FY 2021 audit, the recapitalization of the CBvS is assumed to equal 9.4 billion in 2024. The baseline assumes that the CBvS will need annual injections to ensure capital and reserves grow with GDP. The recapitalization requires a one-off cash injection of SRD 1.0 billion (0.6 percent of GDP) in 2024. The remainder will be met through issuance of marketable bonds by the government (classified as held-to-collect).⁴ There are 5 new instruments (bonds) with a face value of SRD 1.676 billion and maturities from 6 to 10 years. The coupon rate is fixed at 9 percent with semi-annual payments while the principal amount of each bond will be paid at maturity (bullet payment). The bond issuance is assumed not to add to GFNs in 2024 (it is not a transaction based on liquidity needs of CG), but its interest payments and bullet principal repayments add to future GFNs (2025-2034).

3. Public debt is assessed to become sustainable under the authorities' restructuring strategy included in the baseline and the program macro-framework. Public debt would be placed on a steady downward trend over the medium and long term, falling below 90 percent in 2024, below 70 percent in 2028, and below 50 percent in 2033. Moreover, GFNs would decline sharply from 9.9 percent in 2022 to 3.2 percent in 2026. GFNs would rise to 6.6 percent in the medium to long term due to debt service to the IFIs (including the IMF), frontloaded CBvS recapitalization, and repayments of restructured external claims, but it would remain at sustainable levels over the long term with GFNs declining from 2033 onwards. If downside risks were to materialize, however, fiscal consolidation beyond the program period may be needed to generate additional buffers.

⁴ The issuance of a marketable bond for recapitalization is consistent with the provisions of the new central bank act.



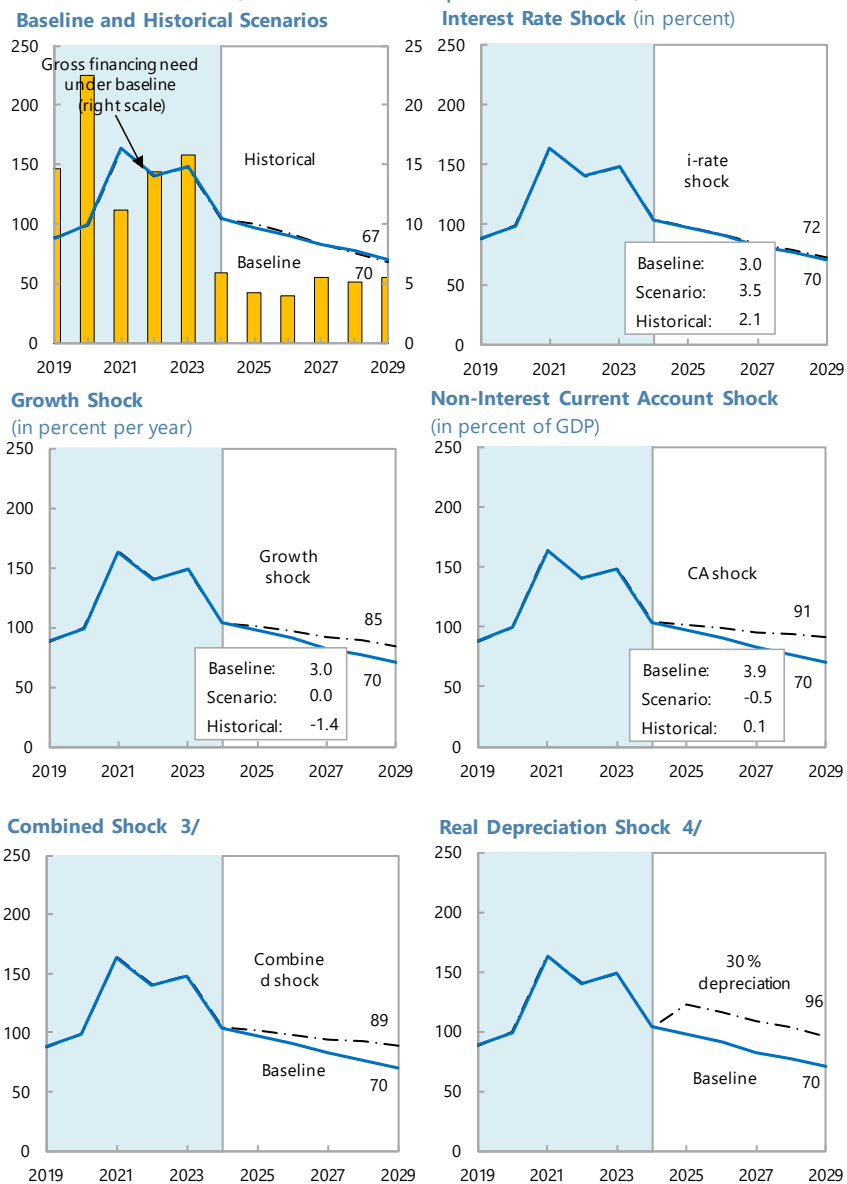
B. External DSA

4. External debt stood at 114 percent of GDP at end-2023, down from 148 percent at end-2022. Total external debt is projected to decline below 80 percent of GDP at end-2028. It is expected to track public sector external debt, which accounts for more than 50 percent of total external debt, over the next few years and decline substantially due to a large fiscal adjustment and public external debt restructuring.

5. While external debt is projected to decline substantially over the medium term, macroeconomic shocks pose significant risks (Figure 6). Various economic shocks reveal that the external debt would be generally kept below 120 percent of GDP. However, the historical scenario suggests that external debt would be considerably higher than the baseline absent efforts on fiscal adjustment, public external debt restructuring, and macroeconomic stability. Continued internal and external adjustment is critical to ensure external sustainability going forward.

6. Final Investment Decision (FID) and Staatsolie's participation: As the FID on investments to extract oil from block 58 is expected by year end, the state oil company (Staatsolie) would need a financing of USD 1-2 Billion to exercise their option of holding claims to 20 percent equity in the offshore fields, with an assessment of recoverable reserves of 700 million barrels of crude oil. Staatsolie intends to raise financing for their equity participation in the project by putting their share of profit oil as collateral, which is a common practice in offshore oil fields joint venture development. Without equity participation, the government revenues will be limited to royalty payments and the government share of profit oil without benefiting from a potentially significant upside. Staatsolie's investment in block 58 could support the government in times of need through higher dividend payment and would increase Staatsolie's footprint in the region. Given these exceptional circumstances, an exception to the zero continuous ceiling on collateralized borrowing is proposed covering Staatsolie's borrowing strategy for its equity participation in the project.

Annex I. Figure 8. Suriname: External Debt Sustainability: Bound Tests 1/2/3/4
(External Debt in percent of GDP)



Sources: International Monetary Fund; Country desk data; and staff estimates.

1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented. Ten-year historical average for the variable is also shown.

2/ For historical scenarios, the historical averages are calculated over the ten-year period, and the information is used to project debt dynamics five years ahead.

3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and current account balance.

4/ One-time real depreciation of 30 percent occurs in 2025.

Annex II. Central Bank Recapitalization Plan

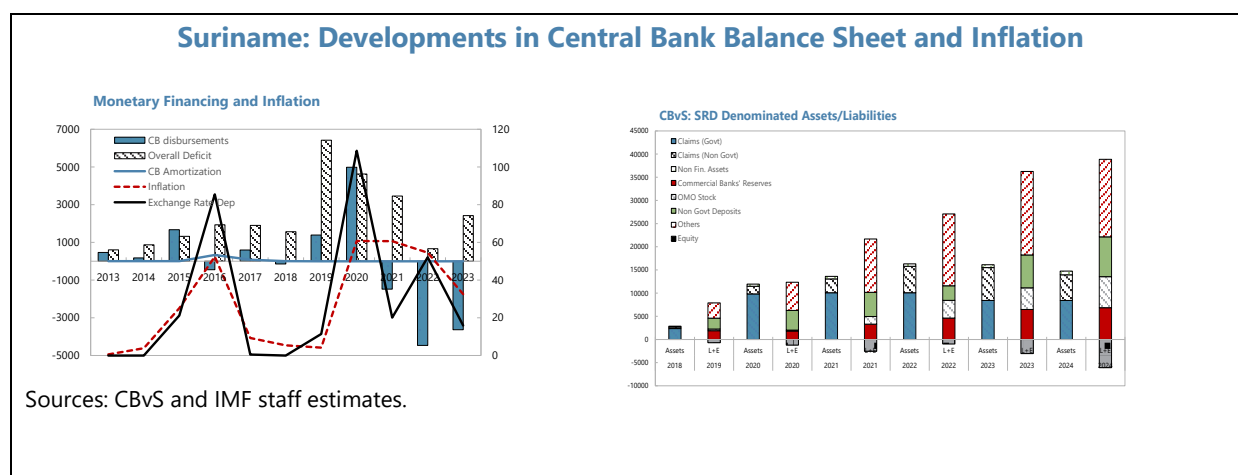
1. The objectives of Suriname Central Bank recapitalization plan are threefold: (i) to ensure central bank’s policy solvency and operational independence; (ii) to reinvigorate confidence in the financial markets; and (iii) to strengthen the monetary policy transmission.

Policy credibility: Policy credibility for CBvS would be achieved when it can effectively and efficiently execute its mandate while being able to cover its operational costs.

Reinvigorating confidence: Given its role as the supervisor and regulator of the financial system and its secondary objective to maintain financial stability, a strong CBvS balance sheet is one of the major ingredients for strengthening the financial sector’s confidence in the CBvS.

Strengthen Monetary Policy transmission: The recapitalization will strengthen the balance sheet, facilitating asset and liability management for strengthening the monetary policy transmission.

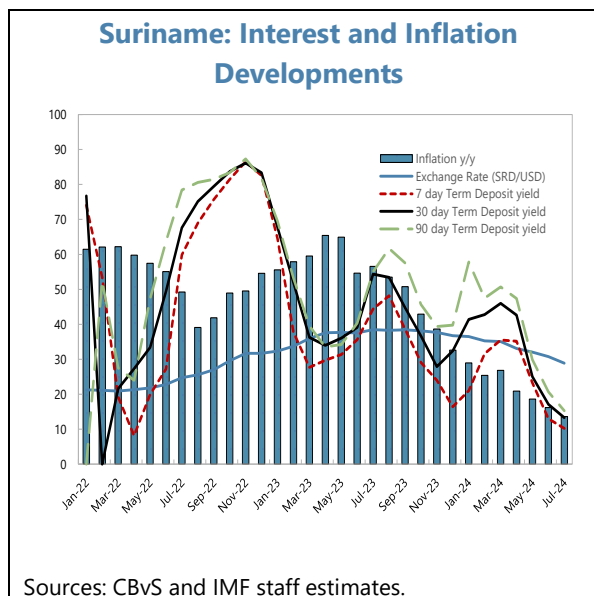
2. Perpetual losses from the CBvS engagement in monetary financing operations have undermined its policy credibility, compromising the attainment of its objectives. The losses of central bank stemmed from excessive use of monetary financing in the past. As a result, most of the CBvS’ SRD denominated assets were claims on the government that did not realize any interest income. Monetary financing also resulted in an asset liability mismatch, that coupled with pressures on exchange rate, incurred significant losses. Government’s subsequent default on both public external and domestic debt significantly weakened the confidence in both the CBvS and the central government. CBvS has managed to restore the confidence as banks started participating in the central bank paper and term deposits for CBvS’ monetary policy. Nevertheless, the transmission of monetary policy remains weak.



Rationale for Prompt Recapitalization of the Central Bank

3. With the macroeconomic situation stabilized and structural reforms agenda at an advanced stage, now is the opportune time for recapitalizing the central bank. The SRD has been appreciating since December 2023, inflation is on a steady downward trend, interest rates on open market instruments are also declining.

4. A strong legal foundation is also in place for recapitalizing the central bank. The recently enacted new Central Bank Act (CBA) of 2023 explicitly prohibits monetary financing of the central government deficits. The CBA explicitly sets price stability as the primary objective of the central bank while the CBvS, without prejudice to its primary objective, shall aim to maintain financial stability. The CBvS is also governed by an independent supervisory council.



5. Publication of IFRS audited financial statements will make CBvS consistently more transparent and accountable, and its financial statements more comparable. CBvS has already published IFRS audited 2020 and 2021 financial statements, with work in progress to publish 2022 statements. The adoption of IFRS allows the central bank to recognize losses at the outset, enhancing its transparency, accountability and credibility and allowing the CBvS to plan and evaluate its asset management practices in a timely fashion.

6. Prompt implementation of the agreed central bank recapitalization plan is a priority. The longer it takes to restore policy solvency, the more the government will need to support the central bank financially, increasing the fiscal burden in the longer run. In addition, the more time it takes for the policy solvency to materialize, the greater the vulnerability of the CBvS to economic shocks and political shifts. Such challenges could further threaten the CBvS' credibility, posing a risk of severe economic complications that ultimately deteriorate the fiscal situation further.

Modalities of the Agreed Recapitalization Plan:

7. The CBA stipulates the determination of capitalization needs and recapitalization requirements. The CBA requires CBvS' capital be equal to SRD 1 billion, fully paid at all times. In addition, the CBvS shall have a reserve fund to cover any losses arising from its business operations, and the combined size of the CBvS' capital and reserve fund shall be at least equal to 6 percent of its financial assets. The CBA also requires recapitalization by the state when the latter is not met: If the CBvS' audited and approved accounts, at the end of any financial year, indicate that its paid-up capital and reserve fund are less than six (6) percent of the its financial assets, the State shall, within

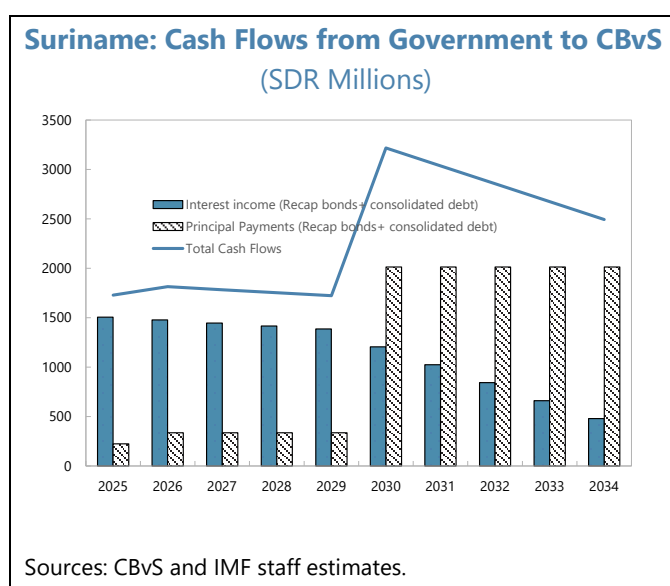
30 calendar days, transfer to the CBvS marketable securities with a specified maturity at the prevailing market-based interest rate for an amount at least equal to the amount of the deficit. The CBA also requires the government to provide capital if there is a recap need. In parallel, the agreement signed by the CBvS and MOFP involves provisions for the government to further inject capital if further recap needs are identified on publication of annual reports of subsequent years.

8. The agreed CBvS recapitalization plan consists of two parts and IFRS audited 2021 statements guide the recap needs. The first one refers to paid-up capital, which, according to the CBA. The CBvS will drawdown the SRD 1 billion capital injection on central government deposits by end-2024. The second part refers to the reserve fund, equal to SRD 8.4 billion, to be met through issuance of marketable T-bonds by the government.¹ The bond is classified as *held-to-collect*, initially recognized at fair value and subsequently measured at amortized cost. The recapitalization plan is included in the macro-framework. CBvS recapitalization is fully reflected in the debt file and SRDSF (Annex 1).

9. The Central Bank recapitalization will be complemented by income from the now restructured central government loan. In addition to the bonds being issued to central bank for recapitalization, the central government and the CBvS reached an agreement in 2021 (renegotiated in 2023) for restructuring all the claims of the central bank on central government in the form of a consolidated loan – the consolidated loan IV. The face value of the restructured loan, as per 2023 amended restructuring agreement, is SRD 8.4 Billion. The loan has a term of

30 (thirty) years. The State will repay the loan in full within this term, with principal repayments starting in 2025. The interest rate is 9 percent per year. The loan is secured by (i) Staatsolie dividends from April 28, 2021; (ii) Current and future annual profits from the Bank; and (iii) royalty revenues from Grassalco (a gold mining company). The total cash flows from both the recap bonds and the consolidated debt results in significant increase in profitability and cash inflows for the central bank.

10. The central bank recap should be followed up by a strong communication strategy. It should be properly communicated to the public that any additional debt issuance intended for the recapitalization of the CBvS is a strategic step toward strengthening the country's institutional



¹ The issuance of a marketable bond for recapitalization is consistent with the provisions of the new central bank act.

framework, which ultimately results in long-term structural improvements including building up trust in the central bank, improving its policy solvency and credibility.

Annex III. Risk Assessment Matrix¹

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
Conjunctural risks		
High	Medium	
Intensification of regional conflicts. Escalation or spread of the conflict in Gaza and Israel, Russia's war in Ukraine, and/or other regional conflicts or terrorism disrupt trade (e.g., energy, food, tourism, supply chains), remittances, FDI and financial flows, payment systems, and increase refugee flows.	Disruptions to energy and food prices, worsening fiscal and current account balances, inflation pressures due to higher import prices.	Remain committed to fiscal discipline, provide targeted fiscal support to ensure delivery of essential services; increase social assistance transfers
High	High	
Commodity price volatility. A succession of supply disruptions (e.g., due to conflicts, export restrictions, and OPEC+ decisions) and demand fluctuations causes recurrent commodity price volatility, external and fiscal pressures in EMDEs, cross-border spillovers, and social and economic instability.	An increase in fuel and/or food prices would increase fuel import bill, worsen current account and external financing needs; increase inflation and exchange rate pressures.	Reprioritize spending to provide targeted fiscal support to the most vulnerable. Maintain appropriately tight monetary policy to keep inflation expectations anchored. Move ahead with transition to a fully renewable economy to reduce reliance on fossil fuel. Raise domestic capacity for food and other goods supply; and maintain fiscal and external sustainability.
Medium	High	

¹ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
<p>Abrupt global slowdown. Global and idiosyncratic risk factors cause a synchronized sharp growth downturn, with recessions in some countries, adverse spillovers through trade and financial channels, and market fragmentation triggering sudden stops in EMDEs.</p> <ul style="list-style-type: none"> • China: Sharper-than-expected contraction in the property sector weighs on private demand, further amplifies local government fiscal strains, and results in disinflationary pressures and adverse macro-financial feedback loops. • Europe: Intensifying fallout from Russia's war in Ukraine, supply disruptions, tight financial conditions, and real estate market corrections exacerbate economic downturn. • U.S.: Amid tight labor markets, inflation remains elevated, prompting the Fed to keep rates higher for longer and resulting in more abrupt financial, housing, and commercial real estate market correction. 	<p>A global recession scenario would lower trade, remittances, and investment. Resumption of currency depreciation and inflation, which will dampen domestic growth outlook, worsen fiscal and external accounts, and higher debt service costs.</p>	<p>Keep the exchange rate flexible to act as a shock absorber.</p> <p>Use existing policy space to support the economy and protect the most vulnerable, consistent with the monetary policy framework and fiscal sustainability.</p> <p>Implement structural measures to improve competitiveness to support domestic demand.</p> <p>Monitor banks' buffers to withstand shocks</p>
<p>Medium</p>	<p>Medium</p>	
<p>Monetary policy miscalibration. Amid high economic uncertainty, major central banks loosen policy stance prematurely, hindering disinflation, or keep it tight for longer than warranted, causing abrupt adjustments in financial markets and weakening the credibility of central banks.</p>	<p>Sharp tightening of global financing conditions and rising risk premia can increase vulnerabilities for sovereign and banks.</p>	<p>Keep flexibility in exchange rate to act as a shock absorber.</p> <p>Keep appropriately tight monetary policy stance, communicating and signaling strong commitment to keeping inflation in check.</p> <p>Reprioritize spending to provide targeted fiscal support to the vulnerable.</p>

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
Medium	Medium	
Systemic financial instability. High interest rates and risk premia and asset repricing amid economic slowdowns and political uncertainty (e.g., from elections) trigger market dislocations, with cross-border spillovers and an adverse macro-financial feedback loop affecting weak banks and NBFIs.	Higher global risk premium can result in a negative feedback loop between sovereign and banks; asset quality deterioration for banks.	Monitor the financial system and be ready to provide liquidity assistance if needed to maintain financial stability. Adjust macroprudential measures to avoid an undue tightening of financial conditions. Continue with fiscal discipline backed by structural reforms to increase fiscal sustainability and improve business/regulatory environment, thereby increasing investors' confidence.
Medium	Medium	
Sovereign debt distress. Domino effects from high global interest rates, a growth slowdown in AEs, unfunded fiscal spending, and/or disorderly debt events in some EMDEs spillover to other highly indebted countries, amplified by sovereign-bank feedback, resulting in capital outflows, rising risk premia, and loss of market access.	Higher funding costs for sovereign and corporates, capital outflows. Sovereign international market access is not expected until 2027.	Maintain fiscal discipline and tight monetary policy. Proceed with restructuring of sovereign debt. Seek additional financing from IFIs and bilateral donors.
Medium	High	
Social discontent. High inflation, real income loss, spillovers from conflicts (including migration), worsening inequality, and disputed elections cause social unrest and detrimental populist policies. This exacerbates imbalances, slows growth, and leads to policy uncertainty and market repricing.	social discontent leads to protests, weakens the reform momentum, damages investor confidence, and slows growth.	Reprioritize spending to provide targeted fiscal support to the vulnerable. Strengthen social safety nets. Maintain appropriately tight monetary policy.
Structural risks		
High	Medium	

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
Deepening geoeconomic fragmentation. Broader conflicts, inward-oriented policies, and weakened international cooperation result in a less efficient configuration of trade and FDI, supply disruptions, protectionism, policy uncertainty, technological and payments systems fragmentation, rising shipping and input costs, financial instability, a fracturing of international monetary system, and lower growth.	Deeper fragmentation would weaken growth and strain the ongoing macroeconomic and structural reforms. Suriname would need to find a new source of future growth that is less reliant on the external environment.	Allow the exchange rate to adjust to reflect the new fundamentals. If inflation has fallen, utilize monetary policy space to ensure that the output gap does not stay negative for too long. Extending targeted measures to support individuals and businesses by reprioritizing spending.
Medium	Low	
Disorderly energy transition. A disorderly shift to net-zero emissions (e.g., owing to shortages in critical metals) and climate policy uncertainty cause supply disruptions, stranded assets, market volatility, and subdued investment and growth.	Would slowdown climate mitigation and adaptation efforts and adversely impact long-term growth.	Continue building capacity to monitor and assess climate change risks, including building a data collection mechanism.
Country-Specific Risks		
Medium	High	
Extreme climate events. Extreme climate events driven by rising temperatures cause loss of human lives, severe damage to infrastructure, supply disruptions, lower growth, and financial instability.	Extreme climate shocks would weaken fiscal position and reduce government ability to mobilize revenues while increasing the need for more priority spending.	Accelerate investment into climate resilient infrastructure that could mitigate disaster risk; and continue seeking climate financing to safeguard from natural disaster shocks.
High	High	
Deceleration of reform momentum. Delays in fiscal reforms generate market concerns about the fiscal consolidation and debt sustainability, undermining the private sector confidence necessary for investment.	Policy uncertainty could undermine confidence and hurt investment and growth.	Adhere to fiscal consolidation strategy under the program to generate high primary surpluses on a sustained basis and facilitate the programmed reduction in public debt to 60 percent of GDP by 2035/36.

Appendix I. Letter of Intent

Paramaribo, Suriname

September 4, 2024

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, DC 20431

Dear Ms. Georgieva,

We are continuing to make steady progress in implementing the needed macroeconomic adjustment and structural reforms to help Suriname recover from the unprecedented economic crisis and lay foundations for inclusive growth. Over the course of the past year, despite increasingly challenging domestic and external environment and capacity constraints, we were able to complete five consecutive reviews (2nd through 6th).

We are committed to fiscal and monetary discipline. On the expenditure side, we are continuing to phase out subsidies on electricity, water, and gas. We are removing unregistered and chronically absent workers from public payrolls, while enforcing the hiring freeze. On the revenue side, we are continuing our efforts to strengthen tax administration, including through hiring and training of additional staff, improve VAT collections and processing of VAT refunds. Reforms are ongoing to make the Tax Administration a semi-autonomous institution and further strengthen the Large Taxpayer Unit. Restrictive monetary and fiscal policies helped put inflation on a firmly downward trend. Our policy efforts have been recognized by donors, credit rating agencies, and investors. International bond spreads are now at historic lows.

We made concerted efforts to complete the fiscal structural reforms for this review. To prevent accumulation of supplier arrears, we mandated that all line ministries report supplier arrears to the Ministry of Finance on a monthly basis and are introducing quarterly expenditure ceilings for these ministries. We are continuing to publish quarterly budget execution reports, while improving their quality. To improve VAT collections, we have mandated the use of Fiscal Identification Number for all importers and exporters. The new procurement law is expected to be enacted shortly by the National Assembly, which will bring both efficiency and transparency to government procurement practices.

Our debt restructuring process is entering its final phase. A final agreement with EXIM China is awaiting approval of the Chinese government. Negotiations with the Paris Club (PC) for the second phase of debt treatment are scheduled for September during which we expect to sign an umbrella agreement. An agreement-in-principle (AIP) with the remaining commercial creditors is expected in the coming months. We have also fully repaid all domestic debt arrears, except those disputed

and/or under audit, and built capacity of our debt management office to properly record and promptly service all domestic and external debt obligations.

Our restrictive monetary policy stance has firmly put inflation on a downward path, benefiting the Surinamese people by arresting the real wage erosion and helping create a more favorable business climate. We met all the monetary targets for this review. We will continue to monitor monetary developments and will maintain the reserve money path consistent with the program targets. As the inflationary and currency depreciation pressures have been contained, bank credit growth caps have been discontinued. We will continue to carefully monitor the liquidity conditions and consult with the IMF staff on any additional policy steps.

We remain committed to a flexible, market-determined exchange rate. As the FX conditions have eased and import backlogs for the suppliers of essential goods have been resolved, the practice of collecting FX mineral revenue in SRD has been terminated and mineral companies are now paying all of their government FX revenue obligations in FX. To increase the liquidity and transparency in the FX market, we expect to launch an electronic trading platform in September 2024 for inter-bank FX trading, which will also include AML/CFT compliant secondary banks that hold licenses for conducting FX transactions. We have also reviewed and updated FX regulations guiding the FX Auction and Trading platforms to ensure they are consistent with the program objectives and do not interfere with the efficient functioning of the FX market. The CBvS has also refrained from FX interventions.

We are committed to bolstering financial sector resilience and strengthening central bank governance and operational independence. The CBvS has published audited IFRS financial statements of 2021 and will publish the audited IFRS financial statements 2022 in December 2024. We have finalized a time-bound plan to recapitalize the central bank, with provisions for additional recapitalization if required by subsequent financial statements (**prior action**). We are prudently monitoring the resilience of the financial system, including the interconnectedness within the banking system and across banks and nonbank financial institutions. We are committed to aligning banks with capital shortages with their interim common equity tier one and capital adequacy targets and stand ready to take the outlined corrective measures if these targets are breached.

Strengthening governance and addressing vulnerability to corruption are critical to prepare Suriname for oil wealth. We are revising the 2017 Anti-Corruption legal framework which should have happened after two years, to further bring it in line with Chapter III of the United Nations Convention Against Corruption (UNCAC). We have made assessments of the legal framework to list existing corruption articles and the measurements, which criminalize acts of corruption. We are also revising the Anti-corruption legal framework to create a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information, and the establishment of proportionate sanctions for non-compliance.

We did not meet the quantitative performance criterion on the fiscal balance of the central government but have since implemented corrective measures to bring the fiscal path back on track.

Electricity company has returned to the state budget May and June overpayments (**prior action**) in excess of the previously agreed settlement caps. Going forward, we will ensure that electricity tariff increases bring corresponding fiscal savings and are properly reflected in government's fiscal accounts. In the next year's budget we will include budgetary allocations for electricity, water, and fuel payments for each ministry and, to improve fiscal transparency, seek to eliminate intra-SOE settlements. We are implementing measures for stricter enforcement of VAT tax compliance, including imposing penalties and interest on late filing and payment of outstanding taxes, in line with the VAT law. On the other hand, fully complying companies are now benefitting from fast-track refund processing and limited audits. We will more stringently enforce the "no work-no pay law" through swift removal of unregistered and chronically absent workers from public payroll and cap the unsanctioned use of overtime. We will adhere to the 2024 budgetary allocations for wages and salaries. Finally, we will curtail non-priority capital expenditures.

We met our social assistance spending targets for end-March and end-June, and are working to increase efficiency and effectiveness of our social safety net – which is critical for a sustainable and socially acceptable fiscal adjustment and poverty reduction – guided by the recently finalized social spending reform plan. The work is ongoing on a unified information system and social benefit database and on forming a monitoring and evaluation unit.

To support our efforts, we request the completion of the seventh review of the extended arrangement under the EFF, which will make available an amount equivalent to SDR 46.7 million (36.3 percent of quota or about USD 62.6 million) upon approval (out of which SDR 19.1 million or about USD 25.7 million would be for budget support), and the completion of the financing assurances review.

As we experienced some setbacks in program implementation, we are requesting waiver for the nonobservance of the end-June 2024 QPC on the primary fiscal balance of central government (floor, cash basis) based on the corrective actions we undertook to correct the fiscal underperformance. We also request the modification of the QPCs on the ceiling on net domestic assets (NDAs) of the central bank and the floor on the net international reserves of the central bank for the remainder of the program, and introduction of a continuous IT on maintaining zero arrears to domestic debt creditors for the remainder of the program. We also request removing the QPC on the ceiling on the central government mineral revenue in local currency from September 2024 onwards since starting July 2024, we have terminated the practice of indirect FX sales to essential goods importers.

The attached Memorandum of Economic and Financial Policies (MEFP) provides an update on recent developments since the sixth review of the EFF and sets out in detail the steps the government intends to adopt to achieve its policy objectives. The government stands ready, if necessary, to take any additional measures that may be required during the EFF to achieve the objectives of the program. In such cases, the government will consult in advance with the IMF on the adoption of these measures or revisions to the policies contained in the MEFP, in accordance with the Fund's policies on such consultation, to ensure that the objectives of the government's adjustment program are met. As part of our communication strategy, we have held frequent discussions with the broader

society on the EFF-supported program and the government's economic recovery plan, and we will publish this letter on the websites of the Ministry of Finance and Planning (MoFP) and the CBvS to keep our citizens and international partners informed about our policy actions and intentions. In that regard, we authorize the IMF to publish this letter, its attachments, and the related staff report.

The government will provide IMF staff with all the relevant information required to complete the scheduled program reviews and monitor performance on a timely basis. The government will observe the standard continuous performance criteria against imposing or intensifying exchange restrictions, introducing or modifying multiple currency practices, concluding bilateral payment agreements that are inconsistent with Article VIII of the IMF's Articles of Agreement, and imposing or intensifying import restrictions for balance of payments reasons.

Very truly yours,

_____/s/_____

Chandrikapersad Santokhi

President of Suriname

_____/s/_____

Kermechend S. Raghoebarsing
Minister of Finance and Planning
Paramaribo, Suriname

_____/s/_____

Rakesh S. Adhin
Acting Governor, Central Bank of Suriname
Paramaribo, Suriname

Attachments: Memorandum of Economic and Financial Policies
Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

I. BACKGROUND AND RECENT DEVELOPMENTS

1. Our government remains fully committed to the objectives of our home-grown reform program supported by the Extended Fund Facility (EFF) arrangement. On December 22, 2021, the IMF Executive Board approved an extended arrangement under the EFF with access of 366.8 percent of quota (SDR 472.8 million or USD 673 million). The program aimed to: (i) restore fiscal sustainability and strengthen fiscal management; (ii) bring public debt down to sustainable levels; (iii) improve the social safety net to better protect the most vulnerable; (iv) upgrade the monetary policy framework and adopt a flexible, market-determined exchange rate; (v) improve the viability of the financial system (including, where needed, through recapitalization) and develop a more effective bank oversight; and (vi) tackle corruption, strengthen institutions and institutional governance, and enhance Suriname's AML/CFT framework. After one year delay we were able to bring the program back on track and complete the second review in June 2023. Since then, based on our demonstrated commitment to implement the reform program despite challenging socio-political environment, the IMF Executive Board completed the third, fourth, fifth and sixth reviews under the extended arrangement under the EFF in September 2023, December 2023, March 2024 and June 2024 respectively.

2. We remain resolute in putting government finances in order. Fuel subsidies were discontinued, and fuel prices are now determined by an automatic pricing mechanism based on international prices. Specific duties on fuel have also been imposed. Distortionary and costly electricity, gas, and water subsidies are being phased out, while protecting vulnerable groups through higher social assistance spending. The public sector wage bill has been contained. The Value-Added Tax (VAT) was introduced, and its base has been subsequently broadened. We have also made timely progress in completing both domestic and external debt restructuring processes.

3. We are seeing the results of our hard work and sacrifices in restored macroeconomic stability. Economic recovery is ongoing. Confidence in the local currency has been restored. Inflation, while still high (at 13 percent year-on-year in July) is on a steady downward path. Usable international reserves are stable at 6 months of imports at end-June.

4. There are still major challenges ahead and hard work to be done. While the economy is recovering, real GDP remains below its pre-pandemic level. Inflation is still high, and the financial sector is still vulnerable. Some important reforms, particularly on strengthening governance and addressing vulnerabilities to corruption, are yet to be fully implemented. Nevertheless, we are committed to keeping the reform momentum going despite headwinds from political opposition, reform fatigue among the population, and internal capacity constraints.

II. RETURNING PUBLIC FINANCES TO A SUSTAINABLE PATH WHILE PROTECTING THE VULNERABLE

5. Our ability to implement difficult policies despite an increasingly challenging socio-political environment speaks of our commitment to fiscal sustainability. In a span of 18 months, we fully eliminated fuel subsidies, started to phase out object subsidies (electricity, gas, water), and contained the public wage bill. We also introduced the VAT and subsequently broadened its base.

6. While we fell short of the end-June primary fiscal balance target, we are taking measures to correct the course (¶7). Solid revenues from mining were not sufficient to offset disappointing non-tax revenues and overspending on electricity subsidies. Had the agreed settlements between Staatsolie and EBS been observed with (as per the corrective action at the last review) we would have missed the adjusted end-June target by a small margin of SRD 86 million. Because these caps were not observed with, our end-June cumulative PB of SRD -50million was lower than the SRD 692 and SRD 556 million unadjusted and adjusted targets, respectively, under the program. We decided to discontinue these settlement caps. EBS has returned the May and June overpayments to the state budget (*prior action*) and from August 2024 will transfer SRD 250 million it gets from higher electricity tariffs to the state budget each month. We will incorporate into the next year's budget an allowance for electricity payments, so that each ministry and SOE would be responsible for paying their own electricity bills to EBS on time.

7. To reach the required primary balance of 2.8 percent of GDP this year, we are committed to implementing a range of revenue and expenditure measures, including:

- **VAT.** In 2023, we enacted an amendment to the VAT Act to broaden the tax base to impose the standard 10 percent VAT rate on 60 percent of household consumption. A new 5 percent rate on water, electricity, and cooking gas was introduced in June 2024. We have made significant strides in registering new taxpayers, with over 4,300 registered by July 2024 – albeit short of our target of 5,000. However, filing compliance remains low (at around 70 percent). To correct this issue, we issued a ministerial resolution that for any tax returns due in June 2024 and onwards, late filing and/or failure to pay will incur penalties and interest. All outstanding returns for the taxable periods January 2023 to April 2024 are subject to penalties and interest as of August 1. Based on the recommendations of the recently concluded IMF/FAD TA on revenue administration, we will implement streamlined and risk-based procedures to ensure fast processing of VAT refunds. In addition, we will fast-track refunds for compliant taxpayers by setting up a “gold list” of top taxpayers that have filed accurately and on-time. We have already introduced a VAT refund profiling mechanism to accelerate the processing of VAT refunds. We commit to monitor and clear the outstanding VAT refund arrears by end-2024. We continue strengthening the Tax Department, including the Large Taxpayer Unit. By end-November we will recruit 25 new staff for the Tax Department.

- **Electricity subsidies.** We aim to phase out costly and inefficient electricity subsidies, mindful that climate change is increasingly impacting our ability to use hydropower to produce low-cost and stable electricity. We increased average electricity bills by around 36 percent in 2023. We are implementing the agreed plan of tariff adjustments in 2024, with the first increase of 40 percent in March, 7 percent in May and July, and further two increases of 7 percent each planned in September and November. The tariffs are linked to the exchange rate and oil price developments and will be further adjusted to reflect the shifting energy mix between hydro and thermal in the electricity production. Tariffs for commercial users have reached cost-recovery by mid-2024. On the other hand, low- and middle-income households still receive partial support towards their electricity bills. This discount for the middle-income households will be gradually phased out by the end of the year. Due to the complex landscape of the electricity sector, tariff increases do not directly translate into fiscal savings for the central government. We have now reached agreement with EBS that all the additional income received from higher electricity tariffs is remitted to the state budget, so that the targeted fiscal savings from subsidy reductions will be achieved. To ensure transparency and help with public buy-in for the reform, we will continue publishing on the Energie Autoriteit van Suriname external website quarterly updates of the tariffs for each consumer group, the rationale for the adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy. We will also provide the information on the cost, consumption, subject subsidy, and object subsidy on the electricity bill that each consumer receives.
 - **Wage bill.** We will keep the public wage bill constant in real terms in 2024, at 6.8 percent of GDP. We are proceeding carefully with the process of removing unregistered and chronically absent workers from the public payroll. We have been clearing other irregularities (workers with two full-time salaries, for example). Savings from these measures will be used to modestly increase the real compensation of public sector workers in 2024, in particular for high-skilled workers, which have been eroded over the past three years. In February 2024, we rolled out a digital personnel data information system at five ministries to monitor the size of the civil service, absenteeism, and the alignment between qualifications and appointments. We expect this system to cover all ministries by end-2024.
 - **Fuel subsidies and taxes.** We fully eliminated fuel subsidies in March 2023 and reinstated taxes on fuel. Fuel prices are now determined by an automatic pricing mechanism based on international prices. We have developed and documented a methodology that automatically increases taxes on fuel when fuel prices drop and decreases the fuel tax when fuel prices increase. This methodology also incorporates annual adjustments for inflation and a floor on the tax.
- 8. We are strengthening fiscal institutions.** The reforms focus on improving our tax administration, public debt management and public financial management (PFM).
- **Improving treasury management.** We will implement a pilot treasury single account (TSA) for a limited set of ministries (*structural benchmark for end-January 2025*). The implementation of the TSA will be supported by IMF capacity development. Implementation will include devising new

business processes for the TSA and developing a strategy for the orderly transition of balances from individual bank accounts to the TSA. We will communicate the decision to establish a TSA broadly across ministries and build capacity for all those involved with the TSA. After implementing the pilot in 2024, we will evaluate the process and consider what changes are needed before fully rolling out the TSA in subsequent years.

- Preventing supplier arrears.* Aided by IMF capacity development, we have created a cash management unit within the Treasury at end-2023 that will oversee the implementation of the TSA, cover liquidity planning, accounts management, and cashflow management. We continue to improve our monitoring of supplier arrears. In April 2024, we have issued a resolution stating that government will not be responsible for contracts agreed with line ministries that have no prior authorization from the MoFP. To prevent further accumulation of supplier arrears, the Budget Department will set commitment ceilings by line ministry of at least quarterly and enforce them, including through FreeBalance (*continuous structural benchmark, not met, expected to be implemented with delay in September*). This will require institutionalizing meetings and data sharing between the Budget Department and the Cash Management Unit. We will also continue improving the reliability of cash flow forecasts and liquidity planning. To improve oversight of expenditure arrears across the government, we mandated all line ministries to report the stock of arrears to the Ministry of Finance and Planning (MoFP) monthly (*structural benchmark for end-June 2024, met*). With support of the IMF's capacity development, we will continue to enhance the quality and accuracy of the arrears information by strengthening the legal framework, processes and institutional capacities. We will (i) finalize and use the template proposed by IMF TA to report on expenditure arrears, including an ageing analysis; (ii) define and adopt a strategy to clear expenditure arrears accumulated from 2022; (iii) establish a committee made up of accounting officers with the assistance of internal audit and also external audit, to verify all expenditure arrears; and (iv) include a definition of expenditure arrears in the regulatory framework. These are critical aspects for implementing effective arrears control measures.
- Strengthening tax administration.* We are prioritizing improvements in the administration of the VAT to reduce VAT refund arrears and improve compliance and collections.. We mandated that all importers and exporters use the Fiscal Identification Number (FIN) (*end-June 2024 SB, met*) when processing transactions with the Custom and Excise Department, which will facilitate sharing and cross-matching of data to identify unregistered taxpayers and underreporting. We will expand this mandate to cover all taxpayers by end-December 2024. We will continue establishing a dedicated VAT refund account to pay refunds, and with IMF capacity development we will develop a national audit plan with audit risk selection criteria by end-October 2024. To improve the ease of paying taxes, we will continue working with banks to develop an online VAT payment option by end-November 2024. We will also recruit at least 25 new staff at the Tax Department, by end-November 2024. These steps are expected to improve our ability to administer all taxes.

- *Improving debt management and recording.* To ensure timely payments of debt obligations, we have improved SDMO's back-office capacity and coordination between SDMO, the MoFP, and the CBvS. We have set up an information system tasked with receiving and dispatching information regarding upcoming payments to external creditors. With help from IMF capacity development, we have produced and signed a memorandum of understanding (MOU) between these parties, which defines responsibilities for timely information provision to other agencies and processing of payments. The MOU also specifies an escalation process within each agency and procedures for inter-agency monitoring. We will develop a similar MOU governing domestic debt payments (*new proposed end-December SB*). We have not accumulated any new external debt arrears since this system was set up. To strengthen our case for market access, promote development of the interbank market, and rebuild trust on our debt management, we have committed to a continuous IT on maintaining zero arrears to domestic debt creditors for the remainder of the program. We fully staffed the SDMO with six employees responsible solely for the back-office functions.
- *Improving procurement practices.* We have ratified the Caribbean Community (CARICOM)'s Protocol on Public Procurement in July 2022. To improve transparency in public procurement, we will enact by end-September 2024, a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and an ex-post validation of delivery of the contracted services (*structural benchmark for end-September 2023, not met*). We will then publish the information in line with the enacted law on an external government website by end-September 2024. In collaboration with the CARICOM Secretariat, we will incorporate in our Integrated Financial Management Information System a procurement module and integrate and connect this module with the regional system to increase spending efficiency.
- *Strengthening public investment management with climate considerations.* With help from the IDB, we are upgrading our public investment management (PIM) procedures into a PIM manual. We will publish this manual with general guidelines for the economic appraisal of investment projects, including climate change and flood risk management considerations, and sectoral guidelines for key ministries by end-December 2024. We have already engaged line ministries to sensitize them, and we will seek to formalize these guidelines by strengthening the PIM governance legal framework and put in place a public investment unit at the Ministry of Finance.
- *Strengthening SOE oversight.* We will strengthen our oversight of SOEs. We will collect and publish the latest financial information for the largest SOEs. We will initiate quarterly financial monitoring of these SOEs and, with the help from the IMF capacity development, we will produce a report that identifies and quantifies the fiscal risk generated by the largest SOEs by end-December 2024.

III. STRENGTHENING THE SOCIAL SAFETY NET

9. Our goal is to ensure that the burden of fiscal consolidation is not borne by the poor and vulnerable. Instead, the better off should pay their fair share of taxes, and the fiscal space created by eliminating generalized energy subsidies that disproportionately benefit the rich should be channeled to help the poor and vulnerable. Sheltering the poor from the adjustment is not only a moral imperative, but also important for preserving growth and securing a stable social environment for the implementation of the program.

10. We will redouble our efforts to tackle extreme poverty. The most recent 2022 Suriname Survey of Living Conditions found that extreme poverty had increased from 0.7 in 2016/17 to 2.6 percent of households. Extreme poverty is concentrated in the interior, with 6.3 percent of households living in extreme poverty. However, the largest increases in extreme poverty came in Great Paramaribo (1.5 percentage points higher) and the rest of the coastal regions (3.2 percentage points higher). Overall poverty, however, had fallen slightly from 23.4 percent to 21.7 percent.

11. Due to our efforts to sufficiently increase social protection spending, we met the program target in both Q1 2024 and Q2 2024. In July 2023 we increased the value of cash transfers by around 45 percent and expanded coverage of the social beneficiary program (SRD 1800 per month) to include recipients of the general old age pension. In December 2023 we fast-tracked the registration and delivery of digital payments cards to applicants to the new social beneficiary program. In January 2024 we issued one-off payments to the eligible beneficiaries. We will increase social spending from 2.2 percent of GDP in 2023 to 3 percent of GDP in 2024. We are expanding the coverage of the social beneficiary program which now has over 113,000 beneficiaries. We will better calibrate the value of cash transfers in 2024 to ensure that vulnerable households are protected, with a view to closing the poverty gap for as many poor households as possible. We will coordinate increases in our social beneficiary program with electricity tariff adjustments to ensure that vulnerable households are protected while energy subsidies are phased out. We will make concerted efforts to reach out and deliver social aid to all eligible households.

12. We have finalized a strategic plan for improving the efficiency and effectiveness of social protection. With help from the ILO and IDB in conducting diagnostics, we developed our home-grown strategic plan in line with our Multi-Annual Development Plan 2022–26. Our strategic focus is on areas where efficiency savings can be made by rationalizing programs and on expanding coverage. We are working towards creating a single digital beneficiary information system financed by the IDB which is expected to be ready for implementation by end-2025. This will enable us to streamline our 21 social programs into a smaller set of coherent social programs. We are also expanding coverage and reducing costs by transitioning to digital payment methods.

13. To overcome geographic and institutional challenges, we have intensified our digitalization efforts to expand coverage and improve delivery. We are intensifying our efforts to shift beneficiaries to digital payments using a government-provided debit card system. With the help of the IDB, we have purchased 73,500 cards to service our traditional and new cash transfer

programs. Rolling out digital payments to households in the interior will vastly improve the efficiency of delivery significantly, particularly in hard-to-reach areas. This will enable us to make more timely, cost-effective, and frequent payments to households in the interior where consumption poverty is 20 percentage points above the national average. Our digital cash transfer infrastructure is a critical pillar of preparedness for future economic shocks. We will further leverage this infrastructure to improve financial inclusion in the future – especially for those in rural areas where only 21 percent of adults have bank accounts.

14. To improve transparency in social protection spending, we have begun reporting on the performance and coverage of our cash transfer programs. We publish on the Ministry of Social Affairs and Housing’s external website a monthly report detailing the number of households or individuals covered by each program in each district, along with the value of cash transfers made to recipients in each district under each program and eligibility criteria.

IV. RESTRUCTURING PUBLIC DEBT

15. We are committed to putting public debt on a sustainable path.

- We are committed to bringing down public debt to 60 percent of GDP by 2035. We will keep our gross financing needs below an average of 9 percent of GDP in 2024-35 (and no higher than 12 percent of GDP in any one year). Our program ensures the fiscal position is fully financed in 2024 and 2025.
- Our external debt restructuring is in its final phase. Debt restructuring agreements have been reached with all official and most commercial creditors. Negotiations with the Paris Club for the second phase of debt treatment are scheduled for end September, during which we expect to sign an umbrella agreement paving the way for negotiations with individual PCCs. The final agreement with EXIM China is expected to be signed in the coming months once approval of the Chinese government is secured. In April, an agreement was signed with ABN AMRO to restructure two outstanding loans. We have followed best practices in sovereign debt restructuring, including considering inter-creditor equity and comparability of treatment of all official bilateral creditors. We are committed to working with all external creditors to achieve debt treatments consistent with program parameters and recognizing that servicing debt on the original terms would not be consistent with debt sustainability.
- We are conducting our negotiations with remaining private external creditors (ICBC, Credit Suisse, and Israel Discount Bank) in good faith, by sharing relevant, non-confidential information with all creditors on a timely basis and providing creditors with an early opportunity to give input on the design of restructuring strategies. Our government’s approach has been based on four pillars: (i) a fair and equitable treatment for all our creditors; (ii) transparency and constructive dialogue; (iii) a commitment to fiscal consolidation and reform policies going forward; and (iv) a sustainable debt solution within the IMF debt sustainability framework. Comparable debt restructuring offers have been given to private external creditors.

- As part of the commitment to restore debt sustainability, we concluded the restructuring of the legacy debts to the CBvS in July 2023. We completed the restructuring of domestic debt (including arrears) to commercial banks in January 2024. We have cleared all remaining domestic debt arrears (*end-March SB, not met, implemented with delay in July*), except for a small amount of disputed arrears that are currently being audited. We commit to finalize ongoing audit and clear domestic debt obligations in a timely manner. To support our efforts to service all domestic debt obligations on time, we have proposed for adoption by the Board, a new continuous IT on non-accumulation of domestic debt arrears (TMU 154).
- We are making progress in clearing suppliers' arrears. After we reconciled data, the stock of supplier arrears stood at SRD 4.4 billion as of July 31, 2024, excluding legacy arrears incurred before Jan 1, 2022 (SRD 588mn) and VAT refund arrears (SRD 809mn). We are also making progress and have cleared SRD 922.5 million of supplier arrears by end July 2024. We commit to gradually clear the entire stock of supplier arrears by end-2027, while improving our capacity to monitor and prevent re-emergence of arrears through our PFM reforms and TA support. We are mindful that the fiscal targets are evaluated on a cash basis and commit to offsetting any clearance of supplier arrears by lower goods and services spending. We are actively implementing measures to monitor and prevent the accumulation of supplier arrears (T19).
- Further, the government will not provide guarantees to debt contracted by other parties during the program, nor will it or the SOEs contract new debt that is collateralized by natural resource revenues (or allow the public sector to contract such debt on behalf of the central government).

V. MANAGING MONETARY POLICY

16. Our monetary policy stance has helped put inflation on a downward trend as the SRD liquidity conditions tightened. Tight liquidity is supported by continued diligent implementation of the central bank's open market operations (OMOs) and the increase in the local currency reserve requirement from 39 to 44 percent last year. The month-on-month inflation has dropped to pre-crisis levels and has stabilized. The exchange rate has also been appreciating in recent months. Private sector credit growth has slowed, contained in part by a shift to more FX lending as SRD on back of an appreciating SRD and higher SRD lending rates, investments diverted to central bank certificates and term deposits and as a spillover of previous CBvS guidance to commercial banks to limit the increase in the stock of nominal credit to 20 percent over a 12-month period through end-March 2024. The guidance capping credit growth has not been renewed. We met all the monetary targets for this review.

17. We will continue to improve our liquidity forecasting capability. We have made some improvements in accuracy and timeliness of government accounts and other autonomous factors by deploying a new statistical forecasting framework after IMF capacity development in this area. This framework will refine CBvS's liquidity forecasting, enhancing the conduct of our monetary policy. . As part of the implementation of the TSA, we will gradually move the available government deposits in commercial banks to the CBvS, which will improve our ability to forecast liquidity conditions. We

will keep IMF staff updated on large deposit movements to Central Bank for necessary assistance in recalibrating Reserve Money Targets, if needed. We will also align the base for the calculation of the FX and SRD SNEPS norms with the reserve requirements for the banks by the end of October 2024.

18. The CBvS stands ready to help banks cover unexpected short-term liquidity gaps through the standing lending and intraday facilities. To prevent excessive reliance on the standing facility, it is priced based on the weighted average price of open-market operations plus a modest spread. However, the facilities are currently underutilized as banks prefer to hold on to high levels of precautionary reserves. To strengthen participation in OMOs, we are engaging with the commercial banks to align assessments of excess liquidity and to improve their understanding of all liquidity facilities available with the central bank. We will explore digitalizing various processes to ensure that healthy banks can more easily draw on the liquidity facilities, without having to undergo cumbersome paper-based requests for liquidity which cause processing delays. If required, the CBvS will seek to sterilize liquidity from the use of the facility through OMOs to minimize disruptions to its reserve money targets. Banks' access to the ELA is subject to a supervisory decision based on the assessment of viability and solvency, and as needed, remedial action.

19. Our foreign exchange policies are embedded in our commitment to a flexible, market-determined exchange rate. We have refrained from direct FX interventions. The FX market pressures have eased significantly, and the exchange rate has been appreciating since December. With the underlying market conditions remaining tight, starting July 2024, we have terminated the indirect FX sales to essential goods importers. We would therefore, propose removing the QPC on the ceiling on the central government mineral revenue in local currency from September 2024 onwards. MoFP will now transfer all government net FX receipts (including from IFI budget support) at the prevailing market exchange rate to the CBvS only, except for transfers required to meet the government's domestic FX debt service obligations.¹

20. We are improving functioning of the foreign exchange market. After a series of procurement and technical delays in the testing phase, the electronic FX trading platform (*end-September 2023 SB, not met*) is expected to be launched in September. The initial participation in the platform will be limited to inter-bank transactions and will also include AML/CFT compliant secondary banks that hold licenses for conducting FX transaction. To support timely FX availability to market participants, a surrender requirement for exporters to offer 35 percent of export proceeds to the market remains in force, with sale of repatriated FX to follow banks' own daily rates as per the CBvS Circular 2023-2 issued on September 8, 2023. We have not issued any additional FX market regulatory guidance, and we remain committed to consult with the Fund before issuing any such guidance. Moreover, we will refrain from any interventions or administrative measures that could impede efficient functioning of the FX market or be inconsistent with the program or Suriname's obligations under Article VIII, Sections 2 and 3 of the IMF's Article of Agreement.

¹ These concern central government debt to a local bank, serviced through an escrow account funded directly by royalty payments by an international gold mining company.

VI. REDUCING BANKING SECTOR RISKS

21. We are committed to addressing vulnerabilities in the banking system. The reported level of capital adequacy ratio for the banking system is 21.8 percent as of May 2024.

Nonperforming loans (NPL) continue to decline but the average NPL ratio is still above the five percent benchmark. We are in the process of assessing NPL resolution plans from banks. Banks' profitability still largely depends on profits from the OMOs, but with the decline in OMO rates, we expect to see further declines in lending rates and a shift to core banking business. The banking system is liquid on aggregate, largely due to high reserve requirements with liquid assets comprising 53.3 percent of total assets. Liquidity, however, remains unevenly distributed across banks and skewed towards two large systemic banks. We will continue to prudently monitor the liquidity in the banking system and consult IMF staff on any changes in monetary policy that may affect the liquidity positions of banks.

22. We will ensure the timely completion of bank recapitalization plans to preserve the stability in the financial system. In line with the post-AQR roadmap, banks with capital shortages pledged, through the recapitalization plans submitted to the CBvS, to reach the required levels of common equity tier one (CET1) and capital adequacy (CAR) ratios by the end of 2024 and 2026, respectively. We are also monitoring the alignment of these banks with their interim CET1 and CAR targets and stand ready to escalate the outlined prompt corrective actions if these targets are breached. Consistent with our bank recapitalization assessment framework, these banks are subject to enhanced supervision and restrictions on dividend payouts and bonus payments, and we closely follow their compliance with actions foreseen in the recapitalization plans. Any government solvency support will be designed to be in place for viable banks under strict conditionality to minimize costs and moral hazard, enhance public confidence, and provide a clear exit strategy for the government.

23. We are implementing structural reforms to strengthen supervision of the banking system. It is our priority to ensure that state-owned banks are taking necessary steps in line with the governance framework agreed by the CBvS and the MoFP, benefiting from international best practices, to ensure they are run on a fully commercial basis, providing a level playing field with private banks. To enhance the governance framework of the state-owned bank with a capital shortfall during the implementation of its recapitalization plan, we will ensure that the recovery in its capital stems from a sustainable business model. We continue to adopt a risk-based supervision of banks in alignment with the amendments to the Banking and Credit System Supervision Act that was enacted in January in conjunction with the Bank Resolution Act. These amendments have enhanced our supervisory capacity and allowed our examiners to adequately assess bank's financial health and its compliance with regulations, while ensuring timely interventions to prevent further deterioration in its financial position. The Bank Resolution Act will strengthen CBvS' powers and tools for early intervention, recovery and resolution of credit institutions. We are currently preparing supplementary regulations to support the implementation of our Bank Resolution Act.

24. We are determined to implement other important financial sector reforms. We are committed to improving the supervision of the insurance and pension sectors, the capital market

and electronic payment systems, as well as establishing credit reporting, deposit insurance, and enhancing electronic transactions. CBvS is drafting acts and regulations in these areas. Ongoing efforts to strengthen the AML/CFT framework will further enhance the financial sector resilience. We will intensify monitoring of non-bank financial institutions, in particular with respect to their interconnectedness with the banking system. We will collect information on loans extended by insurance firms and pension funds and initiate efforts for enhancing the functioning of the credit bureau, through adequate supervision and regulation, to provide a comprehensive database for assessing the overall indebtedness of borrowers. We are also in the process of collecting data on the sources of profitability of non-bank financial institutions. Revised AML/CFT regulation for banks and nonbanks have been issued in April 2024. Given limited resources, we will prepare a comprehensive plan to coordinate and integrate the various reform initiatives to ensure timely implementation, supported by technical assistance by the IMF and other relevant parties.

VII. IMPROVING MONETARY GOVERNANCE

25. The CBvS is continuing to make progress in clearing the backlog of financial statements audits and continues to conduct special audits of program monetary data. The CBvS' audited FY 2020 financial statements in line with International Financial Reporting Standards (IFRS) were published in November 2023. We published the FY 2021 IFRS audited financial statements in August 2024 (*end June SB, not met, implemented with delay in August*). We remain committed to publishing FY 2022 audited financial statements this year (*end-September SB, proposed to be reset to end-December 2024*). Audits of program monetary data conducted for each test date since the start of the program have not raised material issues. We will continue to perform these audits of program monetary data for each future test dates to confirm the data underlying the performance criteria. To reinforce the internal audit function, we will continue to co-source specific audits while building capacity. Finally, to strengthen the governance and oversight of foreign reserves management by the CBvS we received IMF technical assistance and will implement the suggestions in the TA report.

26. We have reviewed the Foreign Exchange Regulation of 1947 and aligned it with the new Central Bank Act. In consultation with IMF staff, the elements in the regulation that are not aligned with the amendments to the Central Bank Act were identified. A legislative amendment of the regulation has been approved by the National Assembly in July.

27. We have finalized a plan to recapitalize the CBvS (*prior action*). We are determined to ensure that the CBvS has a strong balance sheet and sufficient financial resources to execute its mandate. This enhances the credibility of the CBvS and strengthens the effectiveness of monetary policy. The plan is based on the FY 2021 published audited financials and will include provisions to inject more equity should the finalized FY 2022, and FY 2023 financial audits and/or a realized lower market value of instruments used for recapitalization imply higher recapitalization needs. It includes a clear target level of capital with implementation through marketable instruments. The plan also outlines a binding timeline to complete the recapitalization before the end of the program. The plan

contains an agreement between the MoFP and the CBvS on procedures to ensure the equity of the CBvS will remain above the minimum level as outlined in the Central Bank Act.

VIII. TACKLING CORRUPTION, IMPROVING GOVERNANCE, AND ENHANCING THE AML/CFT FRAMEWORK

28. While capacity constraints have delayed implementation of key governance reforms, the government has made some progress:

- Following the ratification of the United Nations Convention Against Corruption (UNCAC), the government installed the Anti-Corruption Commission (ACC) in May 2023, for a 5-year term. With the help of IMF capacity development, we will enact amendments to the anti-corruption legal framework by end-November to bring it into line with the requirements of Chapter III of UN Convention against Corruption on the criminalization of acts of corruption (*structural benchmark for end-June 2024, not met, proposed to be set as a new structural benchmark for end-November 2024*).
- Suriname has already implemented Chap III of the UNCAC in their Criminal Code 9 years ago (2015) when the Code underwent a major revision on transnational crime. Various laws related to corruption have been tightened and updated, including the criminalization of non-official corruption, solicitation of bribes by non-officials, and aggravating official corruption. Article 32 UNCAC (protection of witnesses) and article 37 UNCAC (cooperation with law enforcement) are partly incorporated in our national legislation. These articles are not mandatory, so don't have to be implemented in the national law. An existing legal practice is also recognized as implementation.
- Also with IMF capacity development, we will make changes to the legal framework to create an effective asset and income declaration scheme which is in line with international best practice, in the Suriname context. The framework will require declarations from politically exposed persons following the Financial Action Task Force (FATF), involve routine declaration verification, and ensure that declarations are made publicly available (except confidential data for personal and family safety reasons such as account numbers or personal identification numbers). The scheme will also establish proportionate sanctions for non-compliance (*structural benchmark for end-September 2024*).
- We are in discussions with several possible providers – including the Inter-American Development Bank (IDB) – concerning an electronic management program for the asset and income declaration (AID) scheme. We will liaise with the IMF to ensure that the system selected will help us deliver an AID scheme that is fit for purpose.
- Based on the November 2022 assessment by the Caribbean Financial Action Task Force (CFATF), we enacted a new AML/CFT law in November 2022 to bring in line with international standards the key technical compliance deficiencies which placed Suriname on enhanced follow up.

Further amendments to the AML/CFT law was approved by the National Assembly in July 2024. We are working closely with donors and CD providers, including the IMF Legal Department, United Nations Office on Drugs and Crime ('UNODC') and the World Bank to strengthen Suriname's anti-corruption and AML/CFT framework. To fully comply with CFATF requirements, Suriname is (i) strengthening its risk-based AML/CFT supervision for all financial institutions (banks, exchange offices, money transfer offices, credit unions, insurance companies, and pension funds); (ii) developing and implementing a risk-based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit (FIU); and (iv) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions Against Terrorism and Proliferation Financing. This includes ongoing efforts to amend the Money Transfer Offices Supervision Act, Capital Markets Supervision Act, and introducing an Insurance Supervision Act, an Electronic Payment Supervision Systems Act and a Virtual Asset Service Providers Supervision Act.

- Suriname also made the commitment to initiate the process for a second National Risk Assessment (2020–24). To this end Kroll AML Division has been contracted to advise and assist in the execution of this initiative. The Ministry of Economic Affairs already started the process for a sectoral risk assessment regarding Legal Persons including Ultimate Beneficial Ownership (UBOs) and Non-Profit Organizations (NPOs). In November 2022, the AML Steering Council (ASC) approved the AML Strategic Plan 2022–25. In March 2023, the ASC approved a list of High Prioritized Actions for 2023—Q2 2024, which is being rigorously implemented. A second NRA is underway to help fill the gaps identified in the first NRA and provide more details on areas not addressed. By presenting new draft legislation to The National Assembly, the Ministry of Finance and Planning together with the Central Bank of Suriname are working towards strengthening the supervision regime for the financial sector. Also, the Ministry of Justice and Police has presented to The National Assembly draft legislation for strengthening the supervision regime for the gaming sector.
- To further strengthen the AML/CFT framework, in particular the implementation of a risk-based supervision framework and to comply with the FATF 40 Recommendations, in April 2023 we began the Sectoral Risk Analysis (SRA) of the banking sector with technical assistance of OAS-DTOC. The SRA is progressing, and the SRA banking sector report was delivered in February 2024. SRAs of the exchange offices, money transfer offices, insurance and pension funds have been finalized in April 2024. The SRA reports will contribute to establishing targeted AML/CFT policies and the frequency and intensity of supervision of the financial sector. It would also elaborate on the methodology used to perform the risk analysis. The SRA findings will be reported to CFATF in 2024. A number of projects are underway to strengthen the AML/CFT regime: new AML/CFT Directives has been issued in March and April 2024 and, supervision legislation (in line with FATF requirements) is pending in The National Assembly), with the technical assistance offered by IMF Legal Department and UNODC/World Bank.

29. We are committed to improving governance and transparency of the extractive sector.

Suriname joined the Extractive Industry Transparency Initiative (EITI) in 2017 and has published reports for fiscal years 2016 to 2020. The reports for the fiscal years 2021–22 will be published in December 2024. We are making progress in implementing EITI's recommendations including presenting the new mining law to parliament in August 2024, which will reduce room for discretion in investor incentives and strengthen the framework for mining titles. We are also building capacity to strengthen our efforts to legally compel companies in the extractive industry to disclose their beneficial owners.

IX. INCORPORATING CLIMATE CONSIDERATIONS IN MACROECONOMIC POLICIES

30. Suriname is vulnerable to climate change. Despite a low carbon footprint and being a carbon negative country, its dominant economic activity is in the low-lying coastal area. Future climate-related events could disrupt economic activity and cause substantial long-term damage to the economy. Hence, preparedness for climate adaptation is warranted.

31. We are strengthening our institutional framework to enhance climate mitigation and adaptation procedures. We are establishing an environmental authority by transforming the National Institute for Environment and Development (NIMOS) which will have the legislative mandate to build safeguards against climate issues. The authority will have the power to assess (using the environmental impact assessment framework) any public and private capital projects undertaken in the country against any negative externalities arising from climate issues and provide mitigation measures. As a starting point, we have created a repository, Dondru, where information on climate change mitigation and adaptation can be easily assessed for national policy and planning. A strong collaboration between the MoFP and NIMOS is critical to ensure that climate issues are incorporated into Suriname's fiscal framework. We will publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries by December 2024.

32. We are exploring various climate finance options. We are also interested in selling carbon credits under the 2015 UN Paris Agreement scheme (known as Internationally Transferable Mitigation Outcomes—ITMO). We will be seeking technical assistance from our development partners to assess potential benefits and challenges, including as potential guarantors for DNS and identify possible conservation projects as climate protection pledges. For carbon credits, we will begin to approach potential buyers—countries and private institutions.

X. STATISTICS

33. We are committed to improving the quality and dissemination of economic data, supported by IMF technical assistance. We have made important progress in this aspect, and we continue to recognize that timeliness of data availability (such as the long lag of publication of annual GDP and the lack of quarterly GDP statistics) remains an issue. To improve capacity of the

General Bureau of Statistic, we have increased their budget which allows them to hire additional qualify staffs and recently, the council of ministers have approved a salary increase for their staff. We are also making efforts to improve data quality, especially for the Consumer Price Index (CPI), fiscal sector statistics and public debt data. We will also take steps to publish detailed monthly CPI data including all its subcomponents and data that accurately reports all domestic arrears on a monthly basis. In addition, we will work towards broadening the institutional coverage of fiscal statistics to the public sector to better assess fiscal risks. We will seek technical assistance from our international partners to support our efforts to improve the quality of economic data and statistics.

XI. PROGRAM MONITORING

34. Our economic plan will continue to be monitored through reviews, quantitative and continuous performance criteria, indicative targets, and structural benchmarks. The quantitative performance criteria are presented in Table 1, standard non-quantitative continuous targets are presented para 34 of the Technical Memorandum of Understanding (TMU) and the structural benchmarks under the program are presented in Table 2. Program quantitative targets are defined in the attached TMU.

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/
(In millions of Suriname dollars, unless otherwise indicated)

	2020		2021				2022										
	Act.	PC	end-Dec		end-Jan.		end-Feb.		end-Mar.								
			Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
2. Stock of VAT refunds outstanding (ceiling)																	
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14.018	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Jul.			2022				end Sep.				
	IT	Adj. IT	Act.	end-Aug.		Met/Not met		PC	Adj. PC	Act.	Met/Not met	
				IT	Adj. IT	Act.	met					
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	773	1,005	311	Not Met	884	946	346	Not Met	994	1,218	345	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	158	159	169	Met	160	168	192	Met	192	169	193	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,142	-1,161	-91	Not Met	-1,016	-1,124	-77	Not Met	-1,316	-986	-14	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,112		1,315	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	22,912		21,413		23,444		22,654		23,858		23,723	
Reserve money (local currency portion only)	10,260		11,098		10,413		11,359		10,566		11,450	
Reserve money (constant exchange rates)	16,765		17,587		16,918		18,084		17,071		18,424	
NFA (constant exchange rates)	8,778		8,698		8,811		9,182		9,253		9,458	
Gross international reserves (millions of U.S. dollar)	1,097		991		1,099		1,018		1,187		1,029	
Usable international reserves (millions of U.S. dollar) 5/	771		667		773		698		862		713	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,013	Met	1,338	1,693	2,181	Met	1,529	1,826	1,855	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	2024											
	end-Jan.				end-Feb.				end-Mar.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384	577	-116	Not Met	769	1,492	484	Not Met	1,153	1,653	308	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0			Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0			Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0			Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	-1,662	Met	0	0	-1,662	Met	0	0	-1,662	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-10	-14	Not Met	-25	-1	-2	Not Met	-65	-19	-22	Not Met
7. Net domestic assets of the central bank (ceiling) 2/	454	494	378	Met	1,041	702	855	Not Met	1,423	773	1,346	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	30	30	3	Met	30	30	5	Met	30	30	7	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,308	1,308	1,440	Met*
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	28,866		29,074		29,300		29,226		29,699		28,810	
Reserve money (local currency portion only)	15,978		16,841		16,298		17,416		16,582		17,627	
Reserve money (constant exchange rates)	20,761		21,639		21,085		21,817		21,373		22,442	
NFA (constant exchange rates)	9,112		11,101		8,849		11,270		8,682		10,826	
Gross international reserves (millions of U.S. dollar)	1,188		1,328		1,169		1,334		1,225		1,365	
Usable international reserves (millions of U.S. dollar) 5/	955		1,093		936		1,100		991		1,131	
Program exchange rate	14,018		14,018		14,018		14,018		14,018		14,018	

* Revised data indicate that the social spending target, which was reported as "Not Met" at the 6th review, was actually met.

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024													
	end-Jul.			2024										
				end Aug.	end Sep.			end Oct.	end Nov.		end Dec.			
	IT	Adj. IT	Act.	Met/Not met	IT	Proposed			IT	IT	Proposed			
						IT	IT	PC	Prop PC	IT	IT	IT	PC	Prop PC
Quantitative Performance Criteria														
Fiscal/debt targets														
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,346					1,999		2,653	2,653	3,306	3,960		4,613	4,613
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars) 6/	0				0	0	0	0	0	0	0		0	0
3. New central government guaranteed debt (continuous ceiling)	0				0	0	0	0	0	0	0		0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0				0	0	0	0	0	0	0		0	0
Monetary targets														
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0			0		0			0	0		0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-122	-74	-45	Met	-137		-171	-179		-184	-194		-258	-241
7. Net domestic assets of the central bank (ceiling) 2/	2,781	2,105	1,766	Met	2,636		3,707	3,754		3,921	4,248		5,183	4,869
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 7/	0	0	0	Met	0		0	0		0	0		0	0
Indicative Targets														
1. Social spending of central government (floor) 2/								3,785					5,122	
2. Stock of VAT refunds outstanding (ceiling)								443					164	
3. Non-accumulation of central government domestic debt arrears (continuous ceiling) (millions of SRD)							0					0	0	
Memorandum items														
Reserve money	30,312				27,229		30,660	28,545		28,985	29,668		31,061	29,892
Reserve money (local currency portion only)	17,912				17,528		18,215	17,772		18,019	18,240		18,556	18,407
Reserve money (constant exchange rates)	22,596				22,250		22,844	22,770		22,866	23,055		23,101	23,021
NFA (constant exchange rates)	9,557				9,355		8,877	8,757		8,686	8,547		7,659	7,893
Gross international reserves (millions of U.S. dollar)	1,356				1,341		1,375	1,366		1,361	1,352		1,356	1,373
Usable international reserves (millions of U.S. dollar) 5/	1,121				1,107		1,140	1,132		1,127	1,117		1,121	1,139
Program exchange rate	14.018				14.018		14.018	14.018		14.018	14.018		14.018	14.018

Source: Authorities and IMF staff calculations and projections.

1/ Targets as defined in the Technical Memorandum of Understanding.

2/ Cumulative flows from beginning of the year.

3/ The 2020 figure is a stock as of end-June 2021.

4/ The 2020 figure is a stock as of end-December 2020.

5/ Official reserve assets excluding the PBOC swap and ring-fenced reserves.

6/ The zero new natural-resource revenue-collateralized debt contracted by or on behalf of government is subject to an exception applying exclusively to new oil-resource revenue related-collateralized debt contracted by Staatsolie, which is capped at US\$ 2 Billion cumulatively to exclusively finance its stake in the exploration of oil in block 58

7/ Non-observance for the month February 2023

Table 2. Suriname: Structural Benchmarks Under the EFF

Measure	MEFP 1	Target date 1/	Status	Objective
Prior Actions				
The electric utility company (EBS) to return SRD 500 Million to the state budget to recover the May-June overpayment			Prior Action	Ensure fiscal adjustment in line with program parameters
Prepare a time-bound recapitalization plan for the CBvS			Prior Action	Protect the CBvS's financial autonomy
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters..	20	September 2023	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	25	June 2024	Not met; implemented with delay in August	Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	25	September 2024	Proposed to be reset to December 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	27	April 2024	Not met	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.		December 2023	Not met; implemented with delay in May 2024	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.

Table 2. Suriname: Structural Benchmarks Under the EFF (continued)

Measure		Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.		December 2023	Not met; implemented with delay in May 2024	Strengthen social spending.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption		July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.	7	October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detail procedures) to halt payments of salaries for unregistered workers.	7	October 2023	Not Met; implemented with delay in November 2023	Strengthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks		March 2024	Not Met; implemented with delay in April 2024	Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.		Continuous	Met for end-June 2024	Strengthen PFM.
MoFP, SDMO, and CBVS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments		January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each	14	January 2024	Met	Improve governance and increase transparency.
Mandate that all tax declarations and transactions use a Fiscal Identification Number	8	June 2024	Reformulated as below	Improve tax administration.
Mandate that all importers/exporters use the Fiscal Identification Number.	8	June 2024	Met	Improve tax administration.
Hire 25 new qualified staff for the Tax Department.	8	November 2024	New proposed SB	Improve tax administration.
MoFP, SDMO, and CBVS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to domestic debt payments		December 2024	New proposed SB	Improve tax administration.
Implement a pilot Treasury Single Account for a limited set of ministries.	8	January 2025		Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	8	Continuous	Not Met	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears.	15	March 2024	Not Met; implemented with delay in July 2024	Improve debt management and financial stability
Issue a resolution to clarify that government will not be responsible for contracts agreed with line ministries that have no prior authorization from the MoF.	8	April 2024	Met	Strengthen PFM and avoid new expenditure arrears.
Mandate all line ministries to report the stock of arrears to the MoF monthly.	15	June 2024	Met	Improve debt management and financial stability

Table 2. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure	Target date	Status	Objective
Governance (anti-corruption)			
Ratify the United Nations Convention Against Corruption (UNCAC).	January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish	June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC	March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	28 June 2024	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to create a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance	28 September 2024	Proposed to be reset to end-November 2024	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	28 November 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)			
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	8 September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)			
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).	28 August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.

Source: IMF staff.

1/ The target dates for all structural benchmarks are the end of the month.

Attachment II. Technical Memorandum of Understanding

This Technical Memorandum of Understanding (TMU) sets out the understanding between the Surinamese authorities and the IMF staff regarding the definition of quantitative performance criteria (QPC) and indicative targets (IT). It also sets out the QPC and IT adjusters and data reporting requirements for the duration of the Arrangement under the Extended Fund Facility (EFF), as described in the authorities' Letter of Intent (LOI) dated March 20, 2024, and Memorandum of Economic and Financial Policies (MEFP). This TMU describes the methods to be used in assessing the program performance and the information requirements to ensure adequate monitoring of the targets. As is standard under all Fund arrangements, we will consult with the Fund before modifying measures in the LOI/MEFP or adopting new measures that would deviate from the program goals. We are also committed to providing Fund staff with the necessary information for program monitoring.

1. **The QPC and IT are shown in Table 1 of the MEFP.** Prior actions and structural benchmarks are listed in Table 2 of the MEFP.
2. **For program purposes, unless otherwise specified,** all foreign currency-related assets, liabilities, and flows will be evaluated at "program accounting exchange rates" as defined below, except for items affecting government fiscal balances, which will be measured at current exchange rates. Unless otherwise indicated, U.S. dollar denominated components of the balance sheet of the Central Bank of Suriname (CBvS) will be valued at the official exchange rate of the Surinamese dollar to the U.S. dollar of 14.0180 set by the CBvS as of December 31, 2020. Amounts denominated in other currencies will be converted for program purposes into U.S. dollar amounts using the following cross-rates as of December 31, 2020: the Euro valued at 1.2281 U.S. dollars, Pound Sterling valued at 1.3600 U.S. dollars, the Chinese Yuan valued at 0.1532 U.S. dollars, the Special Drawing Right (SDR) valued at 1.4403 U.S. dollars. Official gold holdings were valued at 1,892.0 U.S. dollars per fine ounce.

I. QUANTITATIVE PERFORMANCE CRITERIA: DEFINITION OF VARIABLES

3. **Definition of central government:** The central government (CG), for the purposes of the program, consists of the set of institutions and government units currently covered under the state budget. Newly formed public sector entities will be examined and included within the CG perimeter if adjudged to meet the definition of a CG unit per the Government Finance Statistics Manual 2014.
4. **Definition of State-Owned Enterprises (SOE):** State-Owned Enterprises (SOE), for the purposes of the program, consists of the set of corporations that (i) the CG is a shareholder; or (ii) are controlled by the CG directly or indirectly through other government-controlled entities. The control by the CG can be established through legislation or equity participation.
5. **Definition of debt.** External debt is determined according to the residency criterion (and, as such, would encompass nonresident holdings of Suriname law local currency and foreign currency debt). The term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including

currency) or services and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take several forms; the primary ones being as follows:

- i. loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);
- ii. suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and
- iii. leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the PV (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

6. Under the definition of debt set out in previous paragraph, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

7. For program purposes, a debt is considered contracted when all conditions for its entrance into effect have been met, including approval by the National Assembly. Contracting of credit lines with no predetermined disbursement schedules or with multiple disbursements will be also considered as contracting of debt.

8. The fiscal year is the calendar year, starting on January 1 and ending on December 31.

A. Primary Fiscal Balance (Cash Basis) of Central Government (Floor)

9. Definitions: The primary fiscal balance (cash basis) of the CG is calculated as the cumulative CG interest payments minus total net borrowing requirements from the beginning of the year. Net borrowing requirements (NBR) are measured at official (current) exchange rates and are defined as the sum of:

- i. The change in net CBvS credit to the CG, including changes in the government deposit position at the CBvS and excludes any accrued interest;
- ii. The change in net credit from depository corporations, which includes changes in CG deposits and the net issuance of treasury bills, lending, and other CG securities held by commercial banks and excludes any accrued interest;
- iii. The change in net non-bank credit to the CG, which includes net issuance of Treasury bills and other CG securities to non-banks, and other CG claims and debts vis-à-vis nonbank institutions and excludes any accrued interest;
- iv. New external loan disbursements net of external loan amortization including repayment of external arrears;
- v. Net sale of government assets (financial including privatization receipts).

	(In SRD millions)
Cumulative flows from the beginning of the fiscal year	
End-January 2024	1,409
End-February 2024	2,818
End-March 2024	4,227
End-April 2024	5,499
End-May 2024	6,874
End-June 2024	9,214
End-July 2024	11,261
End-August 2024	13,015
End-September 2024	16,278
End-October 2024	16,789
End-November 2024	17,300
End-December 2024	17,810

10. Definition: CG Interest payments are defined on a cash basis as interest paid on CG domestic and external debt obligations.

- **Definition:** Mineral revenue is defined as the government's tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue (Table 1). The QPC for the fiscal balance is calculated based on the projected official exchange rate.

Reporting (and adjustments, as defined below) will be made using the current official exchange rate.

11. Reporting: Fiscal data will be provided to the Fund with a lag of no more than six weeks after the end of the month.

12. Adjusters: The floor on the cumulative primary cash balance of the CG will be adjusted:

1. downward (upward) to the full extent that cumulative project loans are more (less) than project loans given in Table 2.
2. upward to the extent of any rise in mineral revenue above the cumulative baseline projections given in Table 1.

B. New Natural Resource Revenue-Collateralized Debt Contracted by or on Behalf of the Central Government and/or State-Owned Enterprises (SOE) (Continuous Ceiling)

13. Definition: The ceiling on new natural resource revenue-collateralized debt (domestic and external) contracted on a gross basis by or on behalf of the CG and/or SOEs will be a continuous performance criterion throughout the program period. Natural resource revenue-collateralized debt is external or domestic debt, which involves creating a security interest, charge or lien over any natural resource, natural resource receivables, or the proceeds from the sale or lease of natural resources. The use of a collection account (e.g., for natural resources receivables or the proceeds of the sale of natural resources) where no charge or lien is created over such account is excluded from this definition. External debt contracted due to external debt restructuring, to be agreed between

Table 2. Suriname: Budget and Project Financing in FX (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
External loans from IFIs for budget financing 1/	
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	150
External debt from bilateral and private creditors for budget financing 2/	
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0
External loans for project financing	
End-January 2024	4
End-February 2024	9
End-March 2024	13
End-April 2024	18
End-May 2024	22
End-June 2024	22
End-July 2024	27
End-August 2024	31
End-September 2024	37
End-October 2024	53
End-November 2024	72
End-December 2024	108

1/ Excluding IMF disbursements.

2/ Including international capital markets.

the authorities and its creditors, is excluded from this definition. The ceiling also applies to prefinancing arrangements where debt is contracted against future sales of natural resources. A non-zero exception applies to the contracting of new oil-resource revenue-related collateralized debt by the state oil company, Staatsolie to finance its stake in the exploration of oil in block 58. The exception is subject to a continuous cumulative non-zero ceiling of US\$ 2 Billion. The official exchange rate will apply to all non-SRD denominated debt.

14. Reporting: Data will be provided to the IMF on a continuous basis. This would include any new debt contracts that are entered into by the CG and/or SOEs to verify they do not include a security interest, charge, or lien over any natural resource.

C. New Central Government Guaranteed Debt (Continuous Ceiling)

15. Definition: The ceiling on new CG guaranteed debt (domestic and external) will apply to the amount of guarantees issued by the CG for debt contracted by any agency or entity outside the CG. For program purposes, the guarantee of a debt arises from any explicit legal or contractual obligation of CG to service a debt owed by a debtor outside the CG (involving payments in cash or in kind). The official exchange rate will apply to all non-SRD denominated debt.

16. Reporting: Data will be provided to the IMF on a continuous basis.

D. Non-Accumulation of Central Government External Debt Arrears (Continuous Ceiling)

17. Definition: The non-accumulation of arrears by the CG on contractual debt obligations owed to non-resident creditors will be a continuous performance criterion throughout the program period. External payments arrears for program monitoring purposes are defined as external debt obligations-of the CG, which either have not been paid within 30 days after the contractual due date, or within the contractual grace period, whichever is longer. Arrears resulting from the nonpayment of debt service, for which a rescheduling or restructuring agreement is being sought, based on good faith negotiations, are excluded from this definition.

18. The stock of external arrears of the CG will be calculated based on the schedule of external payment obligations reported by the Ministry of Finance and Planning (MoFP). Data on external arrears will be reconciled with the relevant creditors, and any necessary adjustments will be incorporated as they occur.

19. Reporting: Data will be provided to the IMF on a continuous basis.

E. Gross Credit to Central Government by the CBvS (Continuous Ceiling)

20. Definitions: The ceiling that applies on the change in gross credit provided to the CG by CBvS (including any provision of overdrafts) will be a continuous performance criterion throughout

the program period and will be measured from end-June 2021 for 2021 and from beginning of the year for 2022. Coins and notes issued by the MoFP and claims on IMF related to the valuation of IMF account no 1 and 2 are excluded from the definition. The stock of gross credit will be valued at fair value and at program exchange rates. Changes in the stock of the COVID-19 Fund approved by Parliament in 2020 would constitute gross credit from the CBvS to the CG. Rolling over CG principal and interest payments due to the CBvS does not constitute gross credit.

21. Reporting: Data will be provided to the IMF on a continuous basis.

F. Net International Reserves of the CBvS (Floor)

22. Definitions: The floor applies to cumulative flows from the beginning of the year (end-December level of NIR of the previous year). For program monitoring purposes, net international reserves (NIR) of the CBvS are defined as the U.S. dollar value of the difference between reserve assets and reserve liabilities, as defined in what follows.

Reserve assets are readily available claims on nonresidents denominated in foreign convertible currencies. They include: (i) foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities); (ii) monetary gold; (iii) IMF reserve position; and (iv) SDR holdings. Excluded from foreign assets are any assets that are pledged, collateralized, or otherwise encumbered (e.g., pledged as collateral for foreign loans or through forward contracts; ring-fenced reserves from domestic banks' foreign reserve requirements), CBvS claims on resident banks and nonbanks, claims in foreign exchange arising from derivatives in foreign currencies vis-à-vis domestic currency (such as futures, forwards, swaps, and options), precious metals other than monetary gold, assets in nonconvertible currencies, illiquid swaps, and any reserve assets that are not readily available for intervention in the foreign exchange market.

Table 3. Suriname: International Reserves
(USD million, unless otherwise specified)

	31-Dec-20
Reserve assets	128.9
IMF reserve position	2.8
IMF SDR	1.1
Foreign currency cash and deposits with foreign banks	125.0
Reserve liabilities	283.1
IMF program disbursements outstanding	20.9
Other liabilities with non-residents	0.1
Liabilities with residents	262.2
Reserve Requirements (non-ringfenced)	5.6
Reserve Requirements (the ring-fenced sovereign bond)	10.3
Working balance accounts of commercial banks	69.0
Long-term loan to commercial banks	177.3
Other	0.0
Net international reserves	-154.3

Source: Central Bank of Suriname.

- **Reserve liabilities** are defined as: (i) all short-term foreign liabilities of the CBvS vis-à-vis nonresidents denominated in convertible foreign currencies with an original maturity of one year or less; (ii) all outstanding credit from the IMF resulting from purchases; (iii) the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets; and (iv) all foreign exchange liabilities of the CBvS to resident entities (e.g., claims in foreign exchange of domestic banks, non-ring-fenced reserve requirements of domestic banks on their foreign currency deposits, reserve requirements of domestic banks on their foreign currency deposits that are ring-fenced

in Suriname's sovereign bond in the amount of USD 10.283 million, and CBvS credits in foreign exchange from the domestic market) excluding foreign exchange liabilities to the CG.

23. Reporting: Data on foreign reserves and the foreign exchange cash flow will be provided by the CBvS to the Fund once a week. Data on the statistics indicated in Table 3 will be provided to the Fund on a monthly basis, in both official and program exchange rates, with a lag of no more than two weeks after the end of the month. At each program test date, the quarterly data on net international reserves submitted by the CBvS to the IMF will be audited by the CBvS external auditors in accordance with International Standards on Auditing, to ensure conformity with the program definition and calculation methods. Reports from the external auditors should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date. Data on total foreign exchange mineral revenue will be provided by the government to the IMF on a weekly basis. Inflows of the government's foreign exchange mineral revenue to the CBvS will be monitored as part of the weekly reporting of CBvS purchases and sales of foreign currency.

Table 4. Suriname: Total FX Mineral Revenue received by the Government and Other FX Revenues of CG Transferred to CBvS (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	46
End-July 2023	67
End-August 2023	89
End-September 2023	117
End-October 2023	135
End-November 2023	153
End-December 2023	170
End-January 2024	19
End-February 2024	38
End-March 2024	65
End-April 2024	80
End-May 2024	102
End-June 2024	112
End-July 2024	143
End-August 2024	158
End-September 2024	184
End-October 2024	200
End-November 2024	215
End-December 2024	224

24. Adjusters: NIR targets will be adjusted:

1. upward (downward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2. Program loan disbursements are defined as external loan disbursements from official creditors that are usable for the financing of the CG.
2. upward (downward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.
3. upward (downward) by the full amount of the cumulative surplus (shortfall) in the sum of the government's total mineral and other revenues received in foreign exchange that are transferred to the CG account at the CBvS, with the exemption of pending transfers of these funds to the foreign bank account of the CBvS, relative to baseline projections reported in Table 4. Mineral revenue in FX is defined as the government's FX tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes,

dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue. Other FX revenues of the CG are defined as any revenues in foreign exchange other than mineral revenue as defined above.

4. downward (upward) by the full amount of the cumulative surplus (shortfall) in CG and CBvS's debt service payments in foreign exchange relative to baseline projections reported in Table 5.
5. downward by the amount of FX sales by the CBvS insofar as these sales occur via competitive auctions in response to the intraday depreciation in the exchange rate versus the U.S. dollar that is more than 2 percent and are less than USD 2 million per day. This adjustor is capped at USD 20 million per quarter.

Table 5. Suriname: FX Debt Service Payments by the Central Government and CBvS (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	76
End-July 2023	92
End-August 2023	112
End-September 2023	121
End-October 2023	136
End-November 2023	163
End-December 2023	204
End-January 2024	21
End-February 2024	54
End-March 2024	59
End-April 2024	82
End-May 2024	117
End-June 2024	180
End-July 2024	214
End-August 2024	240
End-September 2024	256
End-October 2024	279
End-November 2024	316
End-December 2024	372

G. Net Domestic Assets of the CBvS

25. Definitions: The ceiling applies to cumulative flows from the beginning of the year. The CBvS' net domestic assets (NDA) are defined as the difference between reserve money (as defined below) and net foreign assets (NFA, as defined below). Items in foreign currencies will be valued at fair value and at program exchange rates. Thus defined, the stock of NDA amounted to SRD 8,777.1 million as of December 31, 2020 (Table 6).

- **Reserve money at program exchange rates** is defined as currency in circulation, commercial banks' deposits in correspondent accounts at the CBvS, and statutory cash reserve requirements against prescribed liabilities in SRDs and foreign currency held by commercial banks at the CBvS, other commercial banks' deposits at the CBvS in national and foreign currency, other demand deposits in national and foreign currency, and gold certificates (Table 6). Central bank certificates issued to retail investors as part of its open market operations to absorb liquidity are excluded from reserve money. Reserve money excludes balances in deposit auctions and commercial banks' term deposits at the CBvS. The definition is consistent with the measure of reserve money published on the CBvS' website. As of December 31, 2020, reserve money amounted to SRD 12,816.6 million.
- **The value of NFA at program exchange rates** is calculated as the difference between foreign assets and foreign liabilities, defined as follows:

- **Foreign assets** are claims on nonresidents denominated in foreign currencies. They include foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities), monetary gold, IMF reserve position, and SDR holdings.
- **Foreign liabilities** are defined as liabilities of the CBvS vis-à-vis nonresidents denominated in foreign currencies; all outstanding credit from the IMF resulting from purchases under arrangements and SDR allocation; the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets.

26. Thus defined, NFA amounted to SRD 4,039.5 million as of December 31, 2020 (Table 6).

27. Reporting: Data will be provided to the IMF with a lag of no more than two weeks after the end of the month. At

each program test date, the quarterly data on net domestic assets submitted by the CBvS to the IMF will be reviewed by the CBvS external auditors, to ensure conformity with the program definition and calculation methods. Reports should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date.

28. Adjusters: Consistent with the NIR target adjustment mechanism defined above, NDA targets will be adjusted:

1. downward (upward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2.
2. downward (upward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.
3. downward (upward) by the full amount of the cumulative surplus (shortfall) in the sum of the government's total mineral and other revenues received in foreign exchange that are transferred to the CG account at the CBvS, with the exemption of pending transfers of these funds to the foreign bank account of the CBvS, relative to baseline projections reported in

Table 6. Suriname: NFA, NDA, and Reserve Money
(In SRD millions)

	31-Dec-20
Net foreign assets	4,039.5
Foreign assets	8,243.5
Foreign liabilities	-4,204.0
Net domestic assets	8,777.1
Net claims on the government	8,234.0
Claims on the government in local currency	9,833.7
Liabilities to the government in local currency	-446.8
Claims on the government in foreign currency	144.1
Liabilities to government in foreign currency	-1,297.0
Net claims on commercial banks	-2,495.6
Claims on commercial banks in local currency	2.2
Liabilities to commercial banks in local currency	-200.0
Claims on commercial banks in foreign currency	187.0
Liabilities to commercial banks in foreign currency	-2,484.7
Other items net	3,038.7
Reserve money	12,816.6
Reserve money in local currency	7,342.2
Reserve money in foreign currency	5,474.4
Memorandum item	
Program exchange rate	14.018

Source: Central Bank of Suriname.

Table 4 (see definition in section F). Mineral revenue in FX is defined as the government's FX tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue. Other FX revenues of the CG are defined as any revenues in foreign exchange other than mineral revenue as defined above.

4. upward (downward) by the full amount of the cumulative surplus (shortfall) in CG and CBvS's debt service payments in foreign exchange relative to baseline projections reported in Table 5.
5. Downward by the full amount of the CBvS' cumulative purchases of foreign exchange from the market relative to the baseline projections reported in Table 7.

29. For the purposes of calculating adjusters, these flows will be valued at program exchange rates.

H. Direct Purchases/Sales of FX by the CBvS and/or Central Government from/to SOEs and Private Sector (Continuous Ceiling)

30. Definitions: The ceiling on direct purchases/sales of FX by the CBvS and/or central government from/to SOEs and private sector will be a continuous performance criterion throughout the program period. The following purchases/sales of FX by the CBvS from/to the FX market are excluded from this definition:

- Purchases/sales of FX with banks and cambios undertaken through fixed allotment/variable price auctions.
- Sales of FX to (former) CBvS employees for children's overseas study and livelihood purposes, overseas pension transfers, overseas salary transfers and overseas travel expenses up to a maximum amount of USD 100,000 per quarter or an equivalent thereof in another convertible currency.
- Purchases of EUR banknotes from banks and cambios in exchange for USD banknotes.
- Sales of FX by mineral companies associated with these companies' tax or non-tax obligations to the central government.

**Table 7. Suriname: FX Purchases by CBvS
(Baseline Projection)**

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	0
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0

31. Reporting: Data on direct purchases/sales of FX by the CBvS and/or central government from/to SOEs and private sector will be provided by the CBvS to the Fund daily.

II. OTHER CONTINUOUS PERFORMANCE CRITERIA

32. During the period of the Arrangement under the EFF, Suriname will not: (i) impose or intensify restrictions on the making of payments and transfers for current international transactions; (ii) introduce or modify multiple currency practices; (iii) conclude bilateral payments agreements that are inconsistent with Article VIII; and (iv) impose or intensify import restrictions for balance of payments reasons.

III. INDICATIVE TARGETS: DEFINITION OF VARIABLES

I. Social Spending of Central Government (Floor)

33. Definition: Social spending of central government includes all the spending of the Ministry of Social Affairs and Public Housing (Ministerie van Sociale Zaken en Volkshuisvesting) on social protection programs. The floor on CG social spending is cumulative from the beginning of the year and is defined as the sum of spending on the following cash transfer programs:

- General old-age pension.
- General child benefit.
- Financial assistance for persons with disabilities.
- Financial assistance for weak households.
- Social beneficiary program.

34. Reporting: Data will be provided to the IMF with a lag of no more than six weeks after the end of the quarter.

J. Stock of Value Added Tax Refunds Outstanding (ceiling)

35. Definition: The stock of value added tax (VAT) refunds outstanding will be assessed as total cumulative VAT refund claims which have not yet been paid or declined by the Tax Authority of Suriname (Belastingdienst Suriname). The stock is cumulative from the beginning of 2023. A claim for a refund will be assessed as existing once a credit return is filed. The stock of VAT refunds outstanding will exclude interest payable on approved delayed refunds and refunds due to non-VAT registrants. A VAT refund claim is deemed to be paid if settled against outstanding payable VAT returns or if settled against non-VAT revenue arrears.

36. Reporting: Data will be provided to the IMF with a lag of no more than six weeks after the end of the quarter.

K. Non-accumulation of new domestic Debt Arrears by the Central Government (Continuous Ceiling)

37. Definition: The non-accumulation of domestic debt arrears by the CG on contractual debt obligations owed to resident creditors will be a continuous IT throughout the program period. Domestic debt arrears for program monitoring purposes are defined as domestic debt obligations of the central government owed to commercial banks, Central bank, non-bank financial institutions (pension, insurance, and non-depository banks) and non-financial sector (suppliers and other private sector), which either have not been paid within 30 days after the contractual due date or within the contractual grace period, whichever is longer. Domestic debt arrears that are subject to a renegotiation or a restructuring plan as of end-2023, and domestic debt arrears disputed or under audit as of December 31 2023, as well as arrears owed on supplier credits, VAT refund, and expenditure arrears, are excluded from this definition.

38. The stock of domestic debt arrears of the CG will be calculated based on the schedule of domestic debt service reported by the Ministry of Finance and Planning (MoFP). Data on the stock of domestic debt arrears will be reconciled with the relevant creditors, and any necessary adjustments will be incorporated as they occur.

39. Reporting: Data will be provided to the IMF on a continuous basis.

IV. INFORMATION REQUIREMENTS

40. In accordance with IMF Government Finance Statistics Manual (GFSM) 2014 and Public Sector Debt Guide for compilers and users total gross debt covers all liabilities that are debt instruments. A debt instrument is defined as a financial claim that requires payment(s) of interest and/or principal by the debtor to the creditor at a date, or dates, in the future. The following instruments are considered debt instruments:

- Special drawing rights (SDRs);
- Currency and deposits;
- Debt securities;
- Loans;
- Insurance, pension, and standardized guarantee schemes; and
- Other accounts payable.

41. All liabilities included in the GFSM balance sheet are considered debt, except for liabilities in the form of equity and investment fund shares and financial derivatives and employee stock options. Equity and investment fund shares are not debt instruments because they do not require the payment of principal or interest. For the same reason, financial derivatives are not considered debt liabilities because no principal is advanced that is required to be repaid, and no interest accrues on any financial derivative instrument.

42. For the purpose of the program, Suriname Budgetary Central government (BCG) debt includes the following instruments:

- Debt Securities including short term liquidity instruments;
- Loans (including overdraft in bank accounts);
- Other Accounts Payables.

43. Any liabilities issued by the BCG, held as an asset by other entity of the BCG should be netted out. Since the consolidation is done at the level of BCG, central bank lending to the government is included in the stock of BCG debt.

44. To ensure adequate monitoring of economic variables and reforms, the authorities will provide the following information:

45. Daily/Semi-weekly

- Official nominal exchange rates.
- Volumes and nominal exchange rates (inclusive of any fees, commission, or other types of charge) of foreign exchange transactions (purchases and sales) by banks and cambios.
- Volumes and nominal exchange rates of direct purchases/sales of foreign exchange by the CBvS and/or central government from/to SOEs and private sector.
- Monitoring Template IMF (no. 25⁴¹) - Deposits including largest 5 depositors in accordance with the Enhanced Supervision framework, within one week after the reporting period.
- Monitoring Template IMF (no. 26) – Liquid assets held by banks in accordance with the Enhanced Supervision framework, within one week after the reporting period.
- Liquidity Coverage SRD template (no. 30) in accordance with the Enhanced Supervision framework, within one week after the reporting period.

- Net Foreign Currency Position (Net Open Position) template (no. 27) for banks in accordance with the Enhanced Supervision framework. For cambios this ratio will also be reported, in both cases within one week after the reporting period.

46. Weekly/bi-weekly

- CBvS liquidity assistance to financial institutions, by institution.
- Reports on large exposures by bank that are equal or exceed 10 percent of Tier 1 Capital (template no. 28) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Large deposits that are equal or exceed 10 percent of Tier 1 Capital (template no. 29) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Liquidity forecast and realization (templates no. 15, 17 and 19) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Liquidity stress testing (templates no. 10-13) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Lending availability in SRD and USD (templates no. 21 and 22) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Table on monitoring of banking sector benchmarks in accordance with the Enhanced Supervision framework on a bi-weekly basis, within two weeks after the reporting period.
- CBvS purchases and sales of foreign currency (FX cash flow table). FX auction amounts, auction bids, highest and lowest prices, cut-off and weighted average prices, FX rate before the auction.
- Information on auction results for open market operations no later than two days after the auctions, including on: instrument type, total open market operations auction volume, settlement date, expiration date, the number of total bids, total amount of bids, the number of total allocated bids, total amount of allocated bids, the minimum bid rate, the cut-off interest rate, the highest bid rate, and the weighted average allotted interest rate.
- Weekly submission of daily transactions and rates for the following: interest rates on domestic debt securities by maturity; required and excess reserves of the banking sector in local and foreign currency; total liquidity assistance to banks through normal lending operations, standing facilities, and ELA. Interest rates on OMOs, standing facilities, and ELA by maturity.

- Weekly submission of daily mineral tax and non-tax revenue of major commodity companies and small gold miners, by revenue item and type of commodity (and separately for large-scale gold companies and small-scale gold miners). Data is to be provided within 3 working days of the end of each week.

47. Monthly

- CG operations (revenues and expenditure) data in GFS format within six weeks of the end of the month.
- CG detailed revenues data from the tax office by revenue category, including: (i) direct tax by item; (ii) indirect tax by item; and (iii) non-tax revenues by item within six weeks of the end of the month.
- Number of public civil servants and total wage bill by Ministry within six weeks of the end of the month.
- CG authorized spending data by Ministry within four weeks of the end of the month.
- CG subsidies data by Ministry and programs within six weeks of the end of the month.
- CG balance from the financing side by sources and by currency, with a lag of no more than six weeks after the end of the month.
- CG domestic and external debt stock, including by: (i) creditor; (ii) currency; (iii) instrument; (iv) collateralized by natural resources revenue; and (v) guaranteed. The reporting lag should not exceed four weeks after the end of the month.
- Amortization payments of CG and government guaranteed debt by creditor, instrument, and currency. In the case of issuance of government guaranteed debt, the name of the guaranteed individual/institution should be provided. The reporting lag should not exceed four weeks after the end of the month.
- Interest payments and fees on CG and government guaranteed debt by creditor, instrument, and currency. The reporting lag should not exceed four weeks after the end of the month.
- Stock of CG expenditure arrears, separately including payment of existing arrears and creation of new domestic arrears including the currency of the arrears. The reporting lag should not exceed four weeks after the end of the month.

Stock of CG domestic and external debt arrears, including the currency of arrears. The reporting lag should not exceed two weeks after the end of the month. Stock of CG domestic debt arrears should provide a breakdown on confirmed arrears and arrears under dispute/being audited.

- New debt contracts (official or private) entered into by the CG and/or SOEs. The reporting lag should not exceed two weeks after the end of the month.
- Holdings of domestic T-notes and T-bills (SRD-denominated and foreign currency-denominated) by investor, maturity, and currency. The reporting lag should not exceed four weeks after the end of the month.
- Legal measures that affect the revenue of the CG, such as tax rates, import tariffs, and exemptions. The reporting lag should not exceed six weeks after the end of the month.
- Balance sheet of the CBvS within two weeks of end of the month.
- A summary of the monetary survey of the banking system (including CBvS and deposit-taking institutions). This information should be received with a lag of no more than six weeks after the end of the month.
- Income statement of the CBvS on a cash and accrual basis, with a lag of no more than three weeks from the end of the month.
- Projections of CBvS purchases and sales of foreign currency (FX cash flow table, 12 months ahead).
- Information on interconnectedness of the financial sector and related party lending (templates no. 6 and 37) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.
- The deposit funding structure of the banks (template no.8) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.
- Information on measures taken by the banks in the context of the COVID-19 pandemic (templates no.33-35), within four weeks after the end of the month.
- Banks' claims on the government and State-owned Entities with breakdown by type (debt types, loan types including the gross amount of overdrafts) within four weeks after the end of the month.
- The Monthly Returns as reported to the CBvS, within four weeks of the end of the month.

- A written update on the progress of the Asset Quality Review (until the review has been concluded) that includes any issues encountered by CBvS and/or their advisor and any remedial actions taken.
- Data on foreign reserve assets and foreign reserve liabilities for NIR target purposes (Table 2) evaluated at both official and program exchange rates, within two weeks of the end of the month.
- Data on NDA, NFA, and reserve money (Table 4) evaluated at both official and program exchange rates, within two weeks of the end of the months.
- Data on foreign reserve assets split into ring-fenced and non-ring-fenced assets evaluation at official exchange rates, within two weeks of the end of the months.
- Consumer price index, including by sub-components of the CPI index within four weeks after the end of the month.
- Cash flow of EBS showing government transfers to cover the gap between the average electricity tariff and EBS recovery cost within eight weeks after the end of the month.
- Electricity average tariff, total electricity consumption volume, total billing and amount collected (in SRD) to be provided by consumption categories (household, commercial, and industrial) and by consumption volume. This information should be received with a lag of no more than eight weeks after the end of the month.
- Electricity costs including: (i) production costs: fuel costs, Staatsolie electricity costs, hydropower costs, separately, (ii) other operational costs: personnel costs and financing costs, and (iii) investment costs. This information should be received with a lag of no more than eight weeks after the end of the month.
- EBS committed and executed payments to Staatsolie for purchases of fuel and electricity. This information should be received with a lag of no more than eight weeks after the end of the month.

48. Quarterly

- Detailed balance of payments data within 60 days after the end of the quarter.
- Detailed International Investment Position data within two months after the end of the quarter.
- Projections regarding banks' balance sheets and profit and loss statement (template no. 2 and 3) in accordance with the Enhanced Supervision framework, within four weeks after the end of the quarter.

- Liquidity forecast and realization (templates no. 14, 16 and 18) in accordance with the Enhanced Supervision framework, within four weeks after the end of the quarter.
- Progress reports of the banks on inspection items identified by CBvS, within six weeks after the end of the quarter.
- A full set of quarterly Financial Soundness Indicators (FSI) calculated by the CBvS within 60 days after the end of the quarter.
- CG spending on social protection programs, by program, as defined for the indicative target on social spending. The reporting lag should not exceed six weeks after the end of the quarter.

49. Annual

- Financial statements of EBS within six months of year end.
- Nominal GDP and real GDP within eight months of year end.
- Labor market statistics (including the unemployment rate and labor participation ratio) within twelve months of the year end.

**Statement by Mr. Andre Roncaglia, Executive Director for Suriname, Mr. Bruno Saraiva,
Alternate Executive Director, and Mr. Karel Steven Eckhorst, Advisor
September 18, 2024**

On behalf of the Surinamese authorities, we express our gratitude to the staff for the constructive and frank discussions during the seventh review of the Extended Fund Facility (EFF) arrangement. Our authorities generally share staff's perspective on the country's economic performance and outlook under the EFF program. The ongoing efforts have yielded positive outcomes, including the restoration of macroeconomic stability, continued economic growth, and renewed confidence in the local currency, as inflation continues its downward trend. Despite these achievements, the authorities remain fully aware of the considerable challenges that lie ahead. The authorities are resolute in maintaining the pace of reforms, recognizing that the agreed measures are essential for sustaining the current economic recovery.

Recent Developments and Outlook

Economic growth is gradually recovering, as improved macroeconomic conditions take effect. The economy is expected to grow by 3.0 percent in 2024, after growth of 2.1 percent in 2023. In 2023, investments in both public and private non-mining sector are the primary drivers of growth. A reduction in the gold production however, limited further economic growth. Investments, both public and private, are expected to continue in 2024. As TotalEnergies is expected to make its Final Investment Decision (FID) later this year regarding the development of offshore oil and gas reserves, substantial investments are anticipated in various upstream and midstream sectors, including transportation, storage services, and real estate.

By the end of 2023, inflation had steadily decreased to 32.6 percent and is projected to decline at a stronger pace in 2024. The end of period inflation forecast for 2024 has been revised down from 14.2 percent to 12.7 percent, reflecting a stringent monetary policy stance and subdued inflation rates in the first half of the year. Despite ongoing increases in utility tariffs, inflation has remained relatively low, largely due to the currency appreciation.

Fiscal, Social and Tax Policies

The authorities are taking corrective actions to bring fiscal consolidation back on its projected path. As the authorities became aware of revenues shortfalls and overspending in the first half of 2024, further actions have been taken to increase revenues and control expenditures. On the revenue side, the administration invested in increasing the capacity to raise more tax and non-tax revenues. A working group has been installed to monitor and review all non-tax revenues, including by advising which revenues can be increased. This working group on non-tax revenues is currently conducting consultations with all ministries and other stakeholders involved. Furthermore, increased enforcement of tax compliance has lifted tax revenues recently. Actions to control expenditures include containing wages and salaries' increases and limiting items such as overtime and fuel consumption. Ministries were encouraged to stay within budget, which led to

strict budgetary discipline. Thus, new hirings of civil servants remain constrained. The Ministry of Finance and Planning (MoFP) issued guidelines to control individual line ministry expenditures and match these with revenues. To further control costs, the MoFP will implement a system where expenditures are automatically capped on a monthly basis. This will help ministries maintain budgetary discipline. With elections in May 2025, a traditionally large expense item, good cost control is crucial.

The implementation of VAT has been the object of three evaluations. Technical assistance has stepped up following recommendations from the evaluation reports. CARTAC started providing technical assistance to improve the VAT implementation. Due to the many measures taken by the tax authorities, there has been an improvement in registration, declaration, and compliance. Progress is also being made in the field of institutional strengthening of the tax authority.

The phasing-out of electricity subsidies is proceeding securely and will dismantle cumbersome cross-subsidy and cross-payment schemes. The first step, taken in February 2024, was a 20 percent adjustment in the exchange rate used for costs calculations, bringing it to market values. Henceforth, the exchange rate and the price of oil will be adjusted quarterly in the electricity tariff model. Then, the electricity tariff to households was increased by 40 per cent in March 2024, setting the stage for four subsequent bi-monthly 7 per cent hikes. For businesses, the initial 40 per cent increase in electricity tariffs applies from May 2024, leading to cost-recovery tariffs by June 2024. With the increased electricity tariffs and the adjustment mechanism, the electricity company (EBS) will have to independently pay its fuel and electricity bill with the State Oil Company. This payment, which amounted to approximately SRD 440 million a month for the first three months of 2024, has been settled through forfeited government dividends from the State Oil Company. Since then, it has been reduced to SRD 130 million for five months starting in May and will be reduced to zero in the last quarter this year.

Decisive measures are being taken to improve social spending distribution and efficiency, amid governance and administrative challenges. The Ministry of Social Affairs is improving the administration and distribution mechanisms to ensure that the indicative floor for social spending is continuously met moving forward. Due to a better collaboration between the Ministry of Social Affairs and the Ministry of Finance and Planning, the target for the first half of 2024 for social spending has been met. While this positive development benefits the ones within the social target group, attention is needed to the noticeable monthly increase of beneficiaries, which calls for more scrutiny. To prevent that social expenditures are beyond the budget amount and have negative impact on the primary balance, the MFoP is monitoring and regulating social spending on a monthly basis, through strictly requiring accountability of all payments. Considering the floor for social spending, these expenditures should be effective and help the ones that are really in need.

The authorities are making progress in clearing suppliers' arrears. Based on the latest report, the stock of supplier arrears dating back from January 2022 up to July 2024, is SRD 4.4 billion. The big difference between the previous stock of supplier arrears (SRD 7.1 billion at end-2023) and the figures for mid-2024 is mainly due to the reconciliation of the data in IFMIS. More specifically, vouchers that were already paid but still in the system as unpaid were cleared. Another source of discrepancy are the cancelled vouchers that were re-issued with a new payment amount,

whereby the cancelled voucher was not voided in the system, which led to numerous double counting in the stock of arrears. In addition, regular payments of arrears also took place. All this resulted in a significant amount of clearance of the stock of supplier arrears. It is expected that the stock of supplier arrears will continue to decrease in the forthcoming period.

Debt Management and Sustainability

Progress in debt restructuring and in clearing arrears illustrate the authority's commitment to bring debt back on a sustainable path. On all fronts, debt seems to be on a downward path and the 2024 budget apportions approximately USD 395 million, or 7.5 percent of GDP for the repayment of central government debt (excluding supplier debt). The authorities are committed to promptly clear all remaining non-technical domestic debt arrears. In addition, significant progress has been made regarding inclusion of the Value Recovery Instrument (VRI) in the Savings and Stabilization Fund Law (SSF, which is a requirement in the restructuring agreement with the Euro bondholders. The amendment has been approved by the Council of Ministers and after approval by the State Council will be sent to Parliament for final consideration and enactment by the President before year end. Furthermore, the strengthening of management capacity of the Suriname Debt Management Office (SDMO) by the Commonwealth Debt Management Program with financing from the Inter-American Development Bank (IDB) is ongoing. On August 26, 2024, the Minister of Finance and Planning and the Governor of the Central Bank of Suriname signed an agreement to recapitalize the central bank for losses experienced in 2020-2021, through the issuance of local government bonds at the beginning of January 2025.

Monetary and Financial Policies

Monetary policy has successfully tightened SRD liquidity conditions, helping to bring inflation down. This outcome was supported by the central bank's open market operations (OMOs) and the deployment of a higher local currency reserve ratio. The CBvS has met all monetary QPCs and the indicative target for base money of June 2024. To enhance liquidity forecasting, the CBvS benefitted from IMF technical assistance and has deployed a new statistical framework, which led to the improvement of the accuracy of government accounting data. Furthermore, the CBvS has managed to enhance the participation of the commercial banks in the open market and is working on digitalizing processes and improving the use of liquidity facilities. The CBvS is also exploring ways to enhance the transmission of monetary impulses to the real economy.

Key reform measures have been undertaken to remedy the vulnerabilities in the financial sector. Banks have submitted their NPL reduction strategies that have been approved by the CBvS, with exception of three banks that required more time to finalize them. The recapitalization of banks is progressing with a clear focus on meeting interim targets and implementing corrective measures to maintain financial stability. Risk-based supervision has been enhanced and aligned with international standards under the amended Banking Supervision Act and the Bank Resolution Act, expanding the CBvS' intervention powers, and strengthening the supervision of state-owned banks. As a result, all structural benchmarks related to banking supervision under the program have been achieved within the set deadlines and banking supervision continue working on revising

various regulations, such as the Group 1 regulations (already completed), Corporate Governance Code, Fit & Proper regulation, and sound governance regulation. Looking ahead, financial sector reforms will prioritize the insurance and pension sectors, capital markets, and electronic payment systems, alongside the implementation of credit reporting and deposit insurance frameworks. Technical assistance will support these reform efforts.

Exchange Rate Policies

Tighter monetary policy contributed to consistent currency appreciation since the last quarter of 2023, although recently some currency depreciation is evident. As demand in the economy is picking up, driven by declining inflation and improving real income, exchange rate movements are inevitable. While this may present new challenges for macroeconomic stability, the positive shift in market sentiment persists, mitigating the risks of excessive currency depreciation. A significant structural benchmark for enhancing the FX market's functionality, the electronic FX trading platform, has progressed further, with banks now required to sign up on the complete trajectory of electronic FX trading. Additionally, after consulting with Fund staff, the CBvS has issued revised FX auction rules and regulations for better governance of the FX market, consistent with IMF's Article VIII provisions.

Governance Reforms

Critical progress has been made to reinforce the governance and operational independence of the CBvS. As part of the endeavors, the CBvS has already published its audited financial statements for 2021 in accordance with IFRS standards. Furthermore, the CBvS is on schedule to release the audited IFRS financial statements for 2022 by December 2024. In addition, the authorities have completed a time-bound strategy aimed at recapitalizing the CBvS, which includes provisions for further recapitalization if future financial statements indicate such a need. This plan is a critical step toward securing the bank's long-term financial health and stability.

Amendment of the procurement law aligning domestic procurement procedures with regional Caribbean Community (Caricom) practices, will strengthen governance and regional compatibility. The amended Procurement Law is still in discussion at Parliament. After the recess in September, this will be on the agenda for approval. The amended Procurement Law will ensure centralization and transparency of procedures and processes, as well the publication of names of public officials involved with Government procurement, awarded entities and their beneficiary owners. In addition, efforts are underway to align the Anti-Corruption Law with related domestic legislation and the United Nations Convention against Corruption (UNCAC), which Suriname ratified in November 2021.

Concluding remarks

Although the program's overall performance has been positive, the implementation of key measures has become more challenging. Both upside and downside risks are present, but political factors and upcoming elections intensify the difficulties associated with advancing the reform agenda. Despite these challenges, the authorities remain firmly committed to pursuing

energy subsidy reforms, public sector adjustments, and sensitive procurement and anti-corruption initiatives, even though some of these measures may be unpopular. Efforts to improve customs compliance at borders and ports are intended to significantly enhance duty management and revenue collection. At the same time, authorities are carefully exploring other potential sources of non-tax revenues. In the face of these hurdles, the authorities have continued to work diligently to build broad support for ongoing reforms and to strengthen institutions, aiming to improve the economy's ability to manage abundant resources over the medium term. The authorities remain unwavering in their commitment to the reform agenda and the objectives outlined in the IMF-supported program, viewing these efforts as the most effective path toward adjusting the economy and positioning the country for future prosperity.