INTERNATIONAL MONETARY FUND

IMF Country Report No. 25/11

SURINAME

January 2025

2024 ARTICLE IV CONSULTATION AND EIGHTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVER OF NONOBSERVANCE OF PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR SURINAME

In the context of the Staff Report 2024 Article IV Consultation and the Eighth 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
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on December 18, 2024 following discussions that ended on November 12, 2024 with the officials of Suriname on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on December 5, 2024.
- An **Informational Annex** prepared by the IMF staff.
- 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.

Copies of this report are available to the public from
International Monetary Fund • Publication Services

PO Box 92780 • Washington, D.C. 20090
Telephone: (202) 623-7430 • Fax: (202) 623-7201
E-mail: publications@imf.org Web: http://www.imf.org

International Monetary Fund
Washington, D.C.

IMF Executive Board Concludes 2024 Article IV Consultation and Eighth Review Under the Extended Fund Facility Arrangement for Suriname

FOR IMMEDIATE RELEASE

- The Executive Board of the International Monetary Fund concluded the 2024 Article IV consultation and completed the eighth review under the Extended Fund Facility (EFF) arrangement for Suriname. The completion of the review allows for an immediate purchase equivalent to SDR 46.8 million (about USD 61 million) of which SDR 33.5 million (about USD 44 million) would be for budget support.
- The authorities' steadfast commitment to maintaining prudent macroeconomic policies and implementing difficult but necessary reforms are yielding positive results: the economy is growing, inflation is declining, donor engagement is deepening, and investor confidence is returning. The Final Investment Decision (FID) announcement in the new offshore field, has boosted the medium-term outlook in the country.
- Building on the progress made thus far, the authorities should entrench fiscal discipline, particularly in the run up to the elections while protecting the vulnerable. In view of the upcoming oil wealth, strengthening the fiscal framework, including through the introduction of new fiscal rules, and addressing governance weaknesses is critical.

Washington, DC – **December 18, 2024:** The Executive Board of the International Monetary Fund (IMF) concluded the 2024 Article IV consultation[1] and the eighth review under the Extended Fund Facility (EFF) arrangement for Suriname. The completion of the review allows the authorities to draw the equivalent of SDR 46.8 million (about USD 61 million), bringing total purchases under the EFF arrangement to SDR 383.9 million (about USD 504 million). In completing the review, the Executive Board approved the authorities' request for a waiver of non-observance of the end-September 2024 performance criterion 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).

---

[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

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 increasingly bolstering macroeconomic stability and investor confidence. The economy is growing, inflation is approaching single digits, and donor support is increasing.

“In view of the Final Investment Decision for the country’s oil resources, it is critical to put in place robust institutional frameworks, including fiscal rules and improved transparency and accountability safeguards. Such institutional improvements will help Suriname avoid procyclical fiscal policy, prioritize urgent development needs, ensure intergenerational equity, and transform exhaustible resource wealth into financial assets.

“The near-term priority is to maintain the path for debt reduction while protecting the vulnerable from the burden of the adjustment. Phasing out electricity subsidies and strengthening tax administration will help create fiscal space for higher, targeted social assistance and infrastructure spending. Fully implementing the recently finalized social assistance reform plan will make social programs more efficient and effective. Strengthening financial management controls in the electricity company, including regularly publishing its audited financial statements, will help promote accountability and oversight.

“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. Improving commitment controls in the budget and addressing weaknesses in cash management will restrain public spending and prevent accumulation of supplier arrears.

“A restrictive monetary policy is supporting disinflation. Promptly implementing the agreed central bank recapitalization plan is critical to ensure a strong central bank balance sheet with clear 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 undercapitalized commercial banks and improving the monitoring of non-bank financial institutions will help bolster financial sector resilience.

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

Executive Board Assessment[2]

Executive Directors agreed with the thrust of the staff appraisal. Directors welcomed the broadly satisfactory program performance, despite the challenging context, as sustained commitment to reforms has strengthened macroeconomic stability and growth. Looking ahead, they considered that Suriname stands at a pivotal moment, and emphasized the importance of maintaining the reform

---

[2] At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: http://www.IMF.org/external/np/sec/misc/qualifiers.htm.

momentum to preserve long-term stability and sustainability and ensure a productive and prudent use of the oil-driven windfall to deliver sustained and inclusive improvement for the Surinamese people. Continued close and constructive engagement with the IMF and development partners will be key.

Directors acknowledged spending pressures from the drought, and welcomed the prompt corrective actions to adhere to fiscal consolidation targets, while continuing the path of debt reduction and protecting the vulnerable. They supported the ongoing phase out of utility subsidies and underlined the importance of continued strengthening of well-targeted social assistance. Directors welcomed the debt restructuring agreements and encouraged the authorities to finalize agreement with the remaining commercial creditors.

Commending the final investment decision on the offshore oil field, Directors underscored the critical importance of proper institutional frameworks to prudently manage the oil wealth. They urged the authorities to promptly revamp the sovereign wealth fund and put in place strong and transparent fiscal rules, as well as to adhere to EITI standards. Directors underscored the importance of institutional changes to increase the efficiency, transparency, and accountability of the energy sector.

Directors underscored the importance of maintaining a restrictive monetary policy stance to sustain the disinflation process. They encouraged prompt recapitalization of the central bank. Directors called for addressing banking sector vulnerabilities by completing bank recapitalizations and improving risk-based supervision. They also encouraged stepped-up efforts to strengthen the AML/CFT framework. Directors welcomed steps to develop a macroprudential toolkit to help manage systemic risks associated with the coming oil boom.

Directors encouraged the authorities to persevere with their ambitious reform agenda to strengthen institutions and governance, build climate resilience, and address bottlenecks to growth, including by closing gender gaps. Continued capacity development support from the Fund and other development partners remains critical in this regard.

It is expected that the next Article IV consultation with Suriname will be held in accordance with the Executive Board decision on consultation cycles for members with Fund arrangements.

Table 1. Suriname: Selected Economic and Social Indicators

Population (in thousands, 2023)			637
GDP per capita (current USD, 2023)			5,405
HDI Rank, 2022			124
Life expectancy at birth (years, 2022)			70

	Est.	Proj.	
	2023	2024	2025
(Annual percentage change, unless otherwise indicated)			
Real sector			
Real GDP Growth	2.5	3.0	3.2
Nominal GDP Growth	42.0	16.2	13.5
Consumer prices (end of period)	32.6	12.2	8.6
Consumer prices (period average)	51.6	16.8	10.7
Money and credit			
Broad money	19.5	10.3	7.6
Private sector credit	18.6	14.4	12.3
(In percent of GDP, unless otherwise indicated)			
Central government			
Revenue and grants	27.3	28.5	27.9
Of which: Mineral revenue	12.3	11.9	10.9
Total expenditure	29.0	29.8	29.1
Overall Balance (Net lending/borrowing)	-1.7	-1.2	-1.2
Primary Balance	1.4	2.5	2.7
Central government debt	99.0	95.4	89.6
Domestic	21.1	17.9	14.9
External	77.9	77.5	74.7
External sector			
Current account balance	4.3	-3.6	-38.0
Capital and financial account	5.7	0.7	-36.2
Memorandum Items			
Gross international reserves (US$ millions)	1,346	1,555	1,565
In months of imports	7.3	6.9	4.4
Usable gross international reserves (US$ millions) 1/	1,112	1,321	1,331
In months of imports	6.0	5.9	3.7
Official exchange rate (SRD per US$, average)	36.9	…	…

Sources: Suriname authorities; UNDP HD Report, and IMF staff estimates and projections.
1/ Excluding the PBOC swap and ring-fenced banks' FX required reserves.

INTERNATIONAL MONETARY FUND

SURINAME

December 5, 2024

STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION AND EIGHTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVER OF NONOBSERVANCE OF PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. The authorities' commitment to a range of policy reforms continues to strengthen macroeconomic stability. The economy is growing, inflation is receding, donor support is increasing, the public debt is declining, and international bond spreads are at historic lows. The Final Investment Decision (FID) to develop a large offshore oil field was announced on October 1. Moody's has upgraded Suriname's sovereign debt rating and changed the outlook to positive.

Program issues. The authorities' met all the end-September quantitative performance criteria, except for the floor on the primary balance of the central government. Supply side and institutional reforms are moving ahead, albeit with delays. Given the FID announcement, the program has been recalibrated to incorporate the development of this new field into the macroeconomic forecasts. This has significantly improved the outlook for debt sustainability which, in turn, allows for greater resources to be deployed in the near term for policy priorities. The ongoing drought in the interior has added to spending needs in 2024-5 which have been incorporated into the fiscal targets.

Article IV discussions. The focus of the consultation was on how best to prepare for the transformation to the economy that will come from developing the new offshore oil field and managing well in an environment of an abundance of resources. Policy priorities include introducing and properly calibrating a new fiscal rule, establishing an institutional mechanism to save and transparently manage some of the natural resource revenues, ensuring that competing demands on the budget are properly prioritized, improving transparency in extractive industries, and addressing governance shortcomings more broadly. Other policy areas highlighted in the consultation include those needed to lessen gender gaps in employment and improve the oversight of the financial system.

Approved By	
Nigel Chalk (WHD) and Bergljot Barkbu (SPR)	Discussions were held in Paramaribo and via video conferences during October 30-November 12, 2024. The mission team will comprise of Anastasia Guscina (head), Francisco Cabezon and Atif Chaudry (all WHD), Urban Sila (FAD), Yesim Aydin (MCM), Jiajia Gu and Peter Wankuru (SPR), Charles Amo-Yartey (Resident Representative) and Ansjela Bhagwandin (Resident Representative Office). Andre Roncaglia and 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, women leaders, and development partners.

CONTENTS

TABLES

ANNEXES

APPENDICES

CONTEXT

1. Suriname faces a buoyant medium-term outlook. With the FID announcement in October, investment will soon start in the new offshore field (Block 58) and oil production is expected to begin in 2028 (Box 2). Total Energies and its partners are expected to invest about USD10.5 billion during 2025-28 with a local content component of about USD1 billion. This future oil wealth has the potential to significantly improve living standards for the Surinamese people. However, achieving that outcome will require investing in institutions that ensure this new wealth is managed well, with high levels of transparency and accountability.[1]

2. The near-term economic outlook is steadily improving.

- Growth rebounded to 2.5 percent in 2023 and is expected to reach 3 percent in 2024. GDP is expected to see a step increase in 2028, with growth rising to 55 percent as oil production from block 58 comes online.

- Employment has returned to pre-pandemic level and the gender gap is declining. However, a sizable gender gap remains in labor force participation rate, and female unemployment remains high (see SIPs).

- Headline inflation fell to 10.5 percent y-o-y in September, despite the scaling back of subsidies, and is expected to reach 12.2 percent y-o-y by end-2024 due to the passthrough from the recent exchange rate depreciation.

- The nominal exchange rate appreciated by 21 percent from January-August but has since reversed the course, depreciating 15.4 percent from early October to mid-November). The central bank of Suriname (CBvS) has refrained from FX intervention. Usable international reserves now stand at 128 percent of the ARA metric.

- The 2023 external sector position is stronger than the level implied by medium term fundamentals and desirable policies. The current account (CA) gap is estimated at 2.4 percent of GDP (Annex II)[2]. Compared to the current account balance (CAB) of 4.3 percent in 2023, the CAB in 1H2024 was 0.3 percent of GDP[3]. However, any assessment of the CA norm is significantly complicated by the scale of the new oil resources that are about to be developed.

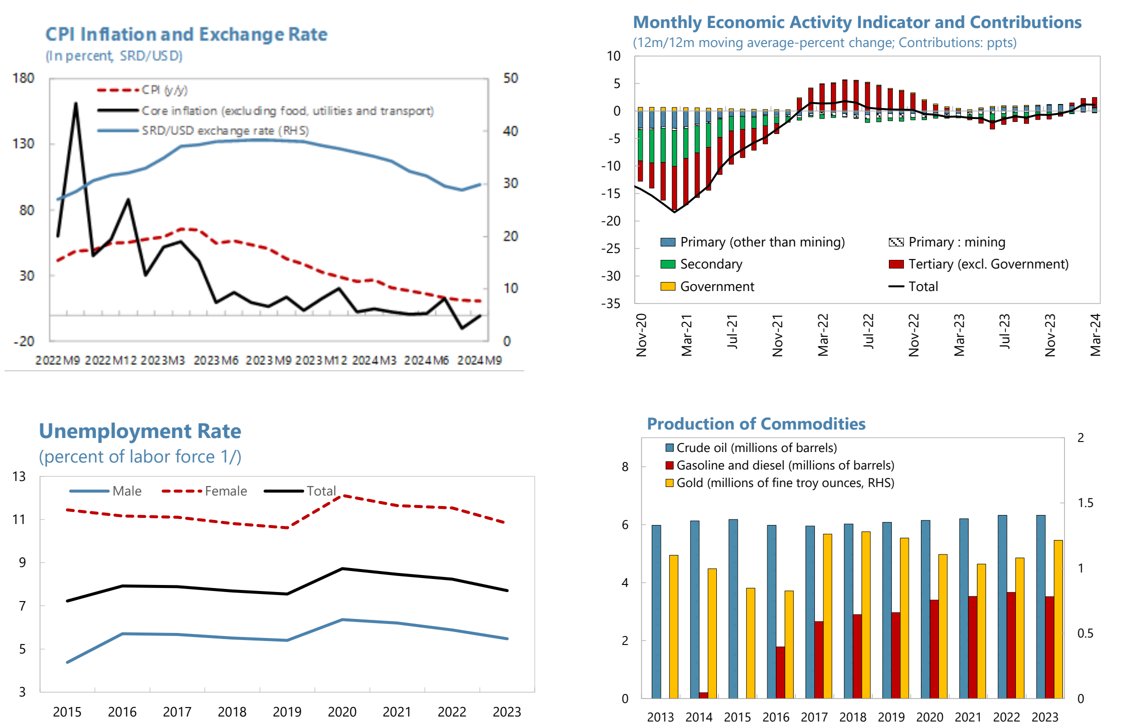
[1] The government's take from oil revenue is based on expected flows from royalty payments, corporate income taxes and production sharing. Part of the new oil revenue is expected to be used to meet obligations arising from the Value Recovery Instrument (VRI) offered to private creditors as part of the debt restructuring.

[2] An external sector assessment (ESA) was also presented in the EFF 6th review Staff Report (CR 24/254). The current ESA incorporates revised 2023 GDP and updated GDP forecasts after the announcement of FID. As the investments start flowing in, the current account (CA) is expected to swing to a deficit, with the investment fully financed by FDI and financing raised by Staatsolie. The CA is expected to be back to surplus in 2028 when the oil extraction commences.

[3] All model parameters are based on 2023 data.

- Improved oversight of the financial system has put the banks on a path toward a stronger capital position. Nonetheless, important financial system vulnerabilities remain (Section C).

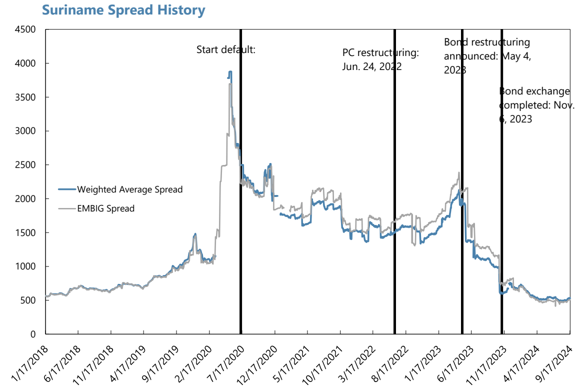
Suriname: Real Sector Developments



1/ Estimates are obtained from ILO model
Sources: CBvS, World Bank Gender Statistics, General Bureau of Statistics, National Planning Office, and IMF staff calculations.

3. **Sovereign spreads have fallen to the lowest levels on record**. Debt restructuring agreements have been reached with all bilateral and most commercial creditors. 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 are advancing in negotiations on a stock treatment for bilateral debts (Annex I). With the oil from block 58 now incorporated into the baseline, it is now assumed that the value recovery instrument (VRI) will be paid according to the new oil revenue sharing arrangement in the private bond exchange offer and that official creditors will revisit clawback provisions built into their loan agreements (Box 1, Annex I) once new revenue from block 58 is

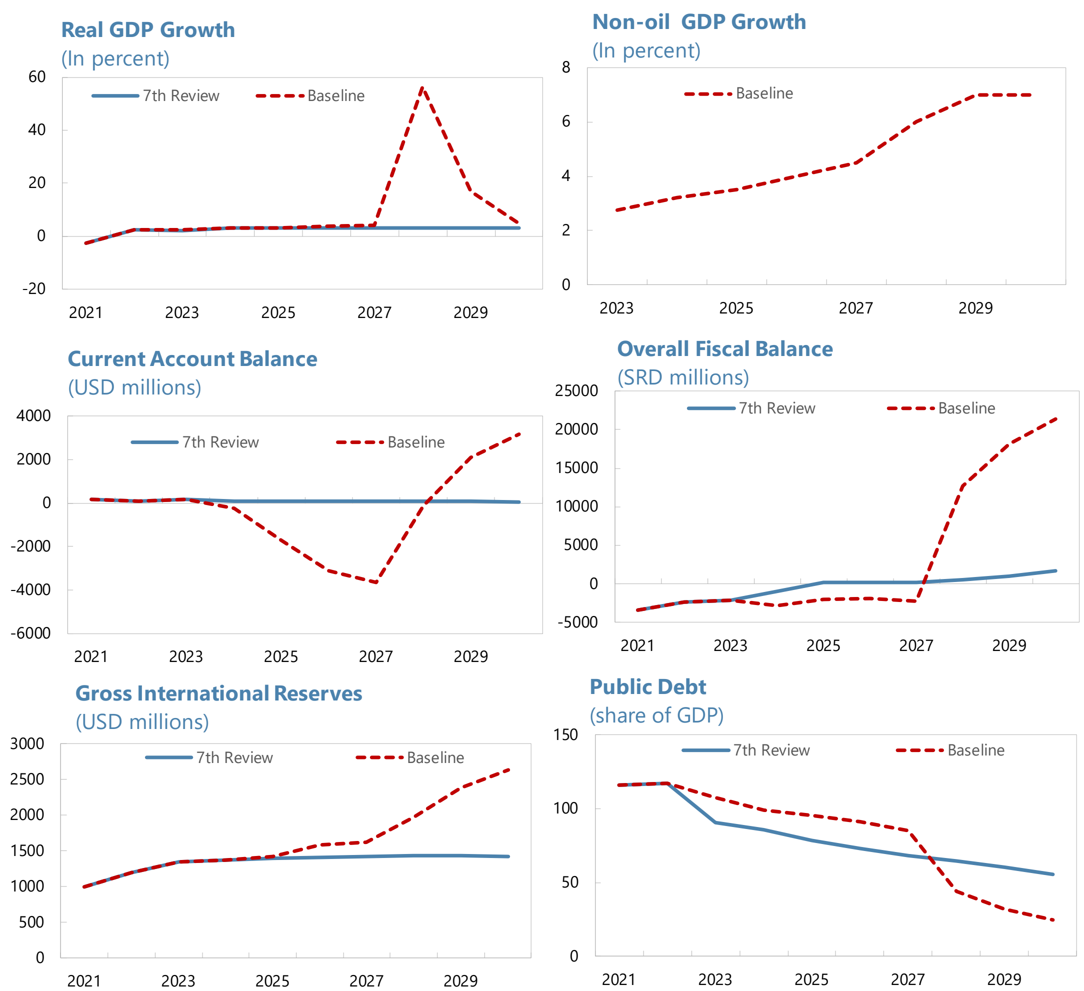
Suriname Spread History



Sources: Bloomberg, Sovereign Debt Monitor, and IMF staff calculations.

realized. On October 22, Moody's upgraded Suriname's government long-term local and foreign-currency issuer rating from Caa3 to Caa1 and changed the outlook from stable to positive.

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.

4. Suriname is trying to leverage its carbon-negative status. In August, Suriname launched the world's first sale of carbon credits under Article 6 of the Paris Agreement. These credits are based on the preservation of Suriname's forests, which cover 93 percent of the country and offer the absorption of over 20 million tons of carbon annually. The price of this carbon credit is estimated to be worth USD 25-35 per ton.[4]

[4] Revenues from these sales are not in the baseline.

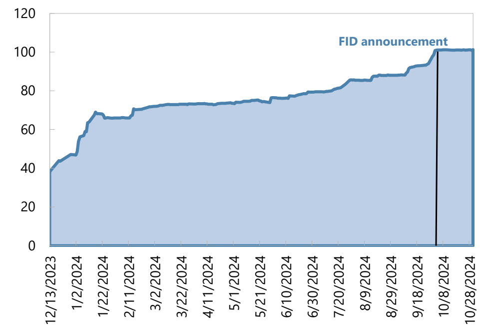
Box 1. Suriname: Value Recovery Instrument (VRI)

VRI is a contractual obligation to share oil revenues, if they materialize, that was offered to bondholders during Suriname's 2023 Eurobond restructuring as "a sweetener" to incentivize a greater reduction in creditors' claims and a promise of value recovery should the macroeconomic prospects improve.

VRI holders have no fixed claim on the government prior to the realization of royalty flows. The notional amount of VRI is estimated at USD 315 million. The terms sheet specifies that if oil prospects from block 58 materialize, after government's claim on the initial USD 100 million is fulfilled, 30 percent of the royalties per year, will be transferred to an escrow account held for the benefit of VRI holders. The VRI has a notional accrual rate of 9 percent per year, a cap to the total payment (USD 787 million), and a termination date of 2050.

VRI has been trading robustly since its issuance, signalling investor confidence and acceptability of the instrument. In the run-up to the FID, prices rose and by mid-October, the VRI has been trading at par.

VRI: Last Price



Source: Bloomberg

Suriname's VRI was instrumental in unlocking the debt restructuring with private creditors. As a countercyclical and risk-sharing tool, it gave assurances to investors that they stand to be compensated in the event the macroeconomic outlook improves. It provided a clear link to an exogenous state (e.g. new oil), included a cap on the maximum payout. To avoid comparability of treatment concerns stemming from the VRI, the Paris Club and China both included review clauses and clawback provisions in their debt restructuring agreements (which, allows the terms of the agreements to be revisited in the event that the new oil revenues are realized).

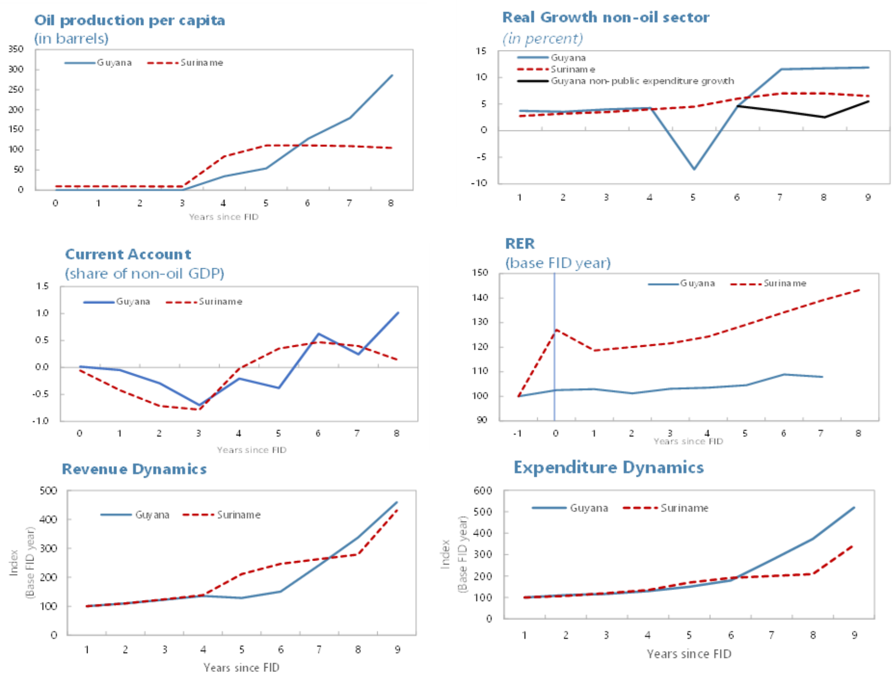
5. **There are important downside risks in the near-term**. Policy implementation challenges are the foremost near-term risk, particularly given binding capacity constraints and the potential that social and political pressures will intensify in the run-up to the election. Ongoing efforts to increase spending on social protection programs, improve governance and institutions, and tackle corruption vulnerabilities should help mitigate these pressures. The materialization of credit losses in a still-fragile banking system could precipitate deposit outflows and financial instability. Finally, the expectation that Suriname will soon become oil-rich could magnify the pressure to bring forward spending. Over a longer horizon there could be delays in realizing the forecasted oil production. These vulnerabilities highlight the importance of developing a coherent institutional framework to determine how much of this wealth to spend and to transparently manage that part which is saved for future budgetary needs. The main external risk arises from a worsening in the terms of trade (prices of oil and gold in particular).

6. **Over the medium term there are still important upside risks to the upwardly revised baseline**. There could be additional oil field discoveries (some are under active exploration) which would further boost growth and employment, raise living standards, increase export and fiscal revenues, strengthen the balance of payments, and improve debt dynamics. Though FID has not yet resulted in a significant decline in spreads, lower funding costs may be realized as the oil projects move forward. Credit to the private sector is expected to pick up as confidence rises but will need to

be prudently managed to avoid risks to financial stability. Ongoing efforts to remove structural bottlenecks to non-oil growth, including by closing gender gaps in employment, are important to avoid a loss of competitiveness from the likely real exchange rate appreciation. Box 2 illustrates the expected evolution of macro-outcomes post FID in comparison with Guyana.

Box 2. Suriname and Guyana: Neighbors that Found Oil

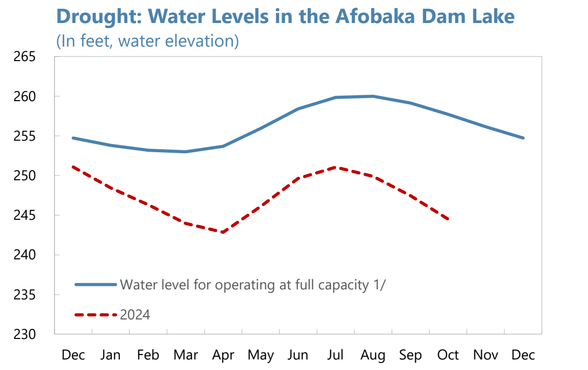
This Box illustrates the evolution of key variables between investment decision and oil production in Guyana to inform projections for Suriname. In the long term, the oil reserves are not as large as that of Guyana, though Suriname is able to ramp up production rapidly. The real non-oil growth in Suriname is also expected to follow trends that were observed in Guyana in the non-oil growth, with the exception of the COVID shock. The current account balance, the real exchange appreciation and the fiscal dynamics are also expected to be similar to what were observed in Guyana post FID.



Source: WEO and staff estimates.

PROGRAM PERFORMANCE

7. Program performance has been mixed this quarter. The authorities met all end-September quantitative targets and continuous PCs, except for the floor on the PC central government primary balance and the IT for the ceiling on VAT refund arrears (Table 12). Because of an ongoing drought in the interior, water levels in the reservoir have been low and the electricity company (EBS) has relied on more expensive thermal sources (USD 16 cents per kWh) rather than hydro (USD 2 cents per kWh). This has reduced the net flows to the budget from recent tariff increases (and lessened the fiscal room for maneuver). The drought also led to the failure of rice

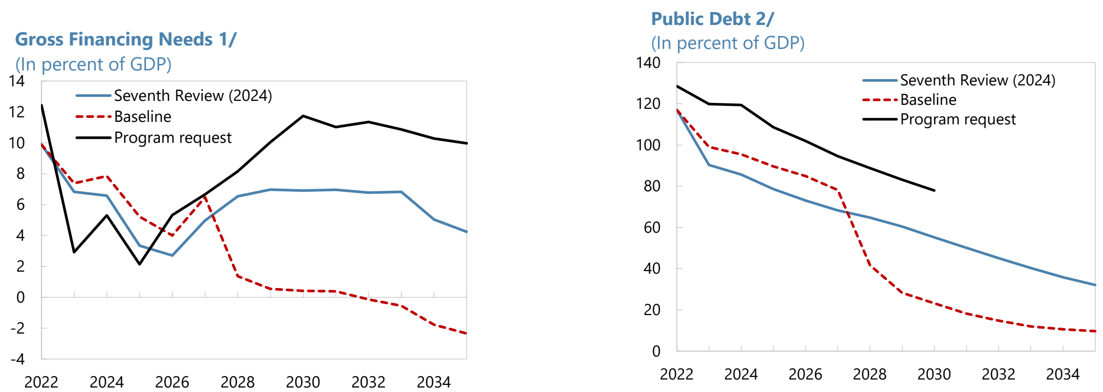


Source: EBS
1/ The recommended water level for operating at full capacity (105 MW) based on historical information.

crops, requiring aid to farmers and cut off river access to the interior districts of the country, requiring critical supplies to be delivered by helicopter.

8. **It is proposed that the near-term fiscal path be loosened modestly to accommodate the unanticipated fiscal needs due to these exogenous shocks**. The primary balance target is proposed to be lowered to SRD 3,700 million (2.5 percent of GDP) in 2024 to account for higher spending needs on thermal energy generation, transfers to rice farmers that have lost their crops, and slower-than-projected removal of unregistered civil servants from public payrolls.[5] The primary balance is projected to reach 2.7 percent of GDP in 2025 and 3.0 percent in 2026. These targets are consistent with the path that incorporates intergenerational equity in distributing the future natural resource wealth (see SIP). By 2029, the additional oil revenue should support an increase in the primary surplus to 5.5 percent, bringing the debt to GDP ratio to 14 percent of GDP by 2035. Gross financing needs peak in 2024 at 7.8 percent of GDP (due to the clearance of domestic debt arrears and recapitalization of the CBvS) but will fall to 1.4 percent of GDP in 2028. Debt is judged to be sustainable (Annex I)[6].

Suriname: Gross Financing Needs and Public Debt



Sources: CBvS, Ministry of Finance, and IMF staff estimates.
1/ Gross financing needs include instruments used for the recapitalization of the CBvS. GFNs and primary balance are on a cash basis and clearance of supplier arrears is subsumed in the primary balance.
2/ 2028 public debt to DGP ratio decreases sharply due to the incorporation of new oil production to the baseline.

[5] The government is still fighting legal challenges brought forward by the unions regarding the removal of unregistered workers. 4 percent of public workforce remains unregistered.

[6] Consistent with the VRI treatment in the DSA (Annex I), the VRI payments impacts the primary balance post 2028. This treatment reflects staff's current understandings of the appropriate treatment. The terms of the VRI stipulates evolution of the notional amount under an accrual rate of 9 percent subject to passage of Stabilization Fund Law amendment by December 31, 2024. The payments to VRI holders are capped at 30 percent of royalties from block 58 after the first USD 100 million royalties are allocated exclusively to the government.

9. Structural reforms are moving ahead (Table 13). The continuous SB on publishing the quarterly budget execution report was met. The authorities have brought the anti-corruption legal framework into line with the requirements set out in the end-November SB concerning the Chapter III of UNCAC. The new procurement law *(end-September 2023 SB)* was enacted in November 2024. The continuous SB on introducing quarterly expenditure ceilings for line ministries was not met but is expected to be implemented with a delay in December. The end-September 2023 SB to launch the FX trading platform was not met. The launch of the FX trading platform is expected in December 2024. The end-November-2024 SB on hiring 25 staff by the tax department was not met. Finally, the end-November-2024 SB to amend the Anti-Corruption legal framework for income and asset declaration for high-ranking public officials was not met and is *proposed to be reset to end-February 2025* to give more time to draft these amendments.

Suriname: Summary of Program Performance

Review:	1st	2nd	3rd	4th	5th	6th	7th	8th
Test-date:	Dec.-21	Dec.-22	Jun.-23	Sep.-23	Dec. 23	Mar. 24	Jun. 24	Sep. 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	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	Met
3. New central government guaranteed debt (continuous ceiling)	Met	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	Met
Monetary targets								
5. Gross credit to the central government by the central bank (continuous ceiling)	Met	Met	Met	Met	Met	Met	Met	Met
6. Net international reserves of the central bank (floor)	Met	Met	Met	Met	Met	Not Met	Met	Met
7. Net domestic assets of the central bank (ceiling)	Not Met	Not Met	Met	Met	Met	Not Met	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	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	Met
2. VAT refund arrears						Met	Met	Not Met
3. Domestic debt arrears (continuous ceiling)								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.

POLICY DISCUSSIONS

A. Improving Fiscal Management

10. The authorities are undertaking important fiscal reforms on both revenue and expenditure sides of the budget:

- *Tax administration.* The Tax Department is recruiting 25 new staff and, with the help of the IDB, is being converted into a Semi-Autonomous Revenue Authority which will allow for a better organizational structure and higher remuneration for its skilled staff.
- *VAT administration.* Over 4,500 taxpayers have registered for the VAT by end-September 2024 and the stock of outstanding VAT refunds is gradually being cleared. Penalties and interest are now being imposed for the late filing and payment of tax.[7] The authorities are fast-tracking refunds for taxpayers that have a track record of filing accurately and on-time. To facilitate the

[7] All outstanding returns for January 2023 to April 2024 were given until July 31 to file and pay (or arrange for a payment schedule) without incurring penalties and interest.

cross-matching of data to identify unregistered taxpayers and underreporting, the use of fiscal identification numbers has been made mandatory for all importers and exporters.

- *Taxes on fuel*. Fuel prices are now determined by an automatic pricing mechanism based on international prices. Specific taxes on fuel have been reimposed and increased.

- *Increase in non-tax revenues*. Leasing fees for government land have been increased and the sale of government land is being started. The government has increased rates for air navigation services.

- *Wage bill*. The authorities have agreed with union representatives to raise civil servant wages on average by 15 percent, backdated to July 2024. This implies a wage bill of 7.5 percent of GDP in 2024. The government continues removing unregistered workers and chronically absent civil servants from public payrolls.

- *Electricity subsidies*. Average electricity tariffs for households have been increased by more than 80 percent since the start of 2023. Low- and middle-income households (proxied by electricity consumption) continue to receive discounts on their energy bills with the intention to phase these out once a more effective cash transfer program is in place. Since March, tariff adjustments have been linked to the price of oil and exchange rate developments. Since July the energy mix (i.e., thermal versus hydro) is taken into account in the tariff formula. Due to weak financial controls and the ongoing drought, EBS failed to make its required payments to the state budget in August and September. The program has been recalibrated to allow for a slightly larger electricity subsidy bill in 2024 (SRD 3.1 billion compared to 2.9 billion expected in the 7th review). This still implies a sizeable reduction (of SRD 1.2 billion) in electricity subsidies compared to 2023. To achieve the targeted reduction, EBS has committed to transfer to the state budget SRD 907 million this year, of which SRD 705 million was received as of mid-November and another SRD 202 million is coming as per the payment plan by the end of the year. In addition, Staatsolie agreed to lower the price it charges for thermal electricity supply, reducing cost to the budget by SRD 65 million per month starting in October. To address the issue, the authorities have: (i) updated the schedule for the electricity tariff adjustments to reach cost recovery for households by end-2025 (tariffs for commercial users reached cost recovery in June 2024); (ii) eliminated intra-SOE settlements and included a line for utility payments (electricity, water, telecommunications) for each ministry within the draft 2025 budget; and (iii) EBS has committed to publishing online its full financial statements (and corresponding audit reports) for the years 2019 and 2020 (*new proposed end-December 2024 SB)* and to submit its 2021 financial statements to the external auditor *(new proposed end-February 2025 SB)*.

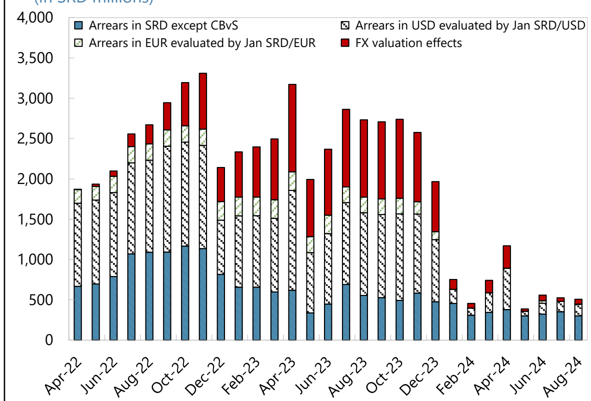
- *Liquified petroleum gas* subsidies. In September 2023, LPG prices were increased by 200 percent, and a further 27 percent in June 2024. Further adjustments will be made each quarter to fully eliminate the subsidy by September 2026.

- *Cash transfers.* Since the beginning of the EFF arrangement, social assistance spending in Suriname has increased from 1.5 to 3 percent of GDP. The authorities have met all the ITs on social assistance spending this year and are now publishing a monthly report on the number of households or individuals covered by each social program in each district and the average value of cash transfers they receive. A time-bound strategic plan to improve the efficiency and effectiveness of social benefits has been developed with input from the IDB and ILO.

- *Capital spending*. Climate resilience considerations are being integrated into the appraisal and selection of capital projects.[8] The Surinamese and Guyanese authorities are discussing the construction of a new bridge to connect the two countries.[9] The potential economic returns and fiscal risks will need to be carefully evaluated before proceeding with this large-scale infrastructure project.

11. Staying current on the government's payment obligations is a priority. All domestic debt arrears were cleared by end-September (except a small amount of disputed arrears that are being audited). The continuous IT on non-accumulation of domestic debt arrears was met for September. Nonetheless, significant arrears remain to suppliers and for VAT refunds (totaling SRD 6.2bn or 4.9 percent of GDP at end-2023). The authorities intend to continue paying down the accumulated stock of VAT refund claims and are in the process of verifying and paying the accounts payable to suppliers. Arrears to suppliers are being reported monthly to the Ministry of Finance. Ministries will soon be subject to quarterly expenditure ceilings *(end-September SB, not met, expected to be implemented with delay in December)*. To prevent new arrears accumulating, spending agencies are required to receive prior authorization before signing contracts (above a certain threshold). The government has advertised that it will not be held legally responsible for contracts that do not have such prior authorization. Going forward, systems should be put in place to fully automate the debt payments process within the MOFP so as to minimize the scope for errors and omissions, remain current on debt obligations, and to facilitate a return to issuing domestic securities. Debt issuances should be supported by a consistent and well-communicated debt management strategy as well as the publication of annual borrowing and issuance plans.

Stock of Domestic Debt Arrears 1/
(In SRD millions)



Sources: SDMO and IMF staff calculations.
1/ Excludes arrears to CBvS.

8 Climate adaptation is critical for Suriname given its vulnerability to flooding since 30 percent of its land mass is less than 3 meters above sea level.

9 The project is at a preliminary evaluation stage and expenditures on the bridge are expected to be met within the program's medium-term budget envelope.

Suriname: Contributions to Fiscal Adjustment 2/
(In percent of GDP)

	2022	2023		2024		2025		Total	
		7th review 1/	Curr. Proj.	7th review1/	Curr. Proj.	7th review1/	Curr. Proj.	7th review1/	Curr. Proj.
Annual change of Primary Balance	**1.6**	**0.2**	**0.4**	**1.6**	**1.1**	**0.7**	**0.2**	**4.0**	**3.2**
Adjustment from Policy Changes	**0.5**	**4.2**	**3.1**	**2.6**	**2.3**	**1.5**	**1.3**	**9.0**	**7.2**
Revenue measures	**-0.6**	**1.5**	**2.8**	**2.0**	**2.3**	**0.2**	**0.5**	**3.4**	**5.1**
Replacing sales tax with VAT	0.0	0.4	1.2	0.6	0.5	0.2	0.2	1.2	1.8
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	-0.3	0.1	0.1	0.0	0.1	-0.2	0.1
Corporate tax	-1.0	0.6	0.7	0.1	0.2	0.0	0.1	-0.3	0.0
Taxes on fuel	-0.4	0.8	0.8	0.4	0.4	0.0	0.0	0.8	0.8
Customs administration improvements	0.0	0.0	0.0	0.0	0.3	0.0	0.1	0.0	0.4
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	0.1	0.2	0.0	0.0	0.2	0.2
Land conversion and land lease fee increases	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.4	0.2
Expenditure measures	**1.1**	**2.7**	**0.3**	**0.6**	**-0.1**	**1.3**	**0.8**	**5.6**	**2.1**
Wage bill restraint	-0.5	1.4	0.8	0.0	-0.1	0.0	0.1	1.0	0.3
Goods and services expenditure	2.3	0.0	-0.4	0.0	-0.1	0.1	-0.2	2.4	1.7
Phased electricity subsidy elimination	0.5	0.2	-0.1	1.2	1.1	1.6	1.5	3.5	3.0
Phased fuel subsidy elimination	-1.8	1.4	1.3	0.4	0.5	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	-2.3	-0.4	-0.6	-0.8	-1.0	0.0	0.0	-1.6	-3.9
Other transfers and subsidies	3.5	0.4	0.1	0.1	-0.5	0.0	-0.3	2.2	2.8
Capital spending	-0.7	-0.3	-0.9	-0.4	-0.1	-0.6	-0.4	-2.2	-2.0
Contribution by Non-Policy Factors	**1.1**	**-4.0**	**-2.7**	**-1.1**	**-1.2**	**-0.8**	**-1.1**	**-5.0**	**-4.0**
Revenue	1.1	-3.2	-2.3	-1.1	-1.2	-0.8	-1.1	-4.3	-3.6
Expenditure	0.0	-0.7	-0.4	0.0	0.0	0.0	0.0	-0.7	-0.4
Memo									
Primary Balance	1.0		1.4		2.5		2.7		

Sources: Ministry of Finance and Planning and IMF staff calculations.

1/ See IMF Country Report No. 2024/006

2/ Changes from the 7th review also reflect significant revisions to nominal GDP

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

- Introduce new fiscal rules into the PFM law and operationalize the Savings and Stabilization Fund, with extensive support from the IDB.
- Convert the tax department into a semi-autonomous revenue agency.
- Build capacity at the debt management office to improve the recording, reporting, and timely payment of public debt obligations;
- Strengthen the quality and consistency of the quarterly budget execution reports;
- Ensure that the Minister of Finance has the authority to access all banks accounts held by government entities at commercial banks;
- Establish a treasury single account (TSA) for a subset of line ministries *(end-Jan 2025 SB).*
- Implement the recently enacted new procurement law;
- Publish a report quantifying the principal fiscal risks faced by the largest state-owned enterprises.

13. To manage the new oil discoveries the Surinamese government is expected to pass draft legislation to strengthen the fiscal framework, introduce fiscal rules, and revamp the Savings and Stabilization Fund (SSFS). The draft legislation (developed with support of the IDB) introduces two fiscal rules in its PFM law: (i) a target for public debt (net of assets in the SSFS) to be reached by the end of the five-year period, and (ii) annual primary expenditure limits, consistent with achieving this net debt target.[10] All mineral revenues are to be deposited directly in the SSFS and managed independently by the fund. In turn, annual budgets will set a maximum withdrawal from the fund that can be used to finance spending. The draft legislation includes a well-defined escape clause for national disasters.[11]

14. The governance of the SSFS is being improved. The SSFS will receive all mineral revenues and invest the proceeds exclusively in foreign currency instruments outside of Suriname. The draft legislation provides for a sound governance framework and wide-ranging transparency requirements, including establishing a Board of Directors and an Investment Advisory Committee, designating CBvS as the operational manager of the fund for the next three years, and specifying reporting and auditing requirements that are in line with international standards. The National Assembly will have an oversight role over the SSFS including by receiving annual independent audits of the SSFS' financial statements. The Government will appoint Board members who will be responsible and accountable for the operational management of the SSFS and the achievement of SSFS financial objectives.

15. Suriname has been participating in the Extractive Industries Transparency Initiative (EITI) since May 2017 but has fallen short in improving transparency. During the 2024 Validation procedure, the EITI Board gave Suriname a low score on implementing the 2019 EITI Standard, particularly on transparency. Suriname has failed to publish data on company payments and government revenues from extractive industries (in accordance with the EITI requirement for data timeliness). This has led to a temporary suspension of Suriname from the EITI. While Suriname has published the production-sharing contracts for the new oil fields it has not disclosed other contracts in the oil and gas sector. Revisions to the Mining Law to strengthen beneficial ownership disclosure have yet to be legislated. The role of state-owned enterprises in quasi-fiscal transactions need to be clarified and further improvements in transparency are needed in gold royalty collections. The authorities are committed to improving transparency and fulfil the EITI requirements so as to have Suriname's suspension reversed.

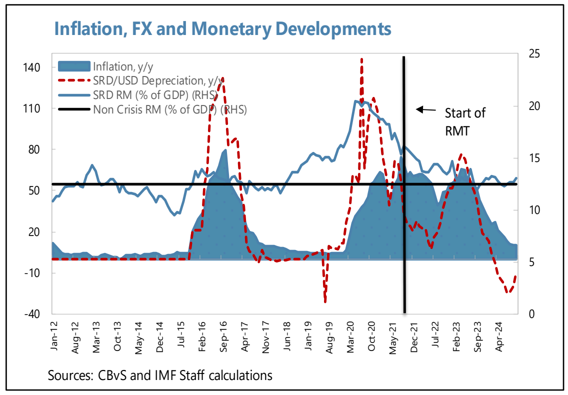
B. Bringing Down Inflation

16. Limits on the growth of the monetary base (supported by ongoing open market

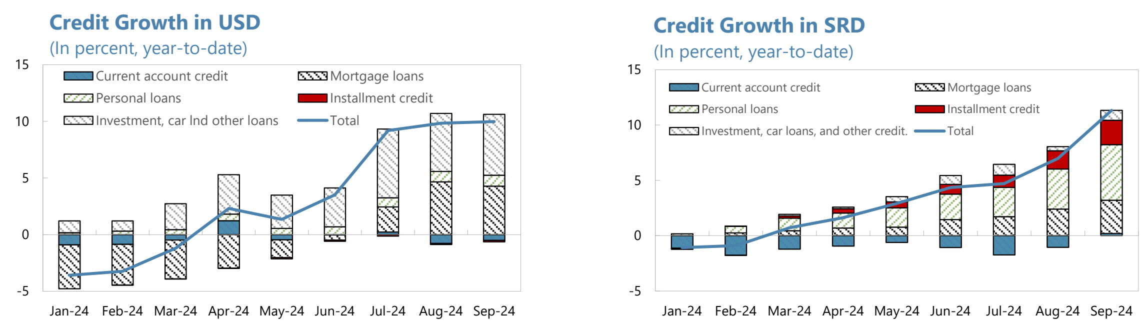
[10] Based on this legislation, every five years the government will set the numerical values of the two fiscal rules and submit them in a Financial Five-Year Plan to the National Assembly.

[11] If the clause is triggered, the Minister of Finance may ask the National Assembly to declare a temporary suspension of the fiscal rules and may request more money to be withdrawn from the SSFS than the limit included in the Budget.

operations) and a reduction in the fiscal deficit have resulted in a decline in inflation. The stock of reserve money-GDP has fallen back to its historical average. To continue to put downward pressure on inflation and to absorb the large amounts of maturing central bank certificates, the central bank intends to continue a restrictive monetary policy that allows for only a modest nominal growth in reserve money. Once inflation is firmly in single digits, the authorities should align reserve money growth with expected nominal GDP growth. The growth in private sector credit, though still low in inflation-adjusted terms, is rising in all sectors.



Suriname: Credit Developments

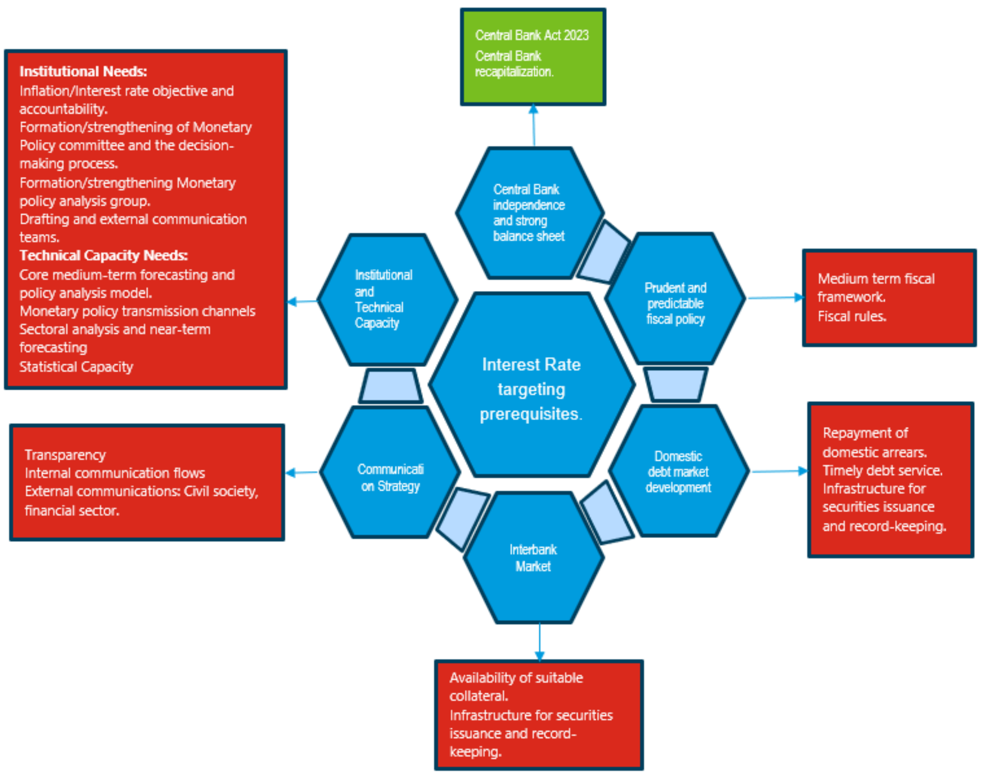


Sources: CBvS and IMF Staff calculations.

17. Staff supports the central bank's plans to transition to a price-based monetary policy framework over the next few years. The transition will require a multi-pronged approach and extensive capacity development at each stage. Improvements in the central bank's institutional structure and development of technical capacity should be the immediate priority. As a functioning interbank market is established, the central bank should shift to implementing an interest rate rule (i.e. within the next 1-2 years). Over time, inflation targeting would be an appropriate nominal anchor for Suriname, accompanied by a fully flexible exchange rate. However, putting in place such a framework will require a significant improvement in the central bank's capacity in a range of areas (see SIP).

18. The central bank should discontinue selling its liabilities to retail investors. As the inflation is now contained, the central bank should limit its counterparties to institutions subject to the reserve requirement and appropriate financial oversight. The current stock of central bank securities held by retail investors that was meant to mop up liquidity outside the banking sector should be re-intermediated via banks and other deposit-taking institutions to establish a level-playing field and to improve monetary policy transmission. The roll-off of retail investors should be announced 28 days before the start of the operation with a full elimination of retail holdings within the following 90-days. In the interim, any issuance of central bank paper to retail investors should be through a market-based auction.

Suriname: Multipronged Approach for Transition to a New Monetary Policy Regime



Source: IMF

Refer to Annex VI for CD already provided.

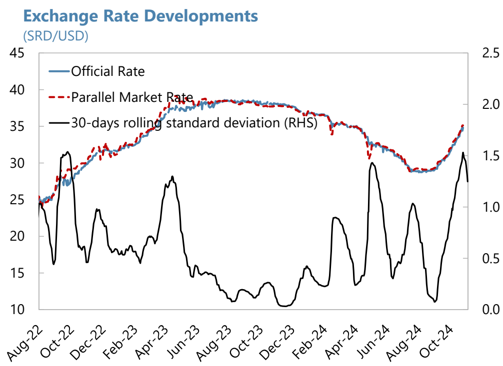
19. All instruments issued by the central bank and by the government should be eligible as collateral for CBvS liquidity facilities. The central bank should digitalize the record keeping and trading of all securities that can be used as a collateral. This would increase the willingness and ability of banks to invest in central bank paper and, as a result, lessen banks' desire to maintain large precautionary liquidity buffers.[12] The central bank has unified its two separate systems for holding reserves at the CBvS into one system. The government should also move its deposits out of the banking system and into the Treasury Single Account at the central bank to reduce volatility in bank liquidity from changes in government deposits.

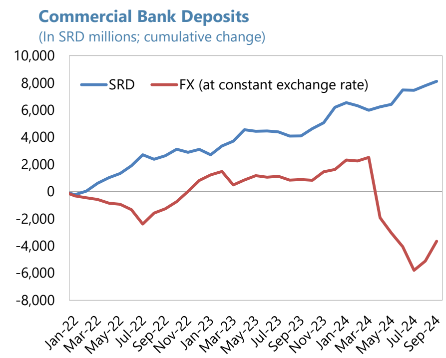
[12] The CBvS' standing lending and intraday facilities are generally not used and banks prefer either to hold a large precautionary reserve buffer or borrow liquidity from other banks through FX swaps.

20. The new system for electronic trading of FX will be launched in November. Both the FX trading platform and the central bank's FX auction platform will improve the efficiency, liquidity and transparency of the FX market. The regulations for both platforms have been updated to make them consistent with the new MCP policy. The CBvS is also working to strengthen its FX reserves management and operations.

21. The CBvS' Council and Executive Board have been fully constituted which will strengthen central bank governance in line with safeguards recommendations. The FY2021 financial statements were published in August 2024 and FY 2022 financial statements are expected to be published this year (*end-December 2024 SB, proposed to be reset to end-January 2025).* The MoFP and CBvS have finalized their plan to recapitalize the central bank and the MoFP has reflected this plan in the 2025 draft budget.

Suriname: Recent Foreign Exchange and International Reserve Developments





Sources: CBvS and IMF staff calculations.

Suriname: FX Cash Flow Projections

(In millions of USD)

	2022	2023	2024	2025	Total
Inflow of FX (CBvS and Central Government)	**590**	**694**	**778**	**478**	**2,540**
Govt mineral and other FX revenues 1/	260	160	266	291	976
IFI financing (budget support)	200	190	150	25	565
IMF financing	54	157	251	63	580
Other (incl. project financing)	76	186	111	99	473
Outflow of FX (CBvS and Central Government)	**386**	**292**	**569**	**468**	**1,715**
Debt service 2/	134	165	371	271	941
Other FX outflows (incl. use of project financing)	97	127	198	197	620
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**	**209**	**10**	**573**
Private sector	-2	-250	0	0	-252
Public sector	204	402	209	10	825

Sources: CBvS and IMF staff estimates.

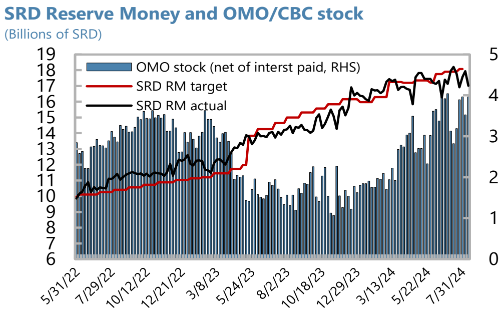
1/ Government mineral and other revenue received in foreign curency that are transferred to the CBvS.

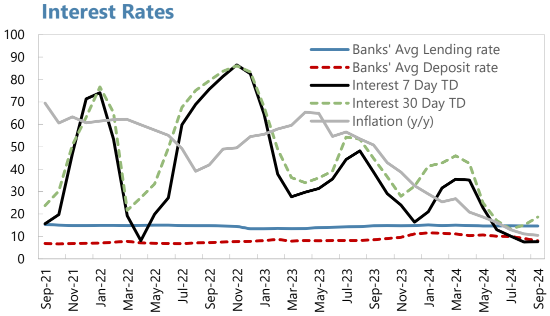
2/ Debt service to all external and domestic obligations of the central government and CBvS denominated in FX.

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

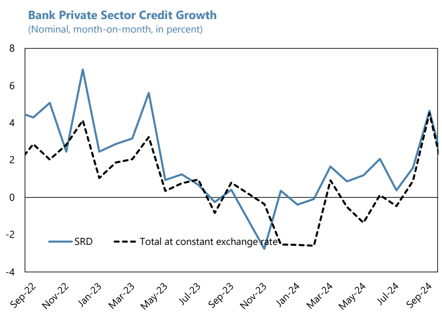
4/ Direct FX sale by the central government to fuel importers in February 2023.

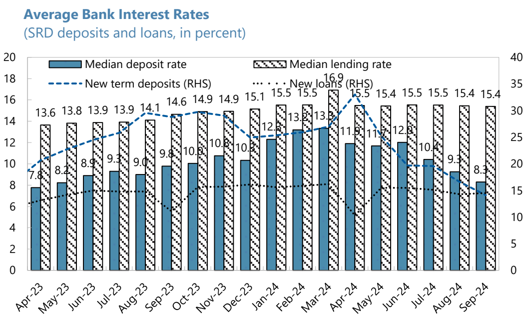
Suriname: Recent Monetary Policy Developments





Adhering to SRD RM targets helped bring down inflation and the Central Bank Term Deposit (CBTD) facility rates. Yet, the interest rate channel of transmission remains weak as deposit and lending rates remain inelastic to the CB/TD rates.





Sources: CBvS and IMF staff calculations.

C. Supporting Financial Stability

22. The banking system remains fragile. Liquid assets comprise 53 percent of total assets but with significant variation across banks (much of the liquidity is concentrated in one systemic bank). Nonperforming loans (NPLs) slightly declined relative to end-July (7.2 percent as of end-August) largely due to the partial repayment of legacy loans in a systemic bank. Banks' profitability is still dependent on their holdings of central bank instruments. As interest rates decline banks will, therefore, likely expand their lending to the private sector. This will require careful monitoring of banks' loan portfolios and risk management systems. Stress tests show moderate levels of interconnectedness between banks (Box 3).

23. The CBvS should ensure the timely completion of banks' recapitalization plans. The reported level of capital adequacy for the banking system is 22.9 percent as of August 2024. However, there are important questions surrounding the state-owned bank's business model and the sustainability of its profits. A recapitalization of this bank will be completed in 2025 but it should be conditional on a broad reform of the bank's internal governance and senior management structure as well as improvements in its internal audit systems. The new governance framework for all state-owned banks should ensure they are run on a fully commercial basis, providing a level-playing field with private banks. One private bank (accounting for 2.4 percent of total banking system assets) does not meet the regulatory requirements for capital and the CBvS is developing a specific plan and timeframe for the recapitalization of this bank (with a clear timeline for actions if the capital injection is not realized).[13] Going forward, any government support to undercapitalized banks 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.

24. As the new oil resources are developed, banking system lending to sectors linked to oil wealth could expand rapidly potentially increasing systemic risks. In anticipation of such credit dynamics, the CBvS should prioritize improving its systemic risk monitoring including through liquidity and solvency stress testing, improving information on interconnectedness and monitoring banks' maturity mismatches (Box 3). The authorities should develop and implement a macro prudential toolkit based on the financial system vulnerabilities. The macroprudential toolkit, accompanied by sound macroeconomic policy frameworks including sustainable fiscal and credible monetary policy, will also help address the systemic risks stemming from dollarization.[14] This process would start for banks but over the medium term would be expanded to also include nonbank financial institutions (NBFIs). The CBvS should put in place a credit registry bureau to provide a comprehensive database to track the leverage of firms and individuals and to help close the data gaps that are required for an effective macroprudential framework.

25. The CBvS should work on a range of fronts to boost financial sector stability. Supervision of NBFIs needs to be improved, through a better assessment of their lending practices, stricter reporting requirements and asset classification regulations, and introducing fit-and-proper criteria for their ownership. Financial system oversight would be enhanced by the development of early warning indicators and systems. The framework for bank resolution should be quickly operationalized and the MOFP and CBvS should develop internal contingency plans, under the auspices of the Financial Stability Committee, to prepare for a range of stress scenarios.

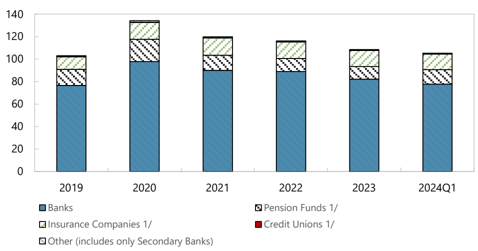
[13] Banks with capital shortages have submitted recapitalization plans to the CBvS and are expected to reach the regulatory minimum for common equity tier one (CET1) and capital adequacy (CAR) by the end of 2024 and 2026, respectively. They also have quarterly interim CET1 and CAR targets.

[14] Sound macroeconomic policy frameworks, including sustainable fiscal and credible monetary policy are key prerequisites for de-dollarization.

Box 3. Suriname: Financial Sector Interconnectedness

The Surinamese financial system is highly interconnected and concentrated. Banks are exposed to insurance, pension funds and credit unions, while insurance companies are exposed to banks and pension funds, and pension funds and credit unions are exposed to banks. In addition, half of the Suriname Stock Exchange Listings are related parties. Banking assets are about 79 percent of GDP with one bank accounting for 34 percent of banking system assets and the four largest banks making up 87 percent of assets. Three of the largest banks (54 percent of system assets) are part of the same financial conglomerate.

Financial System Structure
(Percent of GDP)



Source: CBvS
1/ Preliminary

Financial System Directional Exposures

Source: CBvS

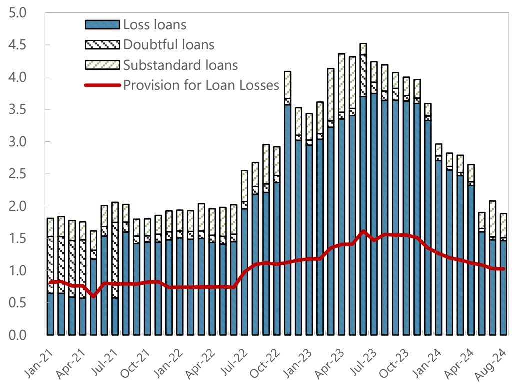
Bank interconnectedness stress testing indicate that the risk of contagion has declined, but the banking system remain vulnerable. Failure of one medium-sized bank cause up to 2 banks to fail and failure a large bank cause another to fail. The liquidity stress tests conducted on systemic banks identify three instances of net accumulated outflows that cause one large bank failing to meet its USD liabilities to a correspondent bank due to its wholesale funding structure.

Sources: CBvS and IMF calculations

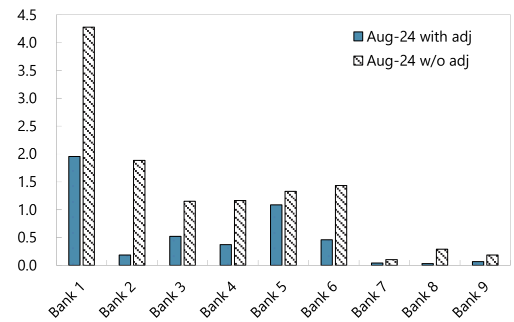
26. The AML/CFT regime should be further strengthened. Amendments to the AML/CFT were approved by parliament in July 2024. However, to fully comply with CFATF requirements and in line with the ongoing AML/CFT technical assistance, Suriname needs to: (i) enhance AML/CFT supervision for all financial institutions; (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 and Gaming Control Board; (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. The second national risk assessment (NRA) has just been completed and the authorities have requested re-ratings on several FATF recommendations that were rated partially compliant and non-compliant.

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. Supply Side Reforms

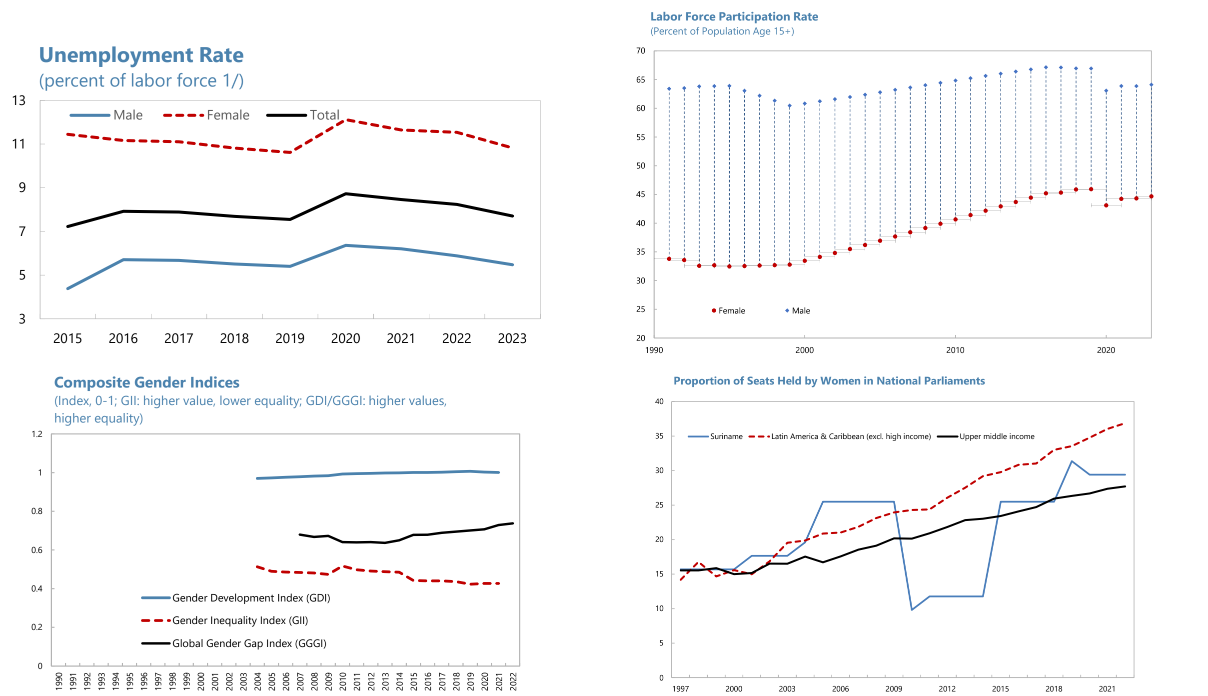
27. With Suriname expected to soon become very wealthy, there is a need to quickly strengthen institutions to mitigate corruption and increase transparency and accountability.

- The criminalization of acts of corruption has been determined in line with Chapter III of the UN Convention against Corruption *(end-November SB, met)*. With Fund CD, the authorities are working on amending the anti-corruption framework to strengthen income and asset declarations of politically exposed persons, particularly to require (i) a routine verification of these declarations; (ii) publication of income and asset declarations; and (iii) the establishment of proportionate and dissuasive sanctions for non-compliance *(end-November SB, proposed to be reset to end-February 2025)*.

- The new procurement law was enacted in November and 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.

28. Addressing barriers to female labor force participation and full employment is critical for supporting inclusive growth (see SIP). Suriname is making progress in closing gender gaps, but inequality of outcomes and representation remain. The gap between female and male labor force participation rates has declined, but remains sizable, and female unemployment is twice that of males. Women that do work are more likely to work part-time. In public sector positions, women are very under-represented in decision and policy-making roles, and women hold only 29.4 percent of the seats in parliament (below regional comparators). Suriname recently enacted legislation to protect women from sexual harassment in the private sector. However, the legal system still has room for improvement in areas such as entrepreneurship, safety, and childcare services. The burdens of childcare and elderly care negatively affect women's participation in paid work. Improving access to clean water and sanitation would help increase female labor force participation, as women disproportionately undertake the unpaid tasks such as fetching water, cooking, laundry, cleaning, and other household chores. Government and NGOs are actively engaged in helping teenager mothers, but the legal framework and educational policies need to be strengthened to discourage child marriage (36 percent of girls in Suriname are married by the age of 18) and tackle gender-based violence. Addressing these issues would bring significant GDP gains (see SIP for more details).

Suriname: Selected Gender Indicators



1/ Estimates are obtained from ILO model

Sources: World Bank Gender Data Portal, World Economic Forum, UNDP, World Bank World Development Indicators, and IMF staff calculations.

E. Improving Economic Statistics

29. **Progress is being made in improving the quality and timeliness of monetary, fiscal, financial, and national accounts, including prices and balance of payment statistics (Annex VI)**. 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 CD to improve government finance data, including tracking the evolution of the CG financial balance sheet on a monthly basis (starting with data from December 2023 in September 2024), and to track accounts payable and suppliers' arrears.

PROGRAM ISSUES

30. Modifications to program conditionality are proposed:

- The end-September QPC was breached by a magnitude of 0.4 percent of GDP, reflecting inability of EBS to remit the agreed amounts from higher electricity tariffs to the state budget (mostly due to the drought) and overspending on social assistance transfers. Adjustment of the QPCs on central government PB for end-December 2024 in order to allow for a less restrictive fiscal path. This adjustment is in response to recent droughts and to the, new, against a background of the sizeable revenue flows expected from offshore oil. To ensure that the revised end-December 2024 PB target is met, EBS has already remitted SRD 40 million in Q4 and agreed on the payment plan to remit additional SRD 200 million by year-end; Staatsolie has provided a discount for thermal energy inputs (saving SRD 65 million per month starting in October); and the authorities are postponing non-priority capital spending.

- Adjust NIR and NDA for end-December to align them with updates to the macro-framework.

- Two additional SBs on the publication of EBS' audited financial statements (¶10) have been proposed and some existing SBs (¶9, 21, 27) are proposed to be reset for later dates to give the authorities more time.

- Adjust the end-December IT on the VAT refund arrears upwards, given the capacity constraints at the tax department.

31. Access and capacity to repay. Suriname's capacity to repay continues to be assessed as adequate under the current macro-framework but successful implementation of the government's program will be critical. Fund credit outstanding including projected purchases under the proposed arrangement, will peak in 2025 at 13 percent of GDP and equivalent to around 21.4 percent of exports of goods and services and 32.4 percent of usable international reserves., and will remain elevated through 2028 (Table 11). Total debt service to the Fund will peak at 1.3 percent of exports of goods and services and 6.8 percent of usable international reserves in 2028 (Table 11). Out of the SDR 46.8 million scheduled for the eighth review, SDR 33.6 million (72 percent) would be made available for budget support.

32. 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.

33. 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.[15]

Suriname: Proposed Program Financing 1/
(In millions of US dollars)

	2021	2022	2023	2024	2025	Total
Financing gap	237	421	307	399	88	1452
Official financing	34	253	308	399	88	1081
O/w: IMF	34	53	158	249	63	556
Purchases	55	53	158	249	63	577
O/w: for budget support	55	53	103	122	45	377
Repurchases	21	0	0	0	0	21
O/w: IFIs	0	200	150	150	25	525
Financing from external arrears accumulation (net) 1/	203	168	-1	0	0	371

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

STAFF APPRAISAL

34. There are significant prospects of Suriname becoming very wealthy nation in the coming years. However, as experience of so many resource-rich countries has shown, for oil wealth to translate into improving living standards requires putting in place proper institutional frameworks. It is therefore urgent to amend the Public Financial Management (PFM) and SSFS laws to introduce fiscal rules and strengthen requirements around the management of the country's wealth. Such rules would help Suriname avoid excessive fiscal procyclicality, address urgent development needs, ensure intergenerational equity, and transform nonrenewable resource wealth into financial assets. Suriname should resist the temptation to significantly increase spending before oil revenues materialize and should prioritize improving social infrastructure to raising living standards and lift long-term growth.

35. The authorities missed the end-September primary fiscal balance target but have subsequently taken corrective actions. The target was missed due to the unexpected spending needs linked to the ongoing drought and some overspending on social assistance. This has highlighted the need for broader structural reforms to increase the efficiency, transparency, and accountability of the energy sector. The authorities are strengthening the financial management controls of the electricity company, publishing audited financial statements, and including budgetary provisions for each ministry for utility spending in the annual budget.

[15] 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.

36. Despite a challenging socio-political environment and binding capacity constraints the authorities remain committed to their ambitious reform agenda. Costly subsidies on electricity, gas, water are being phased out with the savings channeled towards well-targeted social assistance programs. Social assistance spending targets have been met for three consecutive reviews helping to maintain social cohesion and support for the government's reform efforts. Steps were taken to contain the public wage bill through natural attrition and removing unregistered and chronically absent employees from the public payroll. However, there is a need to examine the civil service salary scale which has flattened, limiting the government's ability to attract and retain skilled workers. VAT collections are performing well and tax collections should further improve by the creation of a semi-autonomous revenue authority.

37. Debt restructuring process is in its final phase. Agreements have been reached with all official and most commercial creditors. Negotiations with the Paris Club (PC) for the second phase of the debt treatment has resulted in an umbrella agreement in October, and negotiations with individual PC creditors are ongoing. A debt restructuring with China was signed in November, finalizing the restructuring of both China Exim and China ICBC loans. Negotiations with remaining commercial creditors are ongoing, domestic debt arrears have been repaid, and subject to development of capacity and adequate preparation in the coming months, Suriname should be ready to re-access the domestic debt market in the second half of 2025.

38. 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. Encouraging the use of central bank paper as a collateral would help banks managing liquidity more efficiently. Establishing a Treasury Single Account and transferring public deposits 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.

39. Preparations should begin for transitioning to a new monetary policy regime. Though the current reserve money targeting regime has helped bring down inflation, it will become difficult to sustain once oil inflows start. Significant capacity and institutional development will be needed to implement an inflation-targeting regime. As such, an interest rate targeting regime could be a useful transitional arrangement. Improvements in the institutional structure of the CBvS and development of technical capacity should be an immediate priority.

40. A strong CBvS balance sheet is crucial for operational independence and the robust implementation of monetary policy. The central bank recapitalization plan should be implemented which will help the CBvS better manage its liabilities and send a positive signal to financial markets.

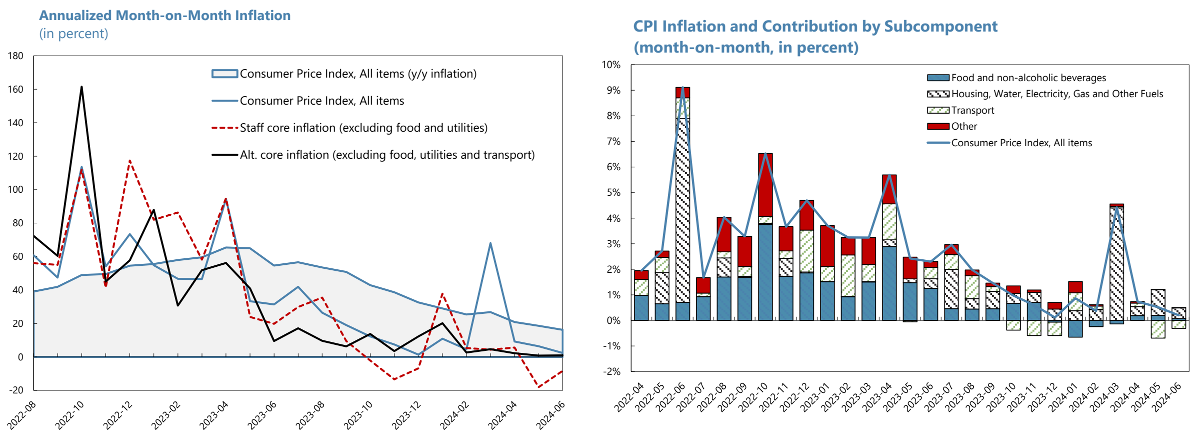
41. Vulnerabilities in the banking system should be addressed. Timely completion of recapitalization plans of banks with capital shortages and prudent monitoring of capital adequacy, liquidity and asset quality of banks are essential to preserve stability in the banking sector. Improved risk-based supervision will help with the timely identification and mitigation of vulnerabilities. The

CBvS should increase its monitoring of NBFIs, 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. Development of a macroprudential toolkit would help prepare for potential systemic risks associated with the coming oil boom.

42. A range of supply side and institutional reforms are needed for sustained growth. These should include incentivizing female labor force participation and representation in decision-making positions in the government. Efforts are also needed to mitigate climate related risks and support from international partners will be crucial in these efforts.

43. Staff supports the authorities' request for the completion of the eighth 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 criteria on the primary balance of the central government, NIR and NDA, and the request for waiver for the nonobservance of the end-September performance criterion on the primary fiscal balance of the central government.

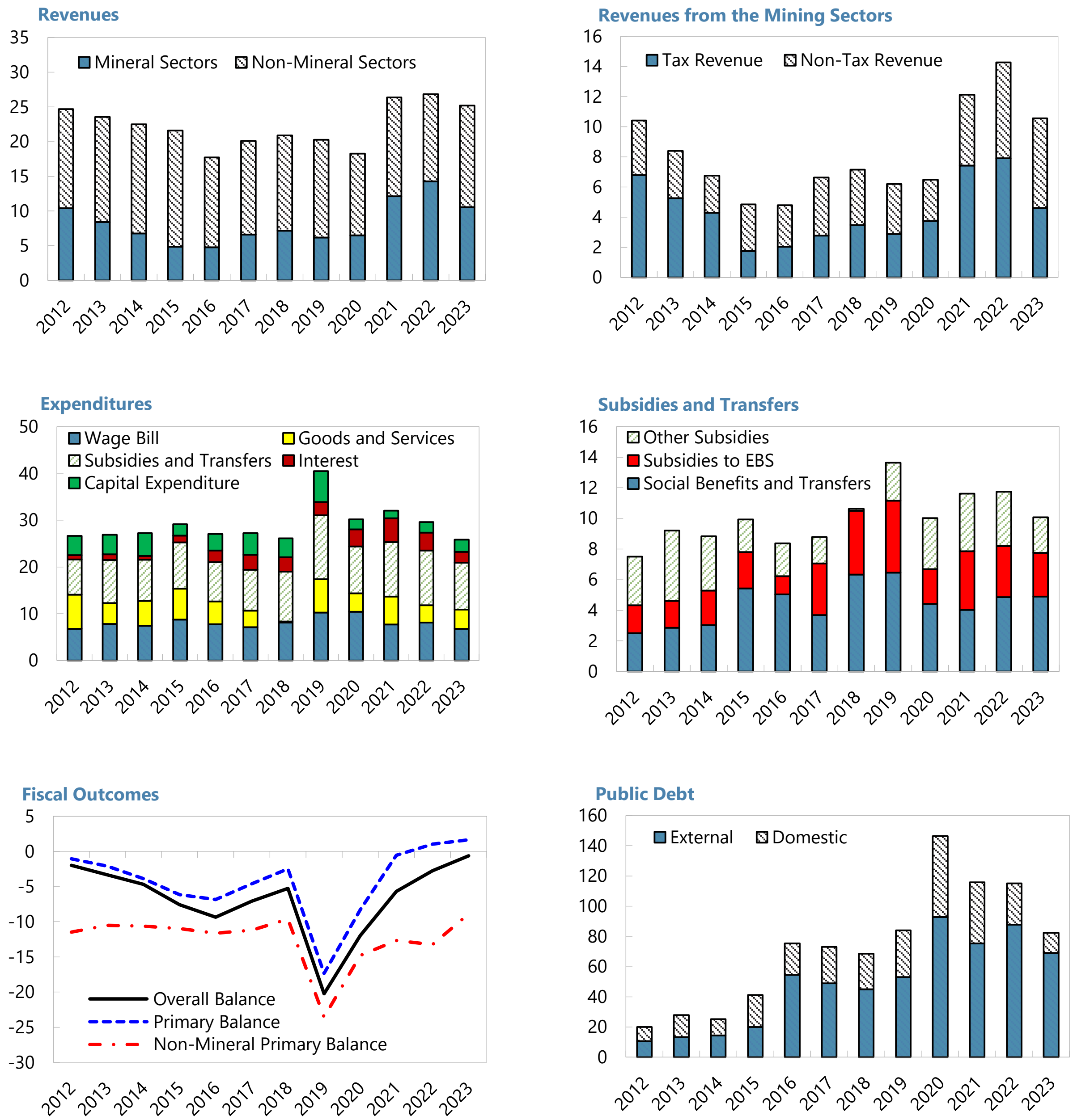
Figure 1. Suriname: The Inflation Developments



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

Figure 2. Suriname: Fiscal Developments, 2012–23

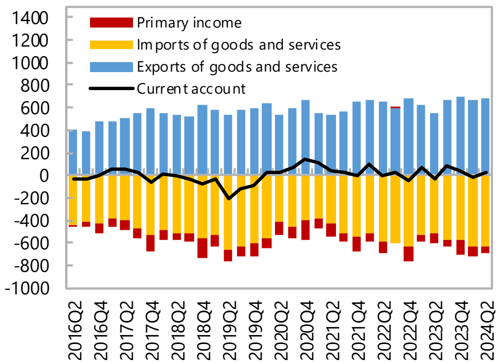
(In percent of GDP)



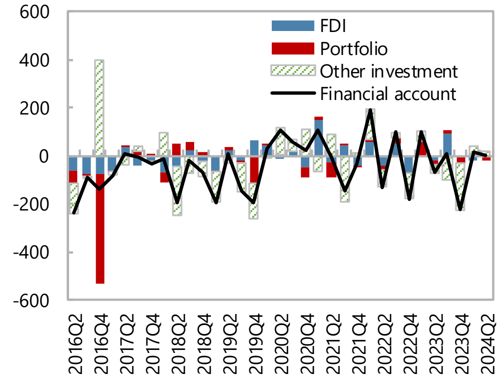
Sources: Ministry of Finance; and IMF staff estimates.

Figure 3. Suriname: External Sector Developments

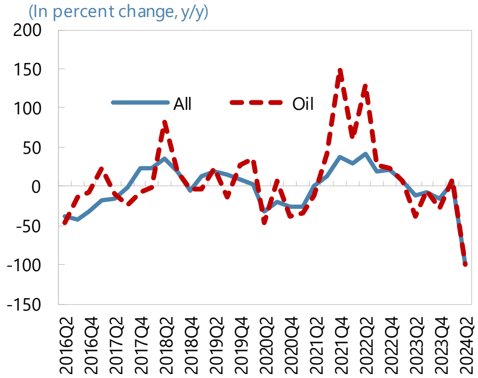
Current Account
(In millions of USD)



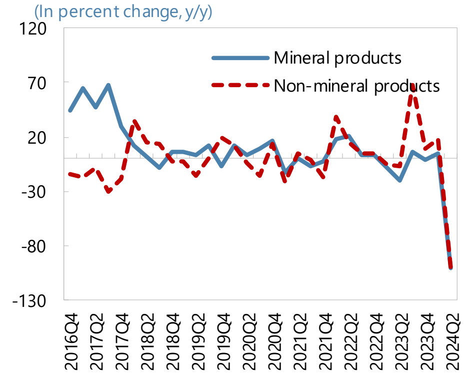
Financial Account
(In millions of USD)



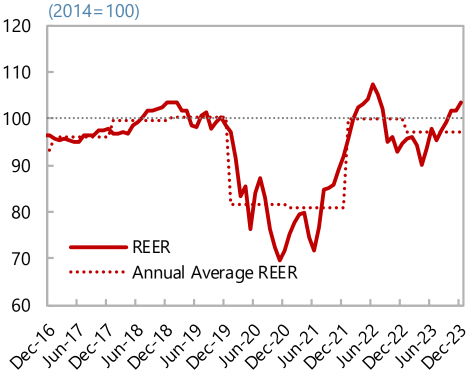
Imports of Goods, USD Value
(In percent change, y/y)



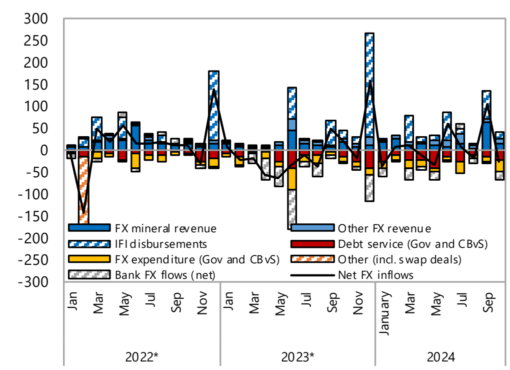
Exports of Goods, USD Value
(In percent change, y/y)



Real Effective Exchange Rate
(2014=100)



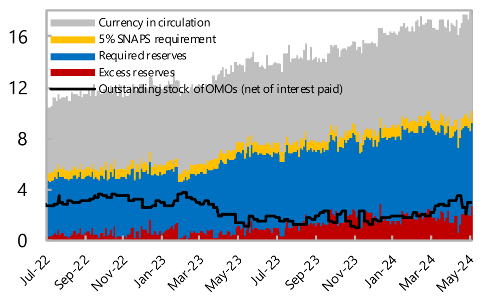
Reserve Contributing FX Inflows and Outflows
(In millions of USD)



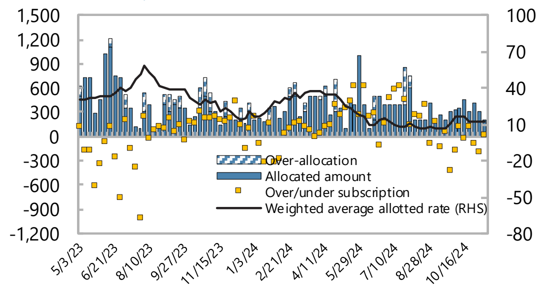
Sources: International Financial Statistics (IFS); Central Bank of Suriname; and IMF staff estimates.

Figure 4. Suriname: Monetary Developments

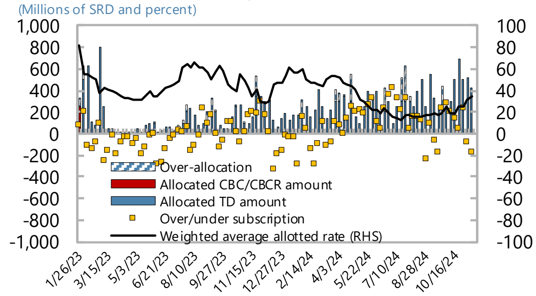
SRD Required/Excess Reserves and Currency in Circulation
(Billions of SRD)



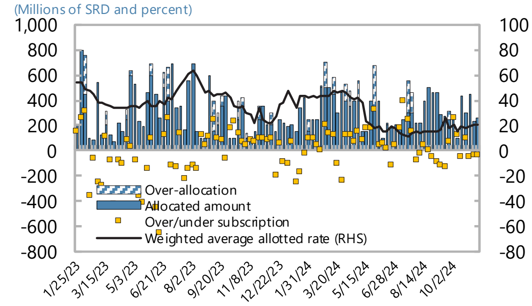
OMO Auctions, 7-day
(Millions of SRD and percent)



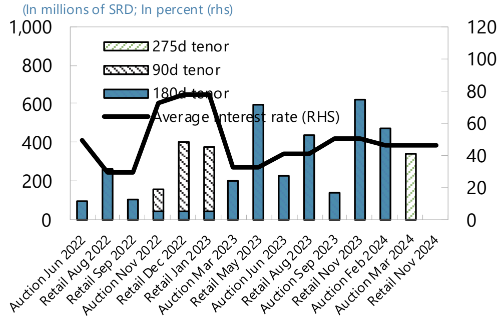
OMO/CBC Auctions, 90-day 1/
(Millions of SRD and percent)



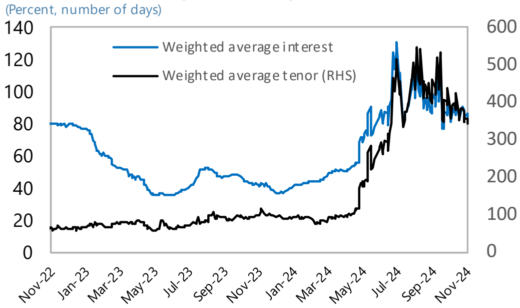
OMO Auctions, 30-day
(Millions of SRD and percent)



CBC Auctions and Retail Issuances
(In millions of SRD; In percent (rhs)



OMO/CBC Stock weighted Average Interest and Tenor
(Percent, number of days)



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

Table 1. Suriname: Selected Economic Indicators

	2021	2022	2023	2024 7th Review	2024	2025 7th Review	2025	2026	2027	2028	2029
Real sector (percent change)											
Real GDP	-2.4	2.4	2.5	3.0	3.0	3.0	3.2	3.7	4.0	50.3	27.5
o/w Non-oil Real GDP			2.7	3.2	3.2	3.5	3.5	4.0	4.5	6.0	7.0
o/w Oil Real GDP			0.0		1.1		-0.8	-0.2	-3.7	746.8	67.7
Nominal GDP	56.9	47.3	42.0	18.3	16.2	15.1	13.5	11.1	10.9	75.8	33.7
GDP deflator	60.8	43.9	38.5	14.8	12.8	11.7	9.9	7.1	6.7	17.0	4.9
Consumer prices (period average)	59.1	52.4	51.6	19.1	16.8	12.8	10.7	8.2	7.0	5.0	5.0
Consumer prices (end of period)	60.7	54.6	32.6	12.7	12.2	11.3	8.6	7.5	6.4	5.0	5.0
Labor market (percent)											
Unemployment rate	11.2	10.9	10.6	10.3	10.3	10.0	9.5	9.0	8.0	7.5	7.0
Labor force participation rate	58.2	58.7	59.0	59.4	59.4	59.8	59.9	62.0	63.0	65.0	67
Money and credit (percent change)											
Broad money	45.3	45.1	19.5	0.2	10.3	10.8	7.6	11.3	9.3	9.6	47.7
Broad money (percent of GDP)	76.0	74.9	63.0	49.1	59.8	47.3	56.7	56.8	56.0	34.9	38.6
Reserve money	48.0	44.8	4.9	3.7	7.0	11.2	10.0	9.3	10.1	9.8	30.4
Reserve money (percent of GDP)	31.2	30.7	22.7	18.3	20.9	17.7	20.2	19.9	19.8	12.3	12.0
Private sector credit	18.5	65.7	18.6	14.8	14.4	18.9	12.3	11.5	11.0	9.0	12.3
Private sector credit (in real terms)	-26.3	7.2	-10.6	1.9	2.0	6.8	3.4	3.7	4.4	3.8	6.9
Private sector credit (percent of GDP)	18.1	20.4	17.0	15.2	16.8	15.7	16.6	16.7	16.7	10.3	8.7
Central government (percent of GDP)											
Revenue and grants	26.4	26.8	27.3	26.1	28.5	25.4	27.9	27.9	28.2	24.2	22.7
Total expenditure	32.1	29.5	29.0	26.6	29.8	25.3	29.1	28.9	29.3	20.9	18.9
Of which: Primary expenditure	26.9	25.8	25.9	23.3	26.0	21.9	25.2	24.9	25.2	19.0	18.1
Statistical discrepancy	0.2	3.5	1.2	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	-1.7	-0.6	-1.2	0.1	-1.2	-1.0	-1.0	3.3	3.9
Primary balance	-0.5	1.0	1.4	2.8	2.5	3.5	2.7	3.0	3.0	5.2	4.6
Non-resource primary balance	…	-15.9	-12.8	-8.1	-10.7	-6.8	-9.1	-8.5	-8.3	-11.7	-15.7
Net acquisition of financial assets 2/	-0.4	5.2	3.9	5.7	6.4	0.0	0.0	0.0	0.0	1.1	1.5
Net incurrence of liabilities	5.0	4.4	4.4	-0.1	7.6	-0.9	1.2	1.0	1.0	-2.2	-2.4
Net domestic financing	0.7	-3.9	-4.3	-5.5	1.4	-1.8	-0.2	0.5	3.8	-0.1	0.3
Net external financing	-1.8	3.6	8.7	5.4	6.2	0.9	1.4	0.5	-2.8	-2.1	-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	99.0	85.7	95.4	78.6	89.6	84.9	78.1	41.7	28.3
Domestic	40.4	29.1	21.1	15.5	17.9	11.8	14.9	13.4	15.1	8.4	6.6
o/w: change due to GDP deflator movement	-20.3	-12.3	-8.1	-2.4	-2.4	-1.6	-1.6	-1.0	-0.8	-2.2	-0.4
External 7/	75.4	87.8	77.9	70.1	77.5	66.8	74.7	71.5	63.1	33.2	21.7
o/w: change due to exchange rates movement	12.1	27.1	10.1	…	…	…	…	…	…	…	…
o/w: change due to GDP deflator movement	-35.1	-23.0	-24.4	-9.3	-8.8	-7.4	-7.0	-5.0	-4.5	-9.2	-1.5
Net External Debt 8/					44.6		43.7	42.4	36.9	19.1	3.0
External sector (percent of GDP)											
Current account balance	5.7	2.1	4.3	1.8	-3.6	1.6	-38.0	-65.6	-73.1	-6.8	22.7
Capital and financial account	4.4	10.8	5.7	9.4	0.7	2.9	-36.2	-65.1	-72.8	-6.8	13.6
Overall balance	7.7	-5.1	-3.6	-7.6	-4.3	-1.3	-1.8	-0.5	-0.3	0.0	9.1
Financing	-7.7	5.1	3.6	7.6	4.3	1.3	1.8	0.5	0.3	0.0	-9.1
Change in reserves (- = increase)	-15.4	-6.5	-5.3	-0.6	-4.7	-0.5	-0.2	0.2	0.7	0.6	-8.3
Official financing	1.1	7.0	8.9	8.1	9.0	1.8	2.0	0.3	-0.4	-0.6	-0.8
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	127.1	163.5	147.6	188.1	167.5	186.2	206.5	363.1	485.4
Terms of trade (percent change)	-20.1	-9.3	1.1	-3.9	-3.6	-2.6	-2.1	-1.9	-1.3	-1.5	-1.5
Gross international reserves (USD millions)	992	1,195	1,346	1,373	1,555	1,396	1,565	1,554	1,517	1,462	2,431
In percent of Reserve adequacy (risk-weighted measure) 4/	112	135	150	145	160	145	150	135	124	107	174
In months of imports	5.1	6.5	7.3	6.6	6.9	6.5	4.4	3.3	2.9	2.9	5.5
Usable gross international reserves (USD millions) 5/	512	865	1,112	1,139	1,321	1,162	1,331	1,320	1,283	1,228	2,197
In percent of Reserve adequacy (risk-weighted measure)	58	98	124	120	136	121	128	115	105	90	157
In months of imports	2.6	4.7	6.0	5.5	5.9	5.4	3.7	2.8	2.4	2.4	5.0
REER based on weighted average ER (percent change, + = appreciation) 6/	-0.6	8.4	-2.8	…	…	…	…	…	…	…	…
Nominal effective exchange rate (percent change, + = appreciation)	-36.5	-20.1	-33.2	…	…	…	…	…	…	…	…
Inflation differential	56.6	35.6	45.6	…	…	…	…	…	…	…	…
REER based on official ER (percent change, + = appreciation) 6/	-20.4	8.4	-2.8	…	…	…	…	…	…	…	…
Official exchange rate (SRD per USD, eop)	20.8	31.7	36.7	…	…	…	…	…	…	…	…
Official exchange rate (SRD per USD, period average)	18.3	24.6	36.9	…	…	…	…	…	…	…	…
Weighted average exchange rate (SRD per USD, eop)	20.8	31.7	36.7	…	…	…	…	…	…	…	…
Weighted average exchange rate (SRD per USD, period average) 6/	19.7	24.6	36.9	…	…	…	…	…	…	…	…
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	2,328	2,342	2,544	2,608	2,704	2,777	2,810	2,841
Growth Rate	1.7	0.1	7.9	19.8	20.5	9.3	11.3	3.7	2.7	1.2	1.1
Oil price (USD per barrel)	69.2	96.4	80.6	82.9	81.3	78.1	72.8	70.2	68.6	67.6	67.0
Growth Rate	65.8	39.2	-16.4	2.9	0.9	-5.8	-10.4	-3.6	-2.4	-1.4	-0.9
Notional VRI amount (USD millions) 9/			314.7		343.0		373.9	407.5	444.2	457.4	399.6

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.

7/ After the Final Investment decision onblock 58, VRIs are now considered part of debt stock

8/ Gross public external debt minus usable reserves

9/ Opportunity cost of sharing oil revenues from block 58 oil

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
			7th Review		7th Review					
Growth rates (constant prices)										
Real GDP	2.4	2.5	3.0	3.0	3.0	3.2	3.7	4.0	50.3	27.5
Private Absorption	4.3	1.8	2.4	6.5	3.0	28.9	19.6	8.1	-2.7	-8.1
Public Consumption	-16.6	-6.2	-0.3	4.2	1.0	1.7	3.7	4.9	16.1	7.5
Public Gross Investment	44.7	41.6	15.4	5.2	20.4	17.4	4.7	5.3	46.2	60.0
Exports	7.8	2.0	10.6	9.9	2.6	2.2	2.3	3.1	121.5	42.9
Imports	7.9	0.3	10.2	19.8	3.6	60.2	31.3	10.4	-5.0	-14.3
Contributions (constant prices)										
Real GDP growth	2.4	2.5	3.0	3.0	3.0	3.2	3.7	4.0	50.3	27.5
Private Absorption	3.6	1.6	2.0	5.5	2.5	25.1	21.3	10.1	-3.5	-6.9
Public Consumption	-2.1	-0.6	0.0	0.4	0.1	0.2	0.3	0.4	1.5	0.5
Public Gross Investment	0.7	1.0	0.4	0.2	0.7	0.6	0.2	0.2	1.7	2.2
Net Exports	0.2	0.7	0.5	-3.0	-0.3	-22.7	-18.1	-6.8	50.5	31.6
Growth rates (current prices)										
Nominal GDP	47.3	42.0	18.3	16.2	15.1	13.5	11.1	10.9	75.8	33.7
Private Absorption	63.5	36.7	22.6	28.9	17.1	61.8	36.3	16.6	-1.9	-10.9
Public Consumption	27.2	42.1	18.8	18.6	14.0	14.1	12.2	12.3	21.8	12.9
Public Gross Investment	108.2	96.1	32.5	18.6	34.5	29.1	12.2	12.3	71.0	67.8
Exports	41.4	45.9	-2.0	-3.1	14.2	13.3	7.0	6.8	122.5	41.4
Imports	56.1	41.8	1.6	9.6	18.4	81.2	39.9	15.9	-3.1	-13.9
Contributions (current prices)										
Nominal GDP growth	47.3	42.0	18.3	16.2	15.1	13.5	11.1	10.9	75.8	33.7
Private Absorption	45.1	28.9	17.6	21.9	13.8	52.0	43.6	24.4	-3.0	-9.4
Public Consumption	3.7	5.0	2.0	2.2	1.5	1.7	1.5	1.5	2.7	1.1
Public Gross Investment	1.8	2.2	0.9	0.6	1.1	0.9	0.4	0.5	2.7	2.5
Net Exports	-3.3	5.9	-2.3	-8.5	-1.4	-41.2	-34.4	-15.4	73.5	39.5
Deflators (Growth Rates)										
GDP	43.9	38.5	14.8	12.8	11.7	9.9	7.1	6.7	17.0	4.9
Private Absorption	56.8	34.3	19.7	21.0	13.7	25.6	14.0	7.9	0.7	-3.1
Public Consumption	52.4	51.6	19.1	13.9	12.8	12.2	8.2	7.1	4.9	5.0
Public Gross Investment	43.9	38.5	14.8	12.8	11.7	9.9	7.1	6.7	17.0	4.9
Exports of goods and services	31.3	43.0	-11.5	-11.9	11.3	10.8	4.5	3.6	0.5	-1.1
Imports of goods and services	44.7	41.4	-7.9	-8.5	14.3	13.1	6.5	5.0	2.0	0.4
CPI	52.4	51.6	19.1	16.8	12.8	10.7	8.2	7.0	5.0	5.0
GDP (current prices, USD billions)	3.6	3.4	...	...	...	...	...	...	…	…
GDP (current prices, SRD billions)	89.5	127.1	163.5	147.6	188.1	167.5	186.2	206.5	363.1	485.4
GDP deflator (Index = 100 in 2015)	593	822	1030	927	1151	1019	1092	1165	1363	1429

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
				7th Review		7th Review					
Revenues	**16,010**	**24,021**	**34,750**	**42,617**	**42,093**	**47,815**	**46,741**	**51,987**	**58,328**	**87,794**	**110,374**
Taxes	11,831	16,649	21,968	27,948	27,804	30,948	30,868	34,383	38,398	57,494	72,482
Direct taxes	8,137	11,126	12,160	14,986	14,797	15,557	15,303	16,664	18,035	32,330	43,714
Of which: mineral taxes	4,502	7,070	7,152	8,694	8,619	8,318	7,862	8,312	8,651	21,565	31,566
Indirect taxes	3,693	5,523	9,809	12,961	13,007	15,391	15,564	17,719	20,363	25,164	28,767
Grants	140	87	375	443	443	0	0	0	0	0	0
Non-tax revenues	4,039	7,285	12,407	14,226	13,846	16,867	15,873	17,604	19,930	30,300	37,892
Of which:											
Mineral resource revenues	2,864	5,706	8,500	9,116	8,993	11,081	10,375	11,544	13,246	22,632	29,239
o/w Royalties from block 58 oil										7,926	13,683
Expenditures	**19,465**	**26,427**	**36,884**	**43,556**	**43,929**	**47,650**	**48,709**	**53,771**	**60,424**	**75,989**	**91,505**
Primary expenditures	16,339	23,099	32,956	38,004	38,393	41,233	42,218	46,402	52,132	68,916	87,894
Compensation of employees	4,664	7,274	9,332	11,115	11,039	12,787	12,367	13,880	15,594	19,705	22,238
Other primary current expenditure	10,693	13,778	19,612	21,577	22,596	21,300	23,708	25,627	28,792	34,846	39,325
Of which: payment to VRI holders										1,121	4,105
Of which: fuel and electricity subsidies	2,326	4,590	4,849	2,900	3,109	0	792	0	0	0	0
Of which: cash transfer programs	892	1,717	3,163	5,122	5,122	5,893	5,891	6,528	7,334	9,499	10,719
Net acquisition of nonfinancial assets	983	2,047	4,013	5,312	4,758	7,146	6,143	6,894	7,746	13,244	22,227
Interest	3,126	3,329	3,928	5,553	5,536	6,400	6,490	7,369	8,291	8,194	7,715
Overall balance (net lending/borrowing) 1/	**-3,455**	**-2,406**	**-2,134**	**-939**	**-1,836**	**165**	**-1,967**	**-1,784**	**-2,096**	**11,804**	**18,869**
Of which: primary balance	**-329**	**923**	**1,794**	**4,613**	**3,700**	**6,582**	**4,523**	**5,585**	**6,196**	**18,878**	**22,480**
Non-resource balance	**-10,821**	**-13,440**	**-18,020**	**-18,750**	**-19,448**	**-19,218**	**-20,204**	**-21,640**	**-23,993**	**-33,478**	**-45,889**
Of which: non-resource primary balance	**-7,695**	**-11,853**	**-13,858**	**-13,197**	**-13,911**	**-12,818**	**-13,714**	**-14,271**	**-15,701**	**-25,319**	**-38,325**
	-3,325										
Net financial transactions	**-3,325**	**731**	**-662**	**-939**	**-1,836**	**165**	**-1,967**	**-1,784**	**-2,096**	**11,804**	**18,869**
Net acquisition of financial assets 3/	-267	4,631	4,935	9,382	9,382	0	0	0	0	3,856	7,419
Net incurrence of liabilities	3,058	3,899	5,596	-119	11,218	-1,711	1,967	1,784	2,096	-7,949	-11,450
Domestic (Net)	-2,328	-5,225	-7,537	-4,695	4,279	-1,909	-302	902	7,870	-422	1,566
Amortizations	-2,846	-1,474	-4,796	-3,986	-3,982	-2,048	-2,622	-1,821	-1,891	-4,954	-4,363
Central bank	0	0	0	0	0	-224	-224	-337	-337	-337	-337
Commercial banks	-1,954	-629	-2,942	-1,811	-1,810	-392	-1,014	-637	-665	-2,068	-1,877
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0
Other domestic 4/	-892	-844	-1,854	-2,175	-2,172	-1,431	-1,383	-847	-889	-2,550	-2,150
Disbursements	518	-3,751	-2,741	-709	8,261	139	2,320	2,722	9,760	4,532	5,930
Central bank	-1,478	-4,463	-3,629	-709	8,261	-61	0	0	0	0	0
Claims on government	252	0	0	0	8,382	0	0	0	0	0	0
Liabilities to government	1,730	4,463	3,629	709	121	61	0	0	0	0	0
Commercial banks	796	-168	85	0	0	100	1,160	1,361	4,880	2,266	2,965
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0
Other domestic 4/	1,200	880	803	0	0	100	1,160	1,361	4,880	2,266	2,965
Domestic arrears	2,748	1,765	2,076	-4,284	-2,223	-1,546	0	0	0	0	0
Accumulation of arrears	3,359	1,765	3,780	0	0	0	1,392	1,066	1,786	0	0
of which: VAT Refund arrears 2/			594	0	0	0	0	0	0	0	0
Payment of arrears	-611	0	-1,704	-4,284	-2,223	-1,546	-1,392	-1,066	-1,786	0	0
of which: payment of VAT Refund arrears 2/				-611	-809						
Foreign (Net)	-1,086	3,214	11,081	8,861	9,162	1,744	2,269	882	-5,774	-7,527	-13,016
Amortizations	-2,922	-4,968	-2,449	-3,595	-3,546	-4,403	-4,155	-3,495	-8,784	-10,344	-14,680
IFIs	-1,119	-1,960	-2,126	-1,984	-1,937	-2,782	-2,829	-3,016	-3,055	-3,606	-3,226
Official bilateral	-257	-1,446	-316	-1,171	-1,169	-954	-818	0	-1,143	-1,922	-6,255
Commercial	-1,546	-1,563	-7	-439	-440	-667	-508	-479	-4,586	-4,815	-5,199
O/w Eurobonds	--	--	--	--	0	--	0	0	4,189	4,214	4,172
Disbursements	1,014	1,954	4,215	4,086	3,691	4,231	3,769	3,723	3,614	4,326	4,162
IFIs	1,006	1,954	4,215	4,086	3,691	4,231	3,769	3,723	3,614	5,447	6,067
Official bilateral	8	0	0	0	0	0	0	0	0	0	0
Commercial	0	0	0	0	0	0	0	0	0	-1,121	-1,905
Official financing	822	6,228	9,314	8,369	9,018	1,916	2,655	654	-604	-1,509	-2,499
O/w: IMF	822	1,299	3,781	3,383	4,040	967	1,706	-348	-604	-1,509	-2,499
Purchases	1,204	1,299	3,781	3,383	4,040	967	1,706	0	0	0	0
Repurchases	-381	0	0	0	0	0	0	-348	-604	-1,509	-2,499
O/w: IFIs	0	4,928	5,533	4,986	4,978	948	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	1,472	0	0	0	0	0	0	0	0
Memorandum items:											
Electricity subsidy financed through the budget	2,326	2,986	4,274	2,900	3,109	0	792	0	0	0	0
Public (central government) debt 5/	70,344	104,627	125,799	140,046	140,860	147,777	150,064	158,036	161,321	151,289	137,356
Notional VRI amount 6/			11,562		12,602		14,561	16,744	18,708	19,071	16,494
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	4.1	4.1	4.4	4.4	4.7	5.1	5.4	5.6
Domestic central government debt interest rate (effective)	1.4	1.0	15.6	9.9	9.9	8.7	8.9	8.7	7.7	8.7	8.2
External central government debt interest rate (effective)	1.6	1.5	2.2	3.2	3.2	3.8	3.7	4.1	4.6	4.6	4.9

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.

6/ Opportunity cost of sharing oil revenues from block 58 oil

Table 4a. Suriname: Central Government Operations

(In percent of GDP)

	2021	Est. 2022	2023	2024 7th Review	2024	2025 7th Review	2025	2026	2027	2028	2029
Revenues	**26.4**	**26.8**	**27.3**	**26.1**	**28.5**	**25.4**	**27.9**	**27.9**	**28.2**	**24.2**	**22.7**
Taxes	19.5	18.6	17.3	17.1	18.8	16.5	18.4	18.5	18.6	15.8	14.9
Direct taxes	13.4	12.4	9.6	9.2	10.0	8.3	9.1	9.0	8.7	8.9	9.0
Of which: mineral taxes	7.4	7.9	5.6	5.3	5.8	4.4	4.7	4.5	4.2	5.9	6.5
Indirect taxes	6.1	6.2	7.7	7.9	8.8	8.2	9.3	9.5	9.9	6.9	5.9
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	9.8	8.7	9.4	9.0	9.5	9.5	9.6	8.3	7.8
Of which:											
Mineral resource revenues	4.7	6.4	6.7	5.6	6.1	5.9	6.2	6.2	6.4	6.2	6.0
o/w Royalties from block 58 oil										2.2	2.8
Interest receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expenditures	**32.1**	**29.5**	**29.0**	**26.6**	**29.8**	**25.3**	**29.1**	**28.9**	**29.3**	**20.9**	**18.9**
Primary expenditures	26.9	25.8	25.9	23.3	26.0	21.9	25.2	24.9	25.2	19.0	18.1
Compensation of employees	7.7	8.1	7.3	6.8	7.5	6.8	7.4	7.5	7.6	5.4	4.6
Other primary current expenditure	17.6	15.4	15.4	13.2	15.3	11.3	14.2	13.8	13.9	9.6	8.1
Of which: payment to VRI holders										0.3	0.8
Of which: fuel and electricity subsidies	3.8	5.1	3.8	1.8	2.1	0.0	0.5	0.0	0.0	0.0	0.0
Of which: cash transfer programs	1.5	1.9	2.5	3.1	3.5	3.1	3.5	3.5	3.6	2.6	2.2
Net acquisition of nonfinancial assets	1.6	2.3	3.2	3.3	3.2	3.8	3.7	3.7	3.8	3.6	4.6
Interest	5.1	3.7	3.1	3.4	3.7	3.4	3.9	4.0	4.0	2.3	1.6
Overall balance (net lending/borrowing) 1/	**-5.7**	**-2.7**	**-1.7**	**-0.6**	**-1.2**	**0.1**	**-1.2**	**-1.0**	**-1.0**	**3.3**	**3.9**
Of which: primary balance	**-0.5**	**1.0**	**1.4**	**2.8**	**2.5**	**3.5**	**2.7**	**3.0**	**3.0**	**5.2**	**4.6**
Non-resource balance 5/	**-17.8**	**-15.0**	**-14.2**	**...**	**-13.2**	**...**	**-12.1**	**-11.6**	**-11.6**	**-9.2**	**-9.5**
Of which: non-resource primary balance 5/	**-12.7**	**-13.2**	**-10.9**	**...**	**-9.4**	**...**	**-8.2**	**-7.7**	**-7.6**	**-7.0**	**-7.9**
Net financial transactions	**-5.5**	**0.8**	**-0.5**	**-0.6**	**-1.2**	**0.1**	**-1.2**	**-1.0**	**-1.0**	**3.3**	**3.9**
Net acquisition of financial assets 2/	-0.4	5.2	3.9	5.7	6.4	0.0	0.0	0.0	0.0	1.1	1.5
Net incurrence of liabilities	5.0	4.4	4.4	-0.1	7.6	-0.9	1.2	1.0	1.0	-2.2	-2.4
Domestic (Net)	-3.8	-5.8	-5.9	-2.9	2.9	-1.0	-0.2	0.5	3.8	-0.1	0.3
Amortizations	-4.7	-1.6	-3.8	-2.4	-2.7	-1.1	-1.6	-1.0	-0.9	-1.4	-0.9
Central bank	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.1	-0.1
Commercial banks	-3.2	-0.7	-2.3	-1.1	-1.2	-0.2	-0.6	-0.3	-0.3	-0.6	-0.4
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 3/	-1.5	-0.9	-1.5	-1.3	-1.5	-0.8	-0.8	-0.5	-0.4	-0.7	-0.4
Disbursements	0.9	-4.2	-2.2	-0.4	5.6	0.1	1.4	1.5	4.7	1.2	1.2
Central bank	-2.4	-5.0	-2.9	-0.4	5.6	0.0	0.0	0.0	0.0	0.0	0.0
Claims on government	0.4	0.0	0.0	0.0	5.7	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to government	2.8	5.0	2.9	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	1.3	-0.2	0.1	0.0	0.0	0.1	0.7	0.7	2.4	0.6	0.6
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 3/	2.0	1.0	0.6	0.0	0.0	0.1	0.7	0.7	2.4	0.6	0.6
Domestic arrears	4.5	2.0	1.6	-2.6	-1.5	-0.8	0.0	0.0	0.0	0.0	0.0
Accumulation of arrears	5.5	2.0	3.0	0.0	0.0	0.0	0.8	0.6	0.9	0.0	0.0
of which: VAT Refund arrears	-	-	0.5	-	-	-	-	-	-	-	-
Payment of arrears	-1.0	0.0	-1.3	-2.6	-1.5	-0.8	-0.8	-0.6	-0.9	0.0	0.0
of which: payment of VAT Refund arrears	-	-		-0.4	-0.5	-	-	-	-	-	-
Foreign (Net)	-1.8	3.6	8.7	5.4	6.2	0.9	1.4	0.5	-2.8	-2.1	-2.7
Amortizations	-4.8	-5.6	-1.9	-2.2	-2.4	-2.3	-2.5	-1.9	-4.3	-2.8	-3.0
IFIs	-1.8	-2.2	-1.7	-1.2	-1.3	-1.5	-1.7	-1.6	-1.5	-1.0	-0.7
Official bilateral	-0.4	-1.6	-0.2	-0.7	-0.8	-0.5	-0.5	0.0	-0.6	-0.5	-1.3
Commercial	-2.5	-1.7	0.0	-0.3	-0.3	-0.4	-0.3	-0.3	-2.2	-1.3	-1.1
O/w Eurobonds	...	...	...	...	0.0	...	0.0	0.0	2.0	1.2	0.9
Disbursements	1.7	2.2	3.3	2.5	2.5	2.3	2.3	2.0	1.8	1.2	0.9
IFIs	1.7	2.2	3.3	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	0.0	-0.3	-0.4
Official financing	1.4	7.0	7.3	5.1	6.1	1.0	1.6	0.4	-0.3	-0.4	-0.5
O/w: IMF	1.4	1.5	3.0	2.1	2.7	0.5	1.0	-0.2	-0.3	-0.4	-0.5
Purchases	2.0	1.5	3.0	2.1	2.7	0.5	1.0	0.0	0.0	0.0	0.0
Repurchases	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.4	-0.5
O/w: IFIs	0.0	5.5	4.4	3.1	3.4	0.5	0.6	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	1.2	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	3.4	1.8	2.1	0.0	0.5	0.0	0.0	0.0	0.0
Public (central government) debt 4/	115.8	116.9	99.0	85.7	95.4	78.6	89.6	84.9	78.1	41.7	28.3
Notional VRI amount 5/			9.1		8.5		8.7	9.0	9.1	5.3	3.4
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	9.9	9.9	8.7	8.9	8.7	7.7	8.7	8.2
External debt interest rate (effective)	1.6	1.5	2.2	3.2	3.2	3.8	3.7	4.1	4.6	4.6	4.9

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

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

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

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

5/ Opportunity cost of sharing oil revenues from block 58 oil

Table 4b. Suriname: Central Government Operations
(In percent of non-resource GDP)

	Est.							
	2022	2023	2024	2025	2026	2027	2028	2029
Revenues	**32.3**	**32.1**	**32.3**	**31.2**	**30.9**	**30.8**	**40.5**	**45.1**
Taxes	22.4	20.3	21.3	20.6	20.4	20.3	26.5	29.6
Direct taxes	14.9	11.2	11.3	10.2	9.9	9.5	14.9	17.9
Of which: mineral taxes	9.5	6.6	6.6	5.2	4.9	4.6	9.9	12.9
Indirect taxes	7.4	9.1	10.0	10.4	10.5	10.8	11.6	11.7
Grants	0.1	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Non-tax revenues	9.8	11.5	10.6	10.6	10.5	10.5	14.0	15.5
Of which:								
Mineral resource revenues	7.7	7.9	6.9	6.9	6.9	7.0	10.4	11.9
o/w Royalties from block 58 oil							3.7	5.6
Expenditures	**35.5**	**34.1**	**33.7**	**32.5**	**31.9**	**31.9**	**35.0**	**37.4**
Primary expenditures	31.0	30.4	29.4	28.1	27.6	27.6	31.8	35.9
Compensation of employees	9.8	8.6	8.5	8.2	8.2	8.2	9.1	9.1
Other primary current expenditure	18.5	18.1	17.3	15.8	15.2	15.2	16.1	16.1
Of which: payment to VRI holders							0.5	1.7
Of which: fuel and electricity subsidies	6.2	4.5	2.4	0.5	0.0	0.0	0.0	0.0
Of which: cash transfer programs	2.3	2.9	3.9	3.9	3.9	3.9	4.4	4.4
Net acquisition of nonfinancial assets	2.7	3.7	3.6	4.1	4.1	4.1	6.1	9.1
Interest	4.5	3.6	4.2	4.3	4.4	4.4	3.8	3.2
Overall balance (net lending/borrowing) 1/	**-3.2**	**-2.0**	**-1.4**	**-1.3**	**-1.1**	**-1.1**	**5.4**	**7.7**
Of which: primary balance	**1.2**	**1.7**	**2.8**	**3.0**	**3.3**	**3.3**	**8.7**	**9.2**
Non-resource balance	**-18.1**	**-16.6**	**-14.9**	**-13.5**	**-12.9**	**-12.7**	**-15.4**	**-18.7**
Of which: non-resource primary balance	**-15.9**	**-12.8**	**-10.7**	**-9.1**	**-8.5**	**-8.3**	**-11.7**	**-15.7**
Net financial transactions	**1.0**	**-0.6**	**-1.4**	**-1.3**	**-1.1**	**-1.1**	**5.4**	**7.7**
Net acquisition of financial assets 2/	6.2	4.6	7.2	0.0	0.0	0.0	1.8	3.0
Net incurrence of liabilities	5.2	5.2	8.6	1.3	1.1	1.1	-3.7	-4.7
Domestic (Net)	-7.0	-7.0	3.3	-0.2	0.5	4.2	-0.2	0.6
Amortizations	-2.0	-4.4	-3.1	-1.7	-1.1	-1.0	-2.3	-1.8
Central bank	0.0	0.0	0.0	-0.1	-0.2	-0.2	-0.2	-0.1
Commercial banks	-0.8	-2.7	-1.4	-0.7	-0.4	-0.4	-1.0	-0.8
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 3/	-1.1	-1.7	-1.7	-0.9	-0.5	-0.5	-1.2	-0.9
Disbursements	-5.0	-2.5	6.3	1.5	1.6	5.2	2.1	2.4
Central bank	-6.0	-3.4	6.3	0.0	0.0	0.0	0.0	0.0
Claims on government	0.0	0.0	6.4	0.0	0.0	0.0	0.0	0.0
Liabilities to government	6.0	3.4	0.1	0.0	0.0	0.0	0.0	0.0
Commercial banks	-0.2	0.1	0.0	0.8	0.8	2.6	1.0	1.2
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 3/	1.2	0.7	0.0	0.8	0.8	2.6	1.0	1.2
Domestic arrears	2.4	1.9	-1.7	0.0	0.0	0.0	0.0	0.0
Accumulation of arrears	2.4	3.5	0.0	0.9	0.6	0.9	0.0	0.0
of which: VAT Refund arrears	-	0.5	-	-	-	-	-	-
Payment of arrears	0.0	-1.6	-1.7	-0.9	-0.6	-0.9	0.0	0.0
of which: payment of VAT Refund arrears	-		-0.6	-	-	-	-	-
Foreign (Net)	4.3	10.2	7.0	1.5	0.5	-3.1	-3.5	-5.3
Amortizations	-6.7	-2.3	-2.7	-2.8	-2.1	-4.6	-4.8	-6.0
IFIs	-2.6	-2.0	-1.5	-1.9	-1.8	-1.6	-1.7	-1.3
Official bilateral	-1.9	-0.3	-0.9	-0.5	0.0	-0.6	-0.9	-2.6
Commercial	-2.1	0.0	-0.3	-0.3	-0.3	-2.4	-2.2	-2.1
O/w Eurobonds	...	...	0.0	0.0	0.0	2.2	1.9	1.7
Disbursements	2.6	3.9	2.8	2.5	2.2	1.9	2.0	1.7
IFIs	2.6	3.9	2.8	2.5	2.2	1.9	2.5	2.5
Official bilateral	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	-0.5	-0.8
Official financing	8.4	8.6	6.9	1.8	0.4	-0.3	-0.7	-1.0
O/w: IMF	1.7	3.5	3.1	1.1	-0.2	-0.3	-0.7	-1.0
Purchases	1.7	3.5	3.1	1.1	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.7	-1.0
O/w: IFIs	6.6	5.1	3.8	0.6	0.6	0.0	0.0	0.0
External arrears (net)	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statistical discrepancy	4.2	1.4	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:								
Electricity subsidy financed through the budget	4.0	3.9	2.4	0.5	0.0	0.0	0.0	0.0
Public (central government) debt 4/	140.5	116.2	108.0	100.1	93.9	85.3	69.7	56.1
Notional VRI amount 5/		10.7	9.7	9.7	9.9	9.9	8.8	6.7
Official exchange rate (SRD per USD, period average)	24.6	36.9	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	31.7	36.7	...	...	...	...	...	...
Domestic debt interest rate (effective)	1.0	15.6	9.9	8.9	8.7	7.7	8.7	8.2
External debt interest rate (effective)	1.5	2.2	3.2	3.7	4.1	4.6	4.6	4.9

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

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

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

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

5/ Opportunity cost of sharing oil revenues from block 58 oil

Table 5. Suriname: Balance of Payments

(In millions of U.S. dollars, unless otherwise indicated)

		Est.									
	2021	2022	2023	2024	2024	2025	2025	2026	2027	2028	2029
				7th Review		7th Review					
Current account	**176**	**76**	**147**	**87**	**-160**	**79**	**-1,677**	**-3,045**	**-3,625**	**-586**	**2,652**
o/w Non oil Current account	266	168	255		279		200	49	-124	-657	-895
Exports of goods and services	2,300	2,600	2,534	2,755	2,728	2,758	2,703	2,735	2,814	6,225	8,891
Imports of goods and services	1,876	2,342	2,218	2,500	2,703	2,594	4,284	5,668	6,327	6,095	5,299
Trade balance, goods	**865**	**755**	**775**	**701**	**449**	**614**	**-1,124**	**-2,449**	**-2,982**	**495**	**3,780**
Exports, f.o.b.	2,204	2,457	2,360	2,487	2,486	2,459	2,437	2,437	2,472	5,579	7,925
Of which: gold, petroleum	1,996	2,218	2,089	2,253	2,253	2,222	2,206	2,201	2,204	5,304	7,642
Imports, f.o.b.	1,338	1,701	1,585	1,786	2,038	1,845	3,561	4,885	5,454	5,083	4,145
Trade balance, services	**-442**	**-497**	**-460**	**-437**	**-423**	**-440**	**-457**	**-484**	**-531**	**-366**	**-188**
Exports	96	143	173	267	242	299	266	299	342	646	966
Imports	538	640	633	704	665	739	724	782	874	1,012	1,154
Primary income, net	**-393**	**-308**	**-308**	**-324**	**-337**	**-232**	**-240**	**-240**	**-215**	**-752**	**-925**
Credit	7	12	47	48	48	49	49	49	50	51	52
Debit	400	320	355	371	384	280	288	289	265	803	977
Secondary income, net	**146**	**126**	**139**	**146**	**151**	**137**	**144**	**127**	**104**	**37**	**-15**
Capital and financial account	**135**	**392**	**195**	**460**	**31**	**144**	**-1,599**	**-3,022**	**-3,610**	**-586**	**1,590**
Capital account	**37**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial account	**98**	**392**	**194**	**460**	**31**	**144**	**-1,599**	**-3,022**	**-3,610**	**-586**	**1,590**
Foreign direct investment	124	-3	65	148	-250	132	-1,395	-2,370	-2,711	-454	1,171
Portfolio investment	-47	19	46	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0
Other investment	21	376	84	313	281	11	-204	-652	-899	-132	420
Net Acquisition of Assets	-43	-36	-61	0	0	0	0	0	0	0	0
Net Incurrence of Liabilities	-64	-411	-145	-313	-281	-11	204	652	899	132	-420
Central government	-104	-122	48	15	4	-5	-10	6	-124	-144	-254
Disbursements	55	79	114	123	111	112	99	93	87	103	100
IFIs	55	79	114	123	111	112	99	93	87	130	146
Official bilateral	0	0	0	0	0	0	0	0	0	0	0
Commercial	0	0	0	0	0	0	0	0	0	-27	-46
Amortization	159	202	66	108	107	116	110	87	211	247	354
IFIs	61	80	58	60	58	73	75	75	73	86	78
Official bilateral	14	59	9	35	35	25	22	0	27	46	151
Commercial	84	63	0	13	13	18	13	12	110	115	125
Other Sectors (including SOE)	40	-289	-193	-328	-286	-7	214	646	1,023	276	-166
Errors and omissions	**123**	**129**	**-78**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Overall balance	**238**	**-187**	**-124**	**-374**	**-191**	**-65**	**-78**	**-23**	**-14**	**0**	**1,061**
Financing	**-238**	**187**	**124**	**374**	**191**	**65**	**78**	**23**	**14**	**0**	**-1,061**
Change in reserves (- = increase)	-475	-236	-183	-27	-209	-23	-10	11	37	55	-969
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	102	122	25	45	0	0	0	0
Repurchases	21	0	0	0	0	0	0	13	22	55	92
O/w: for budget support	0	0	0	0	0	0	0	9	15	36	60
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	1,373	1,555	1,396	1,565	1,554	1,517	1,462	2,431
In months of imports of goods and services	5.1	6.5	7.3	6.6	6.9	6.5	4.4	3.3	2.9	2.9	5.5
In percent of Reserve adequacy (risk-weighted measure) 2/	112	135	150	145	160	145	150	135	124	107	174
Usable gross international reserves 3/	512	865	1,112	1,139	1,321	1,162	1,331	1,320	1,283	1,228	2,197
In months of imports of goods and services	2.6	4.7	6.0	5.5	5.9	5.4	3.7	2.8	2.4	2.4	5.0
In percent of Reserve adequacy (risk-weighted measure) 2/	58	98	124	120	136	121	128	115	105	90	157
Reserve adequacy (risk-weighted measure), USD millions 2/	886	886	895	948	970	962	1,043	1,147	1,226	1,371	1,395
In months of imports	4.5	4.8	4.0	4.4	2.7	4.4	2.2	2.2	2.4	3.1	3.6
GDP (in millions of USD)	3,084	3,630.9	3,445	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,800	1,802	1,943	2,328	2,342	2,544	2,608	2,704	2,777	2,810	2,841
Oil price (USD per barrel)	69	96	81	83	81	78	73	70	69	68	67
Weighted average exchange rate (SRD per USD, period average)	19.7	24.6	36.9	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	20.8	31.7	36.7	...	...	...	...	...	...	...	...
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	4,615	4,675	4,693	5,102	5,641	6,109	5,987	5,316
External debt (Percent of GDP)	140.2	148.1	124.0	103.7	116.3	97.2	118.6	124.5	124.6	68.7	45.2
o/w: Change in external debt due to exchange rate movements	21.8	50.3	16.6	...	...	...	...	...	...	...	...

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

(In percent of GDP)

	2021	Est. 2022	2023	2024 7th Review	2024	2025 7th Review	2025	2026	2027	2028	2029
Current account	**5.7**	**2.1**	**4.3**	**1.8**	**-3.6**	**1.6**	**-38.0**	**-65.6**	**-73.1**	**-6.8**	**22.7**
o/w Non oil Current account	**8.6**	**4.6**	**7.4**		**6.3**		**4.5**	**1.1**	**-2.5**	**-7.6**	**-7.6**
Exports of goods and services	**74.6**	**71.6**	**73.6**	**56.0**	**61.3**	**55.6**	**61.2**	**58.9**	**56.7**	**71.8**	**76.0**
Imports of goods and services	**60.8**	**64.5**	**64.4**	**50.6**	**60.7**	**52.1**	**97.0**	**122.1**	**127.6**	**70.3**	**45.3**
Trade balance, goods	**28.1**	**20.8**	**22.5**	**14.3**	**10.1**	**12.4**	**-25.5**	**-52.8**	**-60.1**	**5.7**	**32.3**
Exports, f.o.b.	71.5	67.7	68.5	50.6	55.9	49.6	55.2	52.5	49.8	64.3	67.7
Of which: gold, petroleum	64.7	61.1	60.6	45.8	50.6	44.8	50.0	47.4	44.4	61.2	65.3
Imports, f.o.b.	43.4	46.9	46.0	36.3	45.8	37.2	80.6	105.3	110.0	58.6	35.4
Trade balance, services	**-14.3**	**-13.7**	**-13.3**	**-8.9**	**-9.5**	**-8.9**	**-10.4**	**-10.4**	**-10.7**	**-4.2**	**-1.6**
Exports	3.1	3.9	5.0	5.4	5.4	6.0	6.0	6.4	6.9	7.5	8.3
Imports	17.4	17.6	18.4	14.3	14.9	14.9	16.4	16.8	17.6	11.7	9.9
Primary income, net	**-12.7**	**-8.5**	**-8.9**	**-6.6**	**-7.6**	**-4.7**	**-5.4**	**-5.2**	**-4.3**	**-8.7**	**-7.9**
Credit	0.2	0.3	1.4	1.0	1.1	1.0	1.1	1.1	1.0	0.6	0.4
Debit	13.0	8.8	10.3	7.6	8.6	5.7	6.5	6.2	5.3	9.3	8.3
Secondary income, net	**4.7**	**3.5**	**4.0**	**3.0**	**3.4**	**2.8**	**3.3**	**2.7**	**2.1**	**0.4**	**-0.1**
Capital and financial account	**4.4**	**10.8**	**5.7**	**9.4**	**0.7**	**2.9**	**-36.2**	**-65.1**	**-72.8**	**-6.8**	**13.6**
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**	**5.6**	**9.4**	**0.7**	**2.9**	**-36.2**	**-65.1**	**-72.8**	**-6.8**	**13.6**
Foreign direct investment	4.0	-0.1	1.9	3.0	-5.6	2.7	-31.6	-51.1	-54.7	-5.2	10.0
Portfolio investment	-1.5	0.5	1.3	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	0.0
Other investment	0.7	10.3	2.4	6.4	6.3	0.2	-4.6	-14.0	-18.1	-1.5	3.6
Net Acquisition of Assets	-1.4	-1.0	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	-2.1	-11.3	-4.2	-6.4	-6.3	-0.2	4.6	14.0	18.1	1.5	-3.6
Central government	-3.4	-3.4	1.4	0.3	0.1	-0.1	-0.2	0.1	-2.5	-1.7	-2.2
Disbursements	1.8	2.2	3.3	2.5	2.5	2.3	2.3	2.0	1.8	1.2	0.9
IFIs	1.8	2.2	3.3	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	0.0	-0.3	-0.4
Amortization	5.2	5.6	1.9	2.2	2.4	2.3	2.5	1.9	4.3	2.8	3.0
IFIs	2.0	2.2	1.7	1.2	1.3	1.5	1.7	1.6	1.5	1.0	0.7
Official bilateral	0.5	1.6	0.2	0.7	0.8	0.5	0.5	0.0	0.6	0.5	1.3
Commercial	2.7	1.7	0.0	0.3	0.3	0.4	0.3	0.3	2.2	1.3	1.1
Other Sectors (including SOE)	1.3	-8.0	-5.6	-6.7	-6.4	-0.1	4.9	13.9	20.6	3.2	-1.4
Errors and omissions	**4.0**	**3.5**	**-2.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance	**7.7**	**-5.1**	**-3.6**	**-7.6**	**-4.3**	**-1.3**	**-1.8**	**-0.5**	**-0.3**	**0.0**	**9.1**
Financing	**-7.7**	**5.1**	**3.6**	**7.6**	**4.3**	**1.3**	**1.8**	**0.5**	**0.3**	**0.0**	**-9.1**
Change in reserves (- = increase)	-15.4	-6.5	-5.3	-0.6	-4.7	-0.5	-0.2	0.2	0.7	0.6	-8.3
Official financing	1.1	7.0	8.9	8.1	9.0	1.8	2.0	0.3	-0.4	-0.6	-0.8
O/w: IMF	1.1	1.5	4.6	5.1	5.6	1.3	1.4	-0.3	-0.4	-0.6	-0.8
Purchases	1.8	1.5	4.6	5.1	5.6	1.3	1.4	0.0	0.0	0.0	0.0
O/w: for budget support	1.8	1.5	3.0	2.1	2.7	0.5	1.0	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	0.6	0.8
O/w: for budget support							0.0	0.2	0.3	0.4	0.5
O/w: IFIs	0.0	5.5	4.4	3.1	3.4	0.5	0.6	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	1,373	1,555	1,396	1,565	1,554	1,517	1,462	2,431
In months of imports of goods and services	5.1	6.5	7.3	6.6	6.9	6.5	4.4	3.3	2.9	2.9	5.5
In percent of Reserve adequacy (risk-weighted measure) 2/	112	135	150	145	160	145	150	135	124	107	174
Usable gross international reserves 3/	512	865	1,112	1,139	1,321	1,162	1,331	1,320	1,283	1,228	2,197
In months of imports of goods and services	2.6	4.7	6.0	5.5	5.9	5.4	3.7	2.8	2.4	2.4	5.0
In percent of Reserve adequacy (risk-weighted measure) 2/	58	98	124	120	136	121	128	115	105	90	157
Reserve adequacy (risk-weighted measure), USD millions 2/	886	886	895	948	970	962	1,043	1,147	1,226	1,371	1,395
In months of imports	4.5	4.8	4.0	4.4	2.7	4.4	2.2	2.2	2.4	3.1	3.6
GDP (in millions of USD)	3,084	3,631	3,445	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,800	1,802	1,943	2,328	2,342	2,544	2,608	2,704	2,777	2,810	2,841
Oil price (USD per barrel)	69	96	81	83	81	78	73	70	69	68	67
Weighted average exchange rate (SRD per USD, period average)	19.7	24.6	36.9	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	20.8	31.7	36.7	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+=appreciation; percent change;	-0.6	8.4	-2.8	...	...	...	...	...	...	...	...
External Debt 4/	4,088	4,181	4,289	4,615	4,675	4,693	5,102	5,641	6,109	5,987	5,316
External debt (Percent of GDP)	140.2	148.1	124.0	103.7	116.3	97.2	118.6	124.5	124.6	68.7	45.2
o/w: Change in external debt due to exchange rate movements	21.8	50.3	16.6	...	...	...	...	...	...	...	...

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	2025	2026	2027	2028	2029
				7th Review		7th Review					
1. Gross external financing requirements	**82**	**239**	**25**	**349**	**620**	**69**	**1927**	**3082**	**3486**	**666**	**-2424**
A. Current account deficit	-176	-76	-147	-87	160	-79	1677	3045	3625	586	-2652
B. Public sector debt amortization	259	308	166	208	207	141	135	137	236	248	356
(i) Central government	159	202	66	108	107	116	110	87	211	247	354
(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	228	253	7	115	-100	-375	-167	-128
2. Sources of financing	**197**	**-77**	**-133**	**-187**	**266**	**-32**	**1812**	**3059**	**3471**	**667**	**-1362**
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	-148	250	-132	1395	2370	2711	454	-1171
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	123	179	112	429	689	760	212	-194
(i) Central government	55	79	114	123	111	112	99	93	87	103	100
(ii) SOEs	0	0	0	0	67	0	329	596	673	109	-294
E. Other inflows (net)	176	-176	-198	-163	-163	-11	-11	0	0	1	2
Balance (2-1) excluding expected accumulation of gross reserves; Gap (-) Surplus (+)	115	-315	-157	-536	-354	-101	-114	-23	-14	0	1061
3. Expected change in gross reserves of the CBvS; accumulation (-)	**-475**	**-236**	**-183**	**-27**	**-209**	**-23**	**-10**	**11**	**37**	**55**	**-969**
4. Errors and omissions	**123**	**129**	**-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	102	122	25	45	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**	**7.1**	**13.9**	**1.4**	**43.6**	**66.4**	**70.3**	**7.7**	**-20.7**
A. Current account deficit	-5.7	-2.1	-4.3	-1.8	3.6	-1.6	38.0	65.6	73.1	6.8	-22.7
B. Public sector debt amortization	8.4	8.5	4.8	4.2	4.6	2.8	3.0	3.0	4.8	2.9	3.0
(i) Central government	5.2	5.6	1.9	2.2	2.4	2.3	2.5	1.9	4.3	2.8	3.0
(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	2.9	2.0	2.2	0.5	0.6	1.1	0.5	0.0	0.0
C. Other outflows	0.0	0.2	0.1	4.6	5.7	0.1	2.6	-2.2	-7.6	-1.9	-1.1
2. Sources of financing	**6.4**	**-2.1**	**-3.9**	**-3.8**	**6.0**	**-0.6**	**41.0**	**65.9**	**70.0**	**7.7**	**-11.6**
A. Asset sales (net) (Other investment account)	1.4	1.0	1.8	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	-1.9	-3.0	5.6	-2.7	31.6	51.1	54.7	5.2	-10.0
C. Portfolio flows (net)	1.5	-0.5	-1.3	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	-1.3	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	3.3	2.5	4.0	2.3	9.7	14.8	15.3	2.4	-1.7
(i) Central government	1.8	2.2	3.3	2.5	2.5	2.3	2.3	2.0	1.8	1.2	0.9
(ii) SOEs	0.0	0.0	0.0	0.0	1.5	0.0	7.5	12.8	13.6	1.3	-2.5
E. Other inflows (net)	5.7	-4.8	-5.7	-3.3	-3.7	-0.2	-0.3	0.0	0.0	0.0	0.0
Balance (2-1) excluding expected accumulation of gross reserves; Gap (-) Surplus (+)	3.7	-8.7	-4.6	-10.9	-8.0	-2.0	-2.6	-0.5	-0.3	0.0	9.1
3. Expected change in gross reserves of the CBvS; accumulation (-)	**-15.4**	**-6.5**	**-5.3**	**-0.6**	**-4.7**	**-0.5**	**-0.2**	**0.2**	**0.7**	**0.6**	**-8.3**
4. Errors and omissions	**4.0**	**3.5**	**-2.3**	**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**	**12.1**	**11.5**	**12.7**	**2.5**	**2.8**	**0.3**	**-0.4**	**-0.6**	**-0.8**
Allocation by:											
(i) Official financing	1.1	7.0	8.9	8.1	9.0	1.8	2.0	0.3	-0.4	-0.6	-0.8
a. IMF	1.1	1.5	4.6	5.1	5.6	1.3	1.4	-0.3	-0.4	-0.6	-0.8
Purchases	1.8	1.5	4.6	5.1	5.6	1.3	1.4	0.0	0.0	0.0	0.0
O/w: for budget support	1.8	1.5	3.0	2.1	2.7	0.5	1.0	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	0.6	0.8
b. IFIs	0.0	5.5	4.4	3.1	3.4	0.5	0.6	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/			3.2	3.3	3.7	0.7	0.8	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: Depositary Corporations Survey and Central Bank Accounts
(In millions of SRD)

	2019	2020	2021	2022	2023	2024	2024	2025	2025
						7th Review		7th Review	
Monetary Survey									
Net foreign assets	**5,867**	**11,674**	**23,827**	**47,473**	**68,778**	**69,842**	**79,882**	**77,430**	**86,735**
Net international reserves (Held by the CBvS)	4,345	7,905	20,727	36,876	45,624	41,646	49,072	43,582	51,700
Net other foreign assets	1,522	3,769	3,100	10,596	23,154	28,195	30,810	33,848	35,034
Net domestic assets	**13,430**	**20,119**	**22,358**	**19,544**	**11,326**	**10,436**	**8,463**	**11,544**	**8,283**
Net claims on the public sector	4,787	11,310	10,682	4,684	-4,661	-5,379	3,679	-6,160	2,954
Of which: on central government	5,055	11,360	10,501	5,301	-3,973	-4,682	4,911	-5,421	4,255
From CBvS	3,248	8,234	6,877	780	-5,497	-5,979	4,451	-6,903	3,525
From Commercial Banks	1,807	3,126	3,624	4,521	1,524	1,297	460	1,482	730
Net claims LC	78	985	390	-385	-2,088	-2,201	-2,048	-2,197	-945
Net claims FC	1,729	2,141	3,234	4,906	3,612	3,498	2,508	3,679	1,676
(In USD millions)	234	153	155	154	100	95	68	94	43
Credit to the private sector	7,310	9,299	11,019	18,255	21,641	24,848	24,768	29,539	27,812
Other items, net	1,334	-490	657	-3,395	-5,655	-9,034	-19,984	-11,835	-22,482
Broad money 1/	**19,269**	**31,793**	**46,185**	**67,016**	**80,103**	**80,278**	**88,345**	**88,974**	**95,018**
Currency in circulation	1,973	3,498	4,397	5,578	6,654	6,597	7,439	8,079	8,182
Local currency deposits	6,842	8,473	10,623	13,321	16,676	16,964	18,663	20,775	20,528
Foreign currency deposits	10,454	19,823	31,165	48,117	56,774	56,716	62,243	60,119	66,308
Central Bank (CBvS)									
Net foreign assets	**2,394**	**4,039**	**11,266**	**28,020**	**35,439**	**31,481**	**38,812**	**32,756**	**40,793**
(In USD millions)	**324**	**288**	**539**	**882**	**977**	**857**	**1,056**	**841**	**1,047**
Net international reserves	4,345	7,905	20,727	36,876	45,624	41,647	49,072	43,582	51,700
(In USD millions)	587	564	992	1,161	1,257	1,133	1,336	1,119	1,327
Of which:									
Gross International Reserves	4,790	8,199	20,730	37,934	48,852	50,454	57,146	54,377	60,960
(In USD millions)	648	585	992	1,194	1,346	1,373	1,555	1,396	1,565
Liabilities	-445	-294	-3	-1,058	-3,229	-8,807	-8,074	-10,795	-9,259
(In USD millions)	-60	-21	0	-33	-89	-240	-220	-277	-238
Net other foreign assets	-1,951	-3,866	-9,461	-8,856	-10,184	-10,165	-10,260	-10,826	-10,908
Gross Other foreign assets	21	44	63	95	125	141	165	149	175
(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	-10,306	-10,425	-10,975	-11,082
(In USD millions)	-267	-279	-456	-282	-284	-280	-284	-282	-285
SDR allocations	-901	-1,779	-6,189	-8,947	-10,305	-10,301	-10,420	-10,970	-11,077
(In USD millions)	-122	-127	-296	-282	-284	-280	-284	-282	-284
Other (incl. RMB Swap with PBoC)	-1,070	-2,131	-3,335	-5	-5	-5	-5	-5	-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**	**-1,589**	**-7,982**	**480**	**-6,876**
Net claims on public sector	3,248	8,234	6,877	780	-5,497	-5,979	4,451	-6,903	3,525
Of which: central government	3,248	8,234	6,877	780	-5,497	-5,979	4,451	-6,903	3,525
Net claims on commercial banks	264	-2,496	-4,731	-7,380	-7,941	-959	-7,469	4,395	-4,304
Other items, net	3,686	3,027	5,544	6,035	6,768	5,350	-4,964	2,988	-6,097
Reserve money	**9,593**	**12,817**	**18,967**	**27,470**	**28,816**	**29,851**	**30,830**	**33,192**	**33,916**
Currency in circulation	2,263	3,861	4,792	6,084	7,215	7,154	8,255	8,762	9,079
Bankers deposits	7,211	8,869	14,054	21,229	21,331	22,425	22,261	24,147	24,507
Other demand deposits in national currency	90	19	23	14	75	75	75	75	75
Gold certificates	28	67	97	143	194	197	240	208	254
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	1.6	2.0	1.7	2.1	1.8
Broad money	4.7	65.0	45.3	45.1	19.5	0.2	10.3	10.8	7.6
Broad money (constant exchange rate)	4.7	16.4	60.2	11.7	12.8	-0.1	10.1	11.7	5.5
Broad money (local currency portion only)	21.8	35.8	25.5	25.8	23.4	1.0	11.9	22.5	10.0
Broad money (in real terms)	0.5	2.6	-9.6	-6.1	-9.9	-11.1	-1.7	-0.4	-1.0
Broad money (Percent of GDP)	60.7	82.1	76.0	74.9	63.0	49.1	59.8	47.3	56.7
FX deposits	-6.4	0.0	5.5	1.6	3.3	-1.3	8.3	0.0	0.5
Credit to the private sector	0.4	27.2	18.5	65.7	18.6	14.8	14.4	18.9	12.3
Credit to private sector (in real terms)	-3.6	-20.9	-26.3	7.2	-10.6	1.9	2.0	6.8	3.4
Credit to private sector (Percent of GDP)	23.0	24.0	18.1	20.4	17.0	15.2	16.8	15.8	16.6
Central bank									
Reserve money	92.8	33.6	48.0	44.8	4.9	3.7	7.0	11.2	10.0
Reserve money (constant exchange rate)	144.1	-5.6	24.3	21.8	10.9	7.0	8.5	11.5	9.8
Reserve money (local currency portion only)	19.1	42.7	26.3	32.3	35.1	11.1	11.0	14.4	12.4
Reserve money (in real terms)	85.0	-16.9	-7.9	-6.3	-20.9	-8.0	-4.7	-0.1	1.3
Reserve money (Percent of GDP)	30.2	33.1	31.2	30.7	22.7	18.3	20.9	17.7	20.2
Money multiplier (SRD broad money/reserve money)	1.7	1.6	1.6	1.5	1.4	1.3	1.4	1.4	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 Dec.	2019 Dec.	2020 Dec.	2021 Dec.	2022 Dec	2023* Jun	2023 Sep	2023 Oct	2023 Dec	2024 Mar	2024 May	2024 Aug
Capital Adequacy												
Regulatory capital to risk-weighted assets	9.6	11.4	11.8	14.5	16.8	18.4	18.7	18.9	20.3	21.6	21.8	22.9
Regulatory Tier 1 capital to risk-weighted assets	9.0	10.8	10.5	13.1	15.5	17.3	16.7	16.9	18.4	19.9	20.2	21.4
Tier 1 capital to total assets (leverage ratio)	4.9	4.9	4.3	5.7	6.1	7.4	7.1	7.2	7.7	8.3	8.7	9.1
Asset Quality												
NPL to gross loans	12.0	10.6	14.6	12.8	12.4	16.1	14.3	14.0	13.0	10.4	7.2	7.2
NPL net of provisions to Tier 1 capital	39.0	34.9	68.1	43.6	35.2	45.5	40.6	39.9	33.7	22.8	13.4	13.9
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	115.4	95.2	80.1	60.8	50.2
Foreign currency loans to total loans	62.8	59.2	49.1	55.5	61.5	61.3	61.5	61.0	60.3	58.6	56.2	55.1
Earnings and Profitability												
Return on assets (ROA, annualized)	0.1	1.0	2.0	1.8	2.7	1.2	2.0	2.2	2.7	0.7	1.0	1.3
Return on equity (ROE, annualized)	1.9	16.7	34.8	29.6	44.8	16.0	27.4	29.9	36.5	9.3	13.2	15.9
Net interest income to gross income	70.6	69.2	47.7	53.5	61.7	63.3	66.2	67.0	67.0	76.6	80.3	80.6
Spread between lending and deposit rates (ppts)	8.0	7.4	7.4	7.7	8.1	8.4	8.3	8.5	8.5	8.7	8.8	9.0
Liquidity												
Liquid assets to total assets	40.2	46.8	51.5	58.8	54.3	52.3	53.7	53.2	53.6	54.2	53.3	53.0
Liquid assets to short-term liabilities	82.1	93.4	101.3	117.0	114.0	102.7	106.7	104.6	102.6	103.6	99.8	99.0
Total loans to total deposits *	44.6	47.9	40.2	...	35.1	35.2	..	35.8	34.1	33.0	34.3	35.7
Sensitivity to market risk												
Net open positions in foreign currency to capital	22.2	11.5	20.8	39.4	23.2	21.0	16.8	21.7	20.6	17.7	22.6	12.2
Foreign currency liabilities to total liabilities	66.5	60.9	69.2	71.6	74.1	75.0	75.3	74.6	73.3	71.8	69.0	67.5

Source: Central Bank of Suriname

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	Eight 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	17.6	21.2	22.1	21.4	20.2	18.0	15.2	12.3	9.5	7.0	5.0
Total Debt Services	2.0	8.5	17.6	21.2	32.0	37.8	60.8	85.9	87.0	84.1	71.4	62.4	36.2
Percent of exports	0.1	0.4	0.9	1.1	1.6	1.8	1.3	1.3	1.3	1.2	1.0	0.9	0.6
Percent of usable reserves	0.3	1.0	1.8	2.1	3.3	4.0	6.7	5.3	3.9	3.4	2.4	2.0	1.2
Percent of GDP	0.1	0.3	0.5	0.6	0.9	1.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0
Percent of quota	1.6	6.6	13.6	16.4	24.8	29.4	47.2	66.6	67.5	65.2	55.4	48.4	28.1
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	18.7	21.4	20.7	19.3	7.9	4.5	3.3	2.2	1.3	0.5	0.1
Percent of usable reserves	12.2	23.6	38.7	43.4	42.9	42.4	39.9	18.1	10.1	6.1	3.0	1.1	0.1
Percent of GDP	2.9	7.6	11.5	13.1	12.2	11.0	5.6	3.4	2.4	1.5	0.9	0.3	0.0
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	2,728	2,703	2,735	2,814	6,225	8,891	9,245	9,473	9,500	9,071	8,615
Gross International Reserves (US$ million)	1,195	1,346	1,555	1,565	1,554	1,517	1,462	2,431	3,218	3,609	4,247	4,516	4,461
as percent of ARA	135	150	160	150	135	124	107	174	258	328	409	473	498
Gross International Usable Reserves (excluding PBoC swap and ring-fenced reserves (US$ million)	865	1,112	1,321	1,331	1,320	1,283	1,228	2,197	2,984	3,375	4,013	4,282	4,227
as percent of ARA	98	124	136	128	115	105	90	157	239	307	386	448	471
Nominal GDP (SRD million)	89,472	127,066	147,643	167,517	186,167	206,531	363,142	485,392	518,918	549,906	576,251	588,823	604,903

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											
		end-Dec				end-Jan.				end-Feb.				end-Mar.			
	Act.	PC	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	

Continue to next page

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

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Apr.				end-May.				end Jun.			
	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/	442	166	-111	Not Met	552	300	8	Not Met	663	707	660	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/	118	49	13	Not Met	122	104	92	Not Met	156	150	156	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,040	-67	134	Not Met	-941	-691	-246	Not Met	-1,263	-1,188	-591	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/									742		832	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	21,223		19,110		21,856		20,025		22,390		20,280	
Reserve money (local currency portion only)	9,801		9,516		9,954		9,860		10,107		10,411	
Reserve money (constant exchange rates)	16,306		16,136		16,459		16,676		16,612		16,879	
NFA (constant exchange rates)	8,220		7,022		8,277		7,943		8,739		8,490	
Gross international reserves (millions of U.S. dollar)	1,000		886		1,004		951		1,094		983	
Usable international reserves (millions of U.S. dollar) 5/	674		558		678		620		768		656	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Continue to next page

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

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Jul.				end-Aug.				end Sep.			
	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/	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	

Continue to next page

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

	2022											
	end-Oct.				end-Nov.				end-Dec.			
	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/	1,105	1,788	657	Not Met	1,215	2,111	1,174	Not Met	1,326	2,625	1,150	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) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0.02	Not 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/	194	169	204	Met	196	150	179	Met	226	313	332	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,193	-845	-111	Not Met	-1,063	-425	435	Not Met	-1,332	-2,548	-1,080	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/									1,483		1,717	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	24,277		25,205		24,660		26,514		25,047		27,470	
Reserve money (local currency portion only)	10,718		11,507		10,871		11,632		11,024		12,263	
Reserve money (constant exchange rates)	17,224		18,583		17,377		18,710		17,529		19,414	
NFA (constant exchange rates)	9,289		9,714		9,316		9,296		9,478		11,514	
Gross international reserves (millions of U.S. dollar)	1,190		1,045		1,192		1,031		1,260		1,194	
Usable international reserves (millions of U.S. dollar) 5/	864		716		866		707		934		865	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Continue to next page

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	

Continue to next page

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

	2023															
	end-Sep.				end-Oct.				end-Nov.				end-Dec.			
	PC	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/	1,721	1,790	1,773	Not Met	1,912	1,550	2,088	Met	2,103	1,306	2,133	Met	2,294	637	2,029	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) (millions of U.S. dollars)	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)	0		0	Met	0	0	-1,042.3	Met	0	0	-1,042	Met	0	0	-1,661.8	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57	-39	5	Met	-73	-61	-7	Met	-6	22	152	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214	3,967	2,995	Met	4,722	4,554	3,743	Met	4,121	3,733	1,986	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
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		15	Met	25		18	Met	30		20	Met
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		3,163	Not Met
2. Stock of VAT refunds outstanding (ceiling)																
Memorandum items																
Reserve money	29,440		26,720		30,049		27,660		30,670		28,647		31,374		28,816	
Reserve money (local currency portion only)	15,320		14,208		15,573		15,111		15,831		15,621		16,162		16,566	
Reserve money (constant exchange rates)	20,589		19,167		20,857		20,000		21,130		20,708		21,477		21,523	
NFA (constant exchange rates)	8,797		8,819		8,742		9,212		8,507		9,223		9,455		11,264	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		1,141		1,112		1,142		1,234		1,346	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		908		873		908		995		1,112	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

Continue to next page

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/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2024											
	end-April.				end-May				end-Jun.			
	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/	1,538	2,085	162	Not Met	1,922	2,220	52	Not Met	692	556	-50	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) (millions of U.S. dollars)	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	-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/	-29	-11	-29	Not Met	-14	-34	-45	Not Met	-96	-58	-42	Met
7. Net domestic assets of the central bank (ceiling) 2/	1,066	804	1,209	Not Met	980	1,267	1,401	Not Met	2,277	1,747	1,282	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				
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	30	30	9	Met	30	30	11	Met	30	30	13	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									2,617	2,617	2,931	Met
2. Stock of VAT refunds outstanding (ceiling)	909	909	748	Met					722	722	693	Met
Memorandum items												
Reserve money	29,526		28,238		28,004		27,768		30,127		27,124	
Reserve money (local currency portion only)	17,202		17,389		17,570		17,281		17,749		17,134	
Reserve money (constant exchange rates)	22,110		22,160		22,312		22,023		22,463		21,956	
NFA (constant exchange rates)	10,656		10,773		11,073		11,073		9,926		10,546	
Gross international reserves (millions of U.S. dollar)	1,365		1,364		1,396		1,350		1,382		1,410	
Usable international reserves (millions of U.S. dollar) 5/	1,131		1,130		1,162		1,116		1,148		1,176	
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/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024																		
	end-Jul.				end Aug.				end Sep.				end Oct.				end Nov.	end Dec.	
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	PC	Prop PC
Quantitative Performance Criteria																			
Fiscal/debt targets																			
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,346	976	226	Not Met	1,999	1,706	210	Not Met	2,653	2,416	1,876	Not Met	3,306				3,960	4,613	3,700
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	Met	0	0	0	Met	0	0	0	Met	0				0	0	0
3. New central government guaranteed debt (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0				0	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0				0	0	0
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	0	0	-1,662	Met	0	0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-122	-74	-45	Met	-137	-91	-55	Met	-179	-85	4	Met	-143	-89	-5	Met	-158	-241	-76
7. Net domestic assets of the central bank (ceiling) 2/	2,781	2,105	1,766	Met	2,636	1,988	2,512	Not Met	3,754	2,442	1,780	Met	3,261	2,584	2,594	Not Met	3,647	4,869	2,867
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	Met	0	0	0	Met	0	0	0	Met	0	0	0
Indicative Targets																			
1. Social spending of central government (floor) 2/									3,785		4,240	Met						5,122	
2. Stock of VAT refunds outstanding (ceiling)									443		859	Not Met						163	693
3. Non-accumulation of central government domestic debt arrears (continuous ceiling) (millions of SRD)									0		0	Met	0				0	0	
Memorandum items																			
Reserve money	30,312				27,786				28,545		28,663		28,985				29,668	29,892	30,830
Reserve money (local currency portion only)	17,912				18,108				17,772		18,194		18,019				18,240	18,407	18,381
Reserve money (constant exchange rates)	22,596				23,003				22,770		23,211		22,866				23,055	23,021	23,342
NFA (constant exchange rates)	9,557				10,503				8,757		11,376		8,686				8,547	7,893	10,216
Gross international reserves (millions of U.S. dollar)	1,356				1,411				1,366		1,545		1,361				1,352	1,373	1,555
Usable international reserves (millions of U.S. dollar) 5/	1,121				1,177				1,132		1,311		1,127				1,117	1,139	1,321
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 begining 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 ¶	Target date 1/	Status	Objective
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	December 2024	Proposed to be reset to January 2025	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; implemented with delay in August 2024	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	SR 1	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.	8	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.		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 detailed procedures) to halt payments of salaries for unregistered workers.		October 2023	Not Met; implemented with delay in November 2023	Strenthen 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	10	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.	10	Continuous	Met for end-September	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 program.	8	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	Not Met	Improve tax administration.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to domestic debt payments	28	December 2024	In progress	Improve debt management and reporting, and avoid domestic debt arrears.
Implement a pilot Treasury Single Account for a limited set of ministries.	10	January 2025		Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	11	Continuous	Not Met	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears	11	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 for contracts agreed with line ministries that have no prior authorization from the MoF.	11	April 2024	Met	Strengthen PFM and avoid new expenditure arrears.
Mandate all line ministries to report the stock of arrears to the MoF	11	June 2024	Met	Improve debt management and financial stability
Publish online the full financial statements (and corresponding audit reports) of EBS for the years 2019 and 2020		December 2024	New proposed SB	Improve governance and increase transparency.
Finalize and submit the 2021 financial statements of EBS to the external auditor.		February 2025	New proposed SB	Improve governance and increase transparency.

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

Measure	SR ¶	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 the 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	19	June 2024	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to creates 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.	19	November 2024	Not met, proposed to be reset to end-February 2025	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	19	November 2024	Met	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	19	September 2023	Not Met; implemented with a delay in November 2024	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).		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 2024	2025	2026	2024	2025	2026
	(In USD)	*(Percent Total debt)*	*(Percent GDP)*	*(In USD)*	*(In USD)*	*(In USD)*			*(Percent GDP)*		
Total	3,424	100	99	2,999	425	370	330	281	8	7	6
External	2,694	79	78	2,503	191	202	218	215	5	5	5
Multilateral creditors	1,319	39	38	1,319	0	117	134	142	3	3	3
IMF	265	8	8	265	0	15	19	28	0	0	1
World Bank	19	1	1	19	0	1	2	2	0	0	0
IADB	847	25	24	847	0	77	88	86	2	2	2
Other Multilaterals	188	5	5	188	0	23	26	25	1	1	1
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	3	6	6	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	17	480	125	51	35	13	1	1	0
Bilateral Creditors	428	12	12	356	72	44	29	8	1	1	0
o/w : Paris Club	32	1	1	32	0	0	0	0	0	0	0
China	384	11	11	313	72	41	29	7	1	1	0
India	12	0	0.3	12	0	3	0	0	0	0	0
ECA-backed loans	177	5	5	124	54	7	6	5	0	0	0
o/w: Paris Club	56	2	2	56	0	3	3	2	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	22	22	704	66	34	49	60	1	1	1
Eurobonds	660	19	19	660	0	22	34	45	1	1	1
o/w: Oppenheimer	660	19	19	660	0	22	34	45	1	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	730	21	21	496	234	169	111	66	4	3	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	30	16	2	1	0
Held by Local Non-Banks	359	10	10	160	199	23	56	24	1	1	1
o/w other accounts payable, incl. supplier arrears	168	5	5	-	168						

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	...	**Moderate**	The overall risk of sovereign stress is moderate.
Near term 1/	n.a.	n.a.	Not applicable.
Medium term	**Low**	**Moderate**	Medium-term risks are assessed as moderate against a mechanical signal of low. The GFN tool suggests low risk due to declining GFN path and contained bank exposure to the sovereign, while the fanchart tool gives a moderate risk signal primarily driven by the width of the chart suggesting a high historical volatility of macro-fiscal shocks.
Fanchart	**Moderate**	...	
GFN	**Low**	...	
Stress test	Comm. Prices Cont. Liabty. Nat. Diast.	...	
Long term	...	**Moderate**	Long-term risks are moderate. Public debt to GDP is expected to continue declining and to fall sharply as oil production from block 58 comes in. GFN to GDP pickup in 2027 mainly due to repayments of restructured external debts after end of grace periods. This underscores the importance of maintaining fiscal discipline in the long term.
Sustainability assessment 2/	...	**Sustainable**	With continued implementation of policies under the program, debt is expected to stabilize and GFNs remain manageable over the medium term.
Debt stabilization in the baseline			Yes

DSA Summary Assessment

Commentary: The baseline suggests that public debt and GFNs are sustainable. However, even after restructuring, public debt remains high (above 90 percent until end-2025) in part due to vulnerability to macro-fiscal shocks. The vulnerability is particularly highlighted by the moderate risk signal of the fanchart, which reflects historical fluctuations in the real exchange rate and inflation. The FX vulnerability can be mitigated by the significant share of government revenues received in foreign currency and prospects for higher oil revenues that are now included in the baseline.

Source: Fund staff.

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.

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.

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.

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?					Yes	
2. Subsectors included in the chosen coverage in (1) above:						

Group		Subsectors captured in the baseline	Inclusion	Comments
CPS / NFPS / GG: expected / CG	1	Budgetary central government	Yes	
CPS / NFPS / GG: expected / CG	2	Extra budgetary funds (EBFs)	No	Not applicable
CPS / NFPS / GG: expected	3	Social security funds (SSFs)	No	Not applicable
CPS / NFPS / GG: expected	4	State governments	No	Not applicable
CPS / NFPS / GG: expected	5	Local governments	No	Not applicable
CPS / NFPS	6	Public nonfinancial corporations	No	Not applicable
CPS	7	Central bank	No	Not applicable
CPS	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

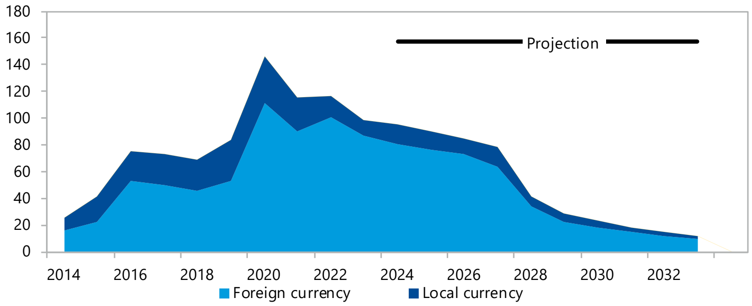
Issuer \ Holder		Budget. central govt	Extra-budget. funds (EBFs)	Social security funds (SSFs)	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
1	Budget. central govt									0
2	Extra-budget. funds									0
3	Social security funds									0
4	State govt.									0
5	Local 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 the BOP portion of IMF disbursements. 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 to track the financial positions of the 10 largest state-owned enterprises.Contigency liability stress test of around 14.9 precent of GDP is included in the DSA in lieu of the narrow debt coverage and planned Staatsolie's financing for participation in the FID.

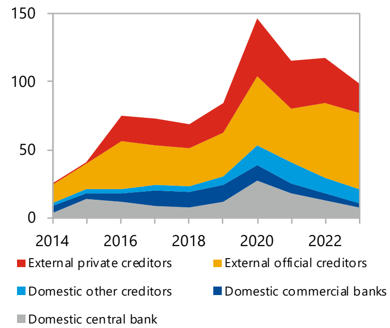
Annex I. Figure 3. Suriname: Public Debt Structure Indicators

Debt by Currency (Percent of GDP)



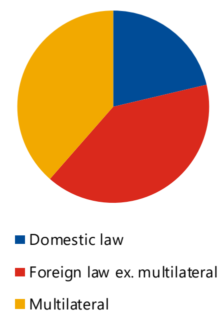
Note: The perimeter shown is central government.

Public Debt by Holder (Percent of GDP)



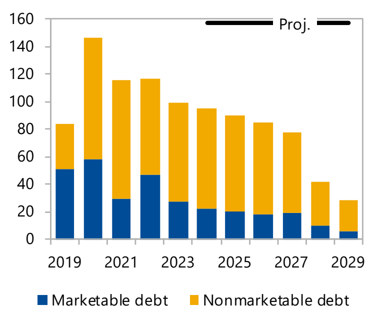
Note: The perimeter shown is central government.

Public Debt by Governing Law, 2023 (percent)



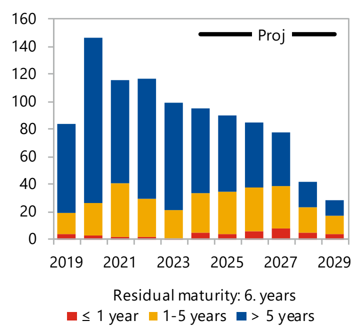
Note: The perimeter shown is central government.

Debt by Instruments (Percent of GDP)



Note: The perimeter shown is central government.

Public Debt by Maturity (Percent of GDP)



Note: The perimeter shown is central government.

Commentary: Public debt is 99 percent of GDP as of end-2023, primarily due to lower nominal GDP outturn and updated stock of suppliers arrears. FX debt accounts for 86 percent of GDP and external public debt accounts for 78 percent of GDP. Multilateral debt accounts for 38 percent of GDP in 2023, about 2/3 of which is owed to Inter-American Development Bank (IADB). Other official debt includes bilateral debt (12 percent of GDP) and ECA-backed debt (5 percent of GDP). Among the official creditors, China is the largest at 11 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 19 percent of GDP and other private creditors account for only 3 percent of GDP. External arrears amount to 5.3 percent of GDP. Domestic debt is estimated to be 21 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 10 percent of GDP. Domestic arrears, including supplier arrears, as of end-2023 are estimated at 5 percent of GDP.

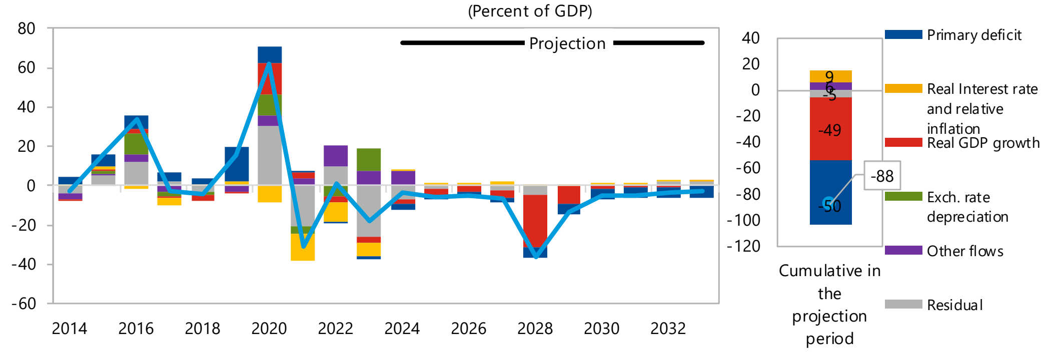
Annex I. Figure 4. Suriname: Baseline scenario

(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	99.0	95.4	89.6	84.9	78.1	41.7	28.3	23.1	18.1	14.7	11.8
Change in public debt	-17.9	-3.6	-5.8	-4.7	-6.8	-36.5	-13.4	-5.1	-5.0	-3.4	-2.9
Contribution of identified flows	-1.0	5.2	2.1	-5.1	-4.3	-33.8	-16.0	-6.3	-6.3	-5.9	-5.5
Primary deficit	-1.4	-2.5	-2.7	-3.0	-3.0	-5.5	-5.5	-5.5	-5.5	-5.5	-5.5
Noninterest revenues	27.3	28.5	27.9	27.9	28.2	24.2	22.7	22.5	22.3	32.6	34.2
Noninterest expenditures	25.9	26.0	25.2	24.9	25.2	18.7	17.3	16.9	16.7	27.1	28.6
Automatic debt dynamics	1.7	-2.5	-1.7	-1.5	-1.3	-26.1	-8.2	-0.3	0.0	0.3	0.7
Real interest rate and relative inflation	-6.8	0.4	1.2	1.7	2.0	0.1	0.8	0.8	0.6	0.5	0.5
Real interest rate	-30.5	-7.1	-4.5	-1.8	-1.1	-5.3	0.0	0.5	0.4	0.3	0.2
Relative inflation	23.7	7.5	5.7	3.6	3.1	5.4	0.7	0.2	0.2	0.2	0.2
Real growth rate	-2.9	-2.9	-3.0	-3.2	-3.2	-26.2	-9.0	-1.0	-0.6	-0.2	0.2
Real exchange rate	11.3	…	…	…	…	…	…	…	…	…	…
Other identified flows	-1.2	10.2	6.5	-0.6	-0.1	-2.2	-2.3	-0.5	-0.8	-0.7	-0.6
(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	5.7	-0.7	-0.5	-0.4	-1.8	-0.6	-0.4	-0.4	-0.3	-0.3
Other accounts payable	2.8	1.3	0.8	0.6	0.9	0.0	0.0	0.0	0.0	0.0	0.0
IMF BoP component	1.6	3.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in deposits at CBvS	2.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal haircut eurobonds	-7.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal haircut CBvS	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution of residual	-17.0	-8.8	-7.9	0.4	-2.4	-2.7	2.6	1.1	1.3	2.4	2.6
Gross financing needs (incl. arrears clearance)	7.4	7.8	5.2	4.0	6.5	1.4	0.5	0.4	0.4	-0.1	-0.6
of which: debt service (excl. arrears)	5.7	8.8	7.9	7.0	9.5	6.9	6.0	5.9	5.9	5.3	5.0
Local currency	1.6	1.4	1.2	1.3	1.3	1.6	1.1	1.6	1.8	1.6	1.4
Foreign currency	4.0	7.4	6.7	5.7	8.2	5.3	4.9	4.4	4.1	3.7	3.6
Memo:											
Real GDP growth (percent)	2.5	3.0	3.2	3.7	4.0	50.3	27.5	3.8	2.7	1.2	-1.6
Inflation (GDP deflator; percent)	38.5	12.8	9.9	7.1	6.7	17.0	4.9	3.0	3.2	3.5	3.8
Nominal GDP growth (percent)	42.0	16.2	13.5	11.1	10.9	75.8	33.7	6.9	6.0	4.8	2.2
Effective interest rate (percent)	1.4	4.4	4.6	4.9	5.2	5.1	5.0	5.0	5.0	5.3	5.6

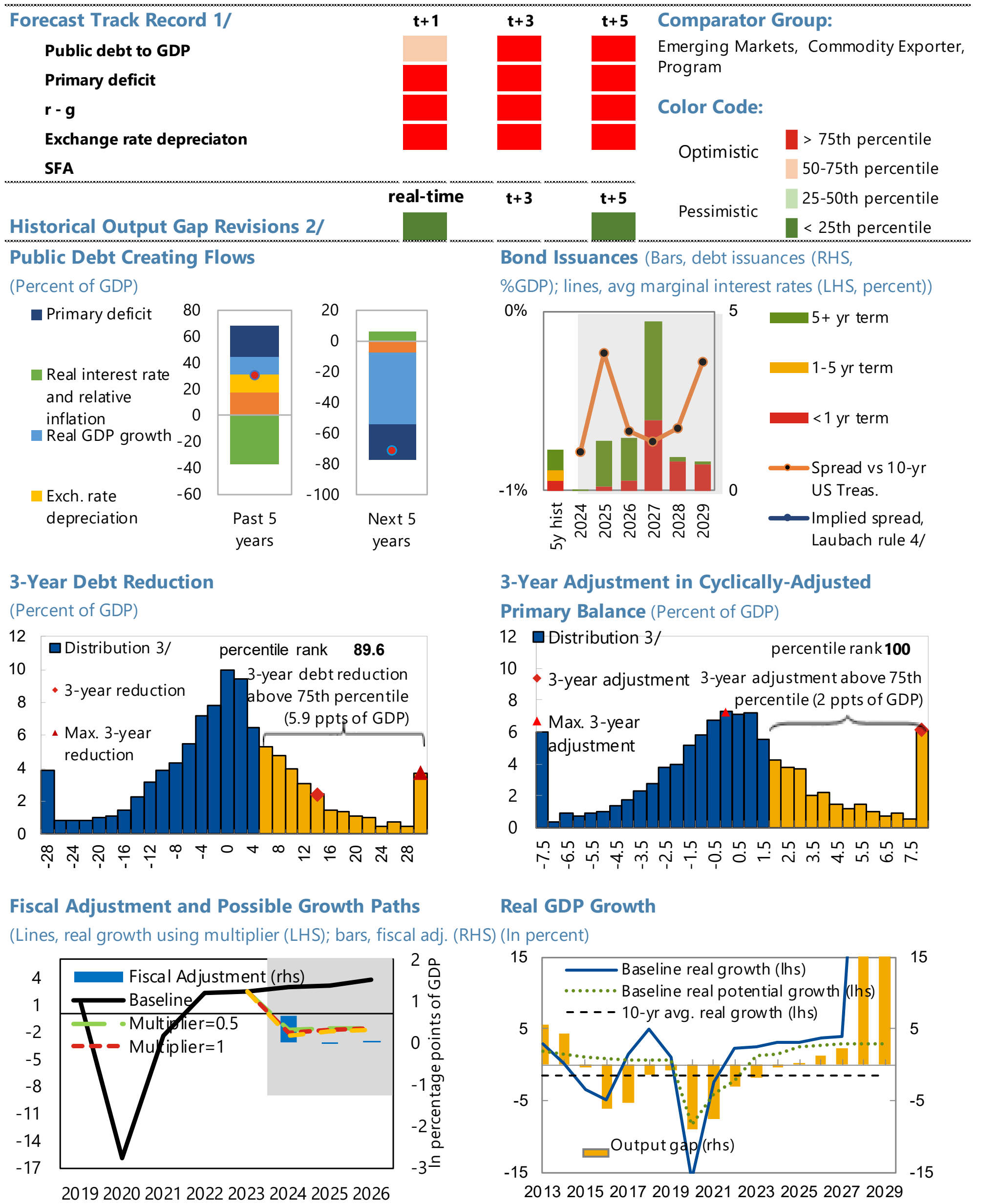
Contribution to Change in Public Debt

(Percent of GDP)



Commentary: Public debt is projected to decline below 90 percent of GDP by 2025 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 42 percent in 2028 with the start of block 58 oil production. GFNs peak in 2024 due to clearance of domestic debt arrears and implementation of CBvS recapitalization but are expected to decline to 1.4 percent of GDP in 2028 as royalty revenues from block 58 oil project begins to flow. The GFN path is also anchored by sustained primary surpluses and it is essential to keep a liquidity buffer, including the government's deposits, against future shocks. Note: The GFNs are on a cash basis and reflect arrears clearances.

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



Commentary: The tools alert to a rapid reduction in public debt and improvement in primary balance, but the projections are underpinned by the authorities' strong commitments to fiscal adjustment, ongoing debt restructuring as well as ramped up oil production and growth. 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 its equilibrium REER as the initial depreciation is unwound by end of 5-year horizon.

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

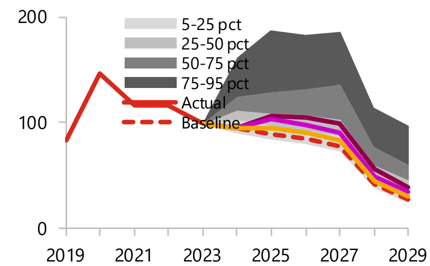
3/ Data cover annual obervations from 1990 to 2019 for MAC advanced and emerging economies. Percent of sample on vertical axis.

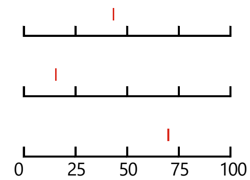
4/ The Laubach (2009) rule is a linear rule assuming bond spreads increase by about 4 bps in response to a 1 ppt increase in the projected debt-to-GDP ratio.

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

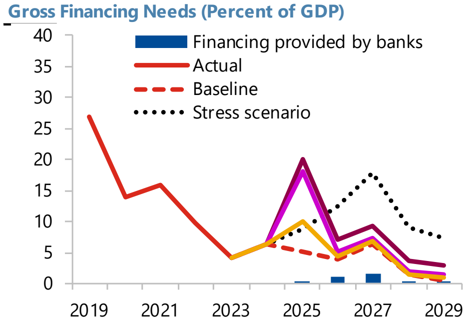
	Value	Contrib 1/	Percentile in peer group 2/
Debt fanchart module			
Fanchart width *(percent of GDP)*	71.8	1.0	
Probability of debt non-stabilizaiton *(percent)*	0.0	0.0	
Terminal debt-to-GDP x institutions index	37.3	0.8	
Debt fanchart index (DFI)		1.9	
Risk signal: 3/		Moderate	
Gross financing needs (GFN) module			
Average baseline GFN *(percent of GDP)*	4.0	1.4	
Initial Banks' claims on the gen. govt *(pct bank assets)*	4.4	1.4	
Chg. In banks' claims in stress *(pct banks' assets)*	7.2	2.4	
GFN financeability index (GFI)		5.2	
Risk signal: 4/		Low	

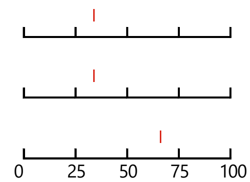
Final Fanchart (Percent of GDP)





Gross Financing Needs (Percent of GDP)

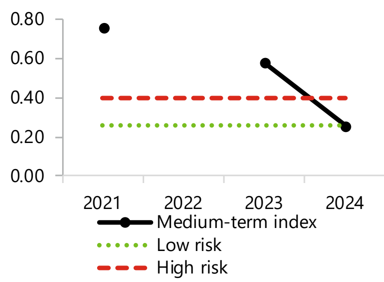




Triggered stress tests (stress tests not activated in gray)

Banking crisis ☐ Commodity prices Exchange rate ☐ Contingent liab. ☐ Natural disaster

Medium-Term Index (Index Number)



Medium-term risk analysis

	Value	Value (normalized)	Weight	Contribution
Debt fanchart index	1.9	0.4	0.5	0.2
GFN finaceability index	5.2	0.1	0.5	0.0
Medium-term index		0.3		
Risk signal: 5/		Low		
Final assessment:		Moderate		

Prob. of missed crisis, 2024-2029, if stress not predicted: 9.1 pct.

Prob. of false alarms, 2024-2029, if stress predicted: 42.0 pct.

Commentary: The debt fanchart module points to moderate risk of debt distress mainly driven by the wide width of the fanchart, reflecting large historical fluctuations in real exchange rate and inflation. 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. The GFN finance-ability module suggests low risk of debt distress, supported by declining GFN path in the medium term. The risk from the change in bank's claims is high than expected due to recapitalization needs for CBvS. The modalities used in orchestrating the recapitalization impacts the GFN (i.e. both the direct cash injection and the use of a marketable bond 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 prospects for higher oil revenues.The DSA incorporates the impact of potential oil production after the announcement of FID in October, which provides assurances about the economic viability of the oil reserves. Overall, the medium-term risk and overall risk are considered to be moderate.

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

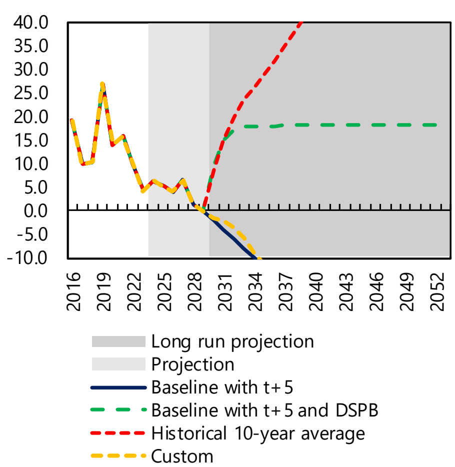
Large amortizations	**Pensions**	**Climate change: Adaptation**	**Natural Resources**
	Health	**Climate change: Mitigation**	

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

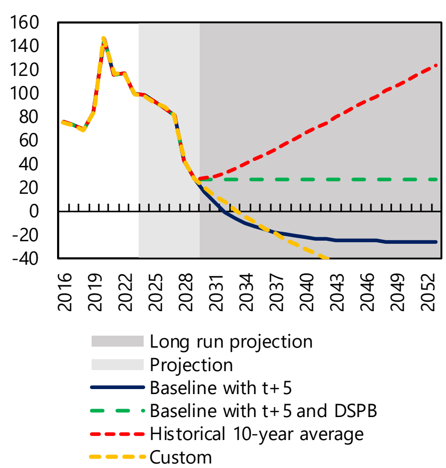
Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Medium-term extrapolation with debt stabilizing primary balance	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Historical average assumptions	GFN-to-GDP ratio	
	Amortization-to-GDP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

Variable	2029	2033 to 2037 average	Custom Scenario
Real GDP growth	27.5%	0.9%	6.7%
Primary Balance-to-GDP ratio	5.5%	5.5%	5.5%
Real depreciation	-5.6%	-3.4%	-4.0%
Inflation (GDP deflator)	4.9%	3.6%	3.7%

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



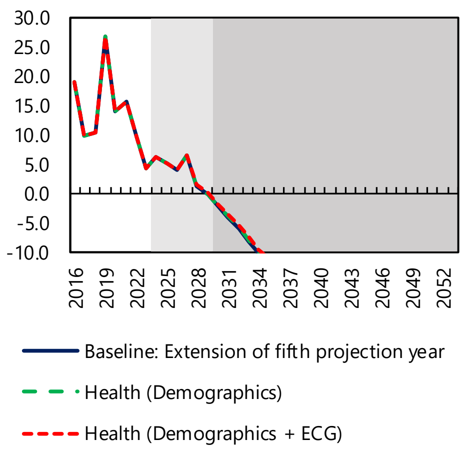
Commentary: The long-term analysis indicates that GFN to GDP and public debt to GDP diverge very quickly if the government followed the past 10-year path. The historical 10-year average scenario is less informative because the scenario includes macro-fiscal shocks during the crisis period of 2020-22. 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 loans would commence after grace periods. 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).

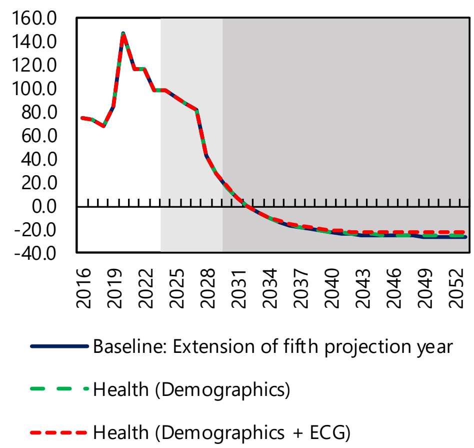
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis (continued)

Suriname: Demographics: Health

GFN-to-GDP Ratio



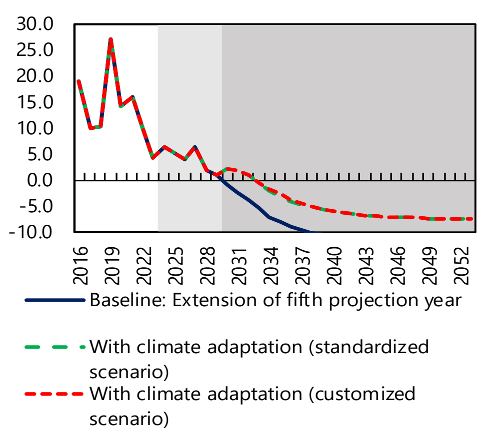
Total Public Debt-to-GDP Ratio



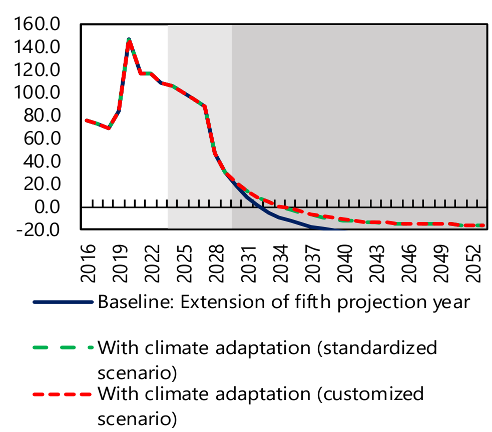
Commentary: Health cost based on demographic changes could provide additional risks in the long-term but this would not have a material impact given that GFN to GDP and public debt to GDP keep declining based on continued fiscal consolidation efforts.

Suriname: Climate Change: Adaptation

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

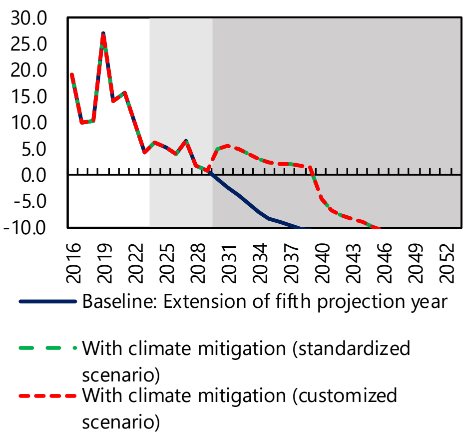


Commentary: Suriname is outside the hurricane belt but is occasionally affected by the tails of hurricanes and local storm events, resulting in flooding. Climate adaptation could cause additional fiscal costs. In both the standardized and customized scenarios, adaptation requires additional investment worth 3 percent of GDP per year. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers.

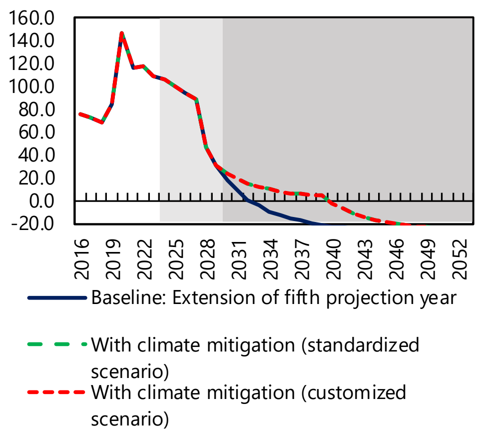
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis (concluded)

Suriname: Climate Change: Mitigation

GFN-to-GDP Ratio



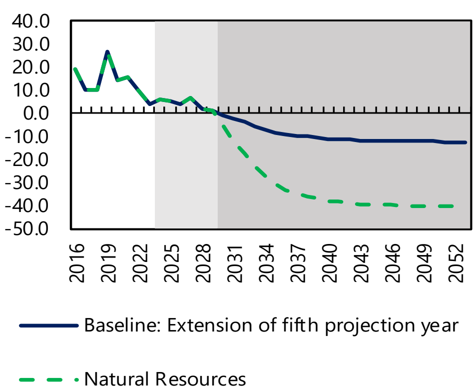
Total Public Debt-to-GDP Ratio



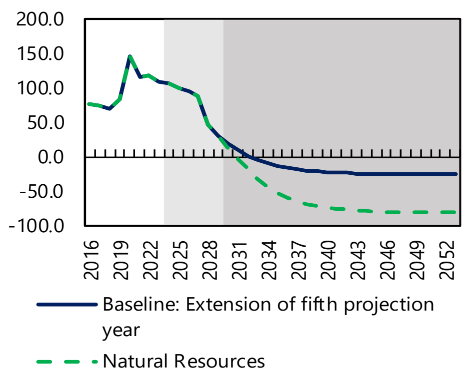
Commentary: Climate mitigation could cause additional fiscal costs. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. In both the standardized and customized scenarios, adaptation requires additional investment worth 5.7 percent of GDP.

Suriname: Natural Resources

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



Commentary: Scaled up oil extraction from block 58 oil project with initial estimates of recoverable reserves of 750 million barrels reduces signficantly the GFNs and reduces the long term debt path. However, it is important to include mitigating measures to climate change, which could further impact revenues, growth and debt profile. There is need for continue fiscal consolidation efforts and rebuilding buffers for future shocks.

A. Public Debt Restructuring

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 with external official creditors***. 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. The authorities signed phase 2 of debt restructuring agreement with the Paris Club in October 2024, culminating a long process of negotiations since the start of the current program. The agreement provides stock relief, with the repayments commencing in 2030, while ensuring comparability of treatment with other creditors. Bilateral negotiations with individual PC creditors are ongoing. 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. 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 is in line with the PC treatment and program parameters. A final agreement restructuring both China EXIM and China ICBC loans was signed in November 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 China include contingencies for the second phase of debt treatment should the macroeconomic outlook improve, in particular pertaining to oil developments.

- ***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 of over 96 percent and a post-CAC participation rate of 100 percent.[1] The new bonds were issued in an

[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).

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. As part of the restructuring offer, bondholders also accepted a VRI conditional on new revenue streams from block 58 oil project which reached a final investment decision in October 2024. The treatment of the VRI in the DSA is based on staff's current understandings and follows past precedents. Specifically, payment obligations are only recognized as they are expected to materialize, i.e. in line with the assumed realization of revenues (from 2028 onwards). As the authorities will have the means to meet these obligations as they fall due, no additional financing or other accumulation of debt will be needed to cover these payments; instead, the economic cost is reflected in the opportunity cost associated with the lost revenue. In April, an agreement was signed with ABN AMRO to restructure two outstanding loans. Negotiations are ongoing with the remaining commercial creditors (Credit Suisse, and Israel Discount bank) with expected debt treatment on comparable terms and in line with program parameters.

- ***Comparability of treatment for the other creditors***. The restructuring agreements with the Paris Club (PCs) and China include contingencies (clawback provisions) for the second phase of debt treatment should the macroeconomic outlook improve, in particular pertaining to oil developments. The DSA assumes that both the Paris Club and China will revisit clawback provisions in their restructuring agreement to be repaid as per terms comparable to VRI holders, once the VRI starts paying out to the VRI holders. Staff conservatively assume that the PC and China will require repayments on terms comparable to VRI holders. This is achieved by scaling up principal payments proportionate to VRI payments made to the VRI holders post 2028.

- ***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 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 met the continuous ceiling on non-accumulation of domestic debt arrears. Apart from disputed arrears, all other domestic debt arrears were fully paid by end September.

- **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 4.942 billion in AOP, SRD 0.488 billion in legacy suppliers arears, and SRD 0.809billion in VAT refund arrears. The authorities have further accumulated (on a net basis) SRD 1.672 billion by end October 2024.[2] The total stock of accounts payable stood at SRD 6.615 billion by October 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 552 million at end-2024. These arrears are being cleared in line with program commitment. The domestic debt arrear repayment schedule in 2024 that incorporates the government strategy and staff's assumption are summarized in the Text Table.

Suriname: Domestic Arrear Clearance Schedule in 2024 (net basis)

	2024	
	SRD millions	% of GDP
Arrear repayments	**4,163**	**2.8%**
Commercial banks and NBFIs	1,671	1.1%
Gold loan	552	0.4%
Suppliers	1,131	0.8%
VAT refunds	809	0.5%

Source: IMF staff estimates.

- ***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 in 2025-2026. In 2026/27 we assume that residual GFNs will be met by 100 percent domestic T bonds. External market access is assumed to resume in 2028. The lack of external and domestic market access creates a potential financing gap in 2024 that is filled by CG deposit withdrawal. The government had accumulated deposits of SRD 10.0 billion (6.8 percent of GDP) by end September-2024, so potential delays in market access could be covered by a large liquidity buffer. Based on the FY 2021 audit, the recapitalization of the CBvS is assumed to equal 9.4 billion in 2024. 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).[3] There are 5 new instruments (bonds) with a face value of SRD 1.676 billion and maturities from 6 to 10 years. The

[2] 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.

[3] The issuance of a marketable bond for recapitalization is consistent with the provisions of the new Central Bank Act.

coupon rate is fixed at 9 percent with semi-annual payments while the principal amount of each bond will be paid at maturity.

3. Public debt is assessed to be sustainable, and risks of debt distress are assessed moderate. Public debt would be placed on a steady downward trend over the medium and long term, falling below 90 percent in 2027 and below 14 percent in 2028 after the start of oil production. Moreover, GFNs would decline sharply from 7.8 percent in 2024 to 1.8percent in 2028 as royalty revenues from block 58 oil project begins to flow. The GFN path is also anchored by sustained primary surpluses and it is essential to keep a liquidity buffer, including the government's deposits, against future shocks. If downside risks were to materialize, however, fiscal consolidation beyond the program period may be needed to generate additional buffers.

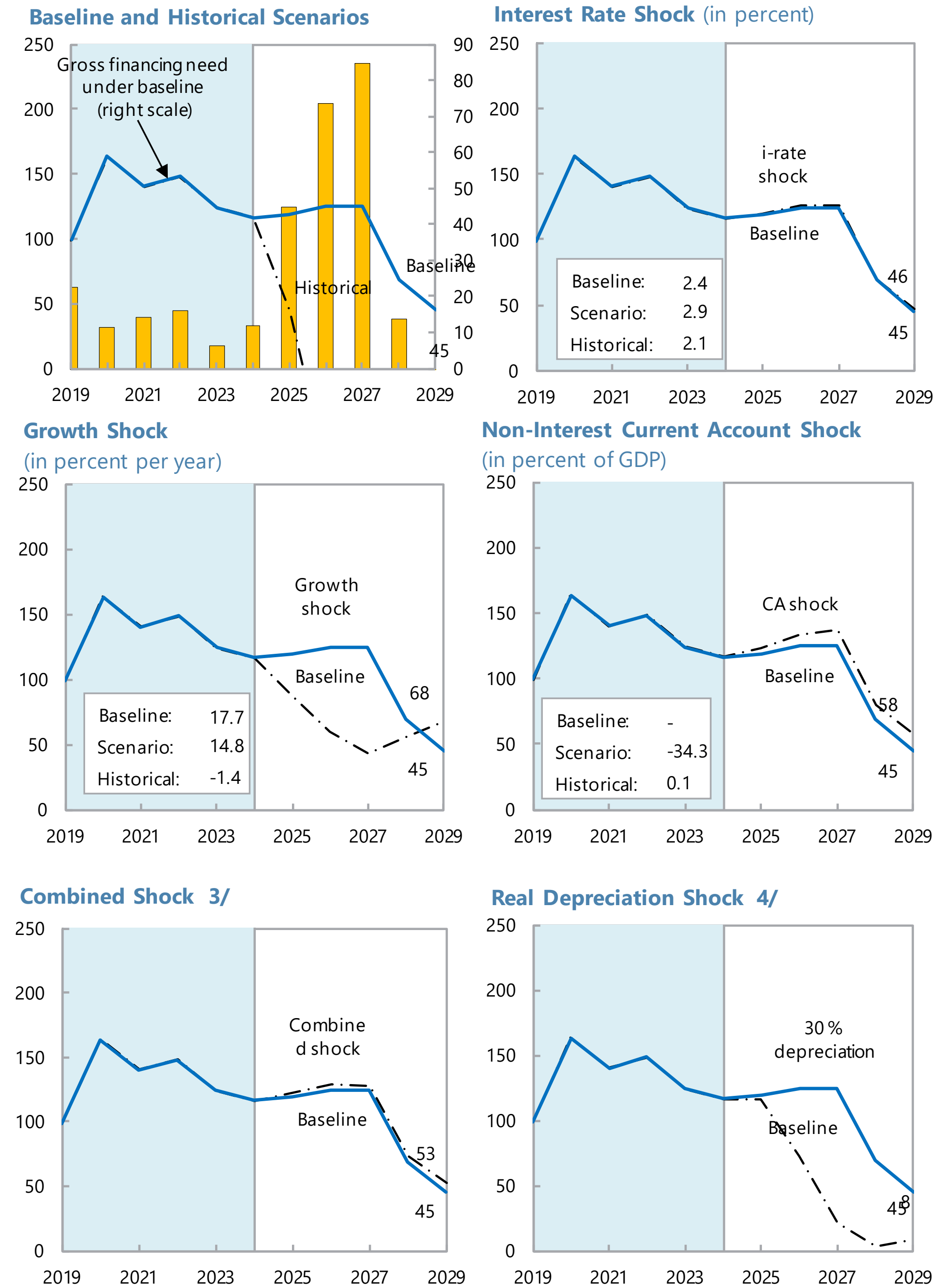
B. External DSA

4. External debt stood at 124 percent of GDP at end-2023, down from 148 percent at end-2022. Total external debt is projected to decline below 70 percent of GDP at end-2028, in part due to large foreign direct investment into block 58 oil project. While external debt is projected to decline substantially over the medium term, macroeconomic shocks pose significant risks (Figure 8). Various economic shocks reveal that the external debt would be generally kept below 100 percent of GDP. Nonetheless, continued internal and external adjustment is critical to ensure external sustainability going forward.

5. Final Investment Decision (FID) and Staatsolie's participation: The FID on investments to extract oil from block 58 was announced in October, the state oil company (Staatsolie) would need financing of USD 2.6 billion to exercise its option of holding claims to 20 percent equity in the offshore fields by June 2025. Staatsolie intends to raise this financing through a combination of own cash reserves, domestic FX bonds (USD 200 million) and syndicated commercial bank financing of around (US$1.5 billion). The equity participation enables the government to benefit from both royalty revenues and the share of profit oil. 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.

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. External Sector Assessment

Overall Assessment*: The external position of Suriname in 2023 was stronger than the level implied by fundamentals and desirable policies. This assessment is based on cyclically adjusted current account balance that is consistent with the current account norm of a balanced external sector position for Suriname*[1]

Suriname's current account (CA) balance improved by 2.2 percentage points of GDP to a surplus of about 4.3 percentage of GDP in 2023 due to fiscal and monetary discipline.

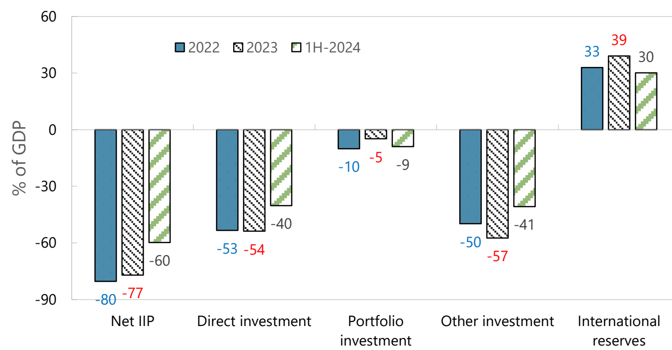
Potential Policy Responses*: To maintain an external position In line with the fundamentals, and to gain external market access, Staff recommend continued fiscal and monetary discipline and encourage the authorities to continue maintaining exchange rate flexibility.*

Foreign Assets and Liabilities: Position and Trajectory

Background. Suriname's net international investment position (IIP) was -77 percent of GDP in 2023. This represents an improvement from -80 percent of GDP in 2022. The current account surplus supported an improvement in net IIP of 4.2 percent of GDP (BOP errors and omission excluded), valuation changes had a negative effect mostly through REER depreciation. Assets increased from USD 2.46 Billion in 2022 (67.8 percent of 2022 GDP) to USD 2.8 Billion (81.2 percent of GDP) in 2023, mostly on back of buildup s of reserves (6.2 percent of 2023 GDP) and buildup of portfolio assets (4.2 percent of 2023 GDP). IIP liabilities increased in levels from USD 5.38 Billion to USD 5.45 Billion and increased from 148.1 percent of GDP in 2022 to 158.2 percent of GDP in 2023. This contrasts to the IIP liabilities reported in CR24/254 due to revision in 2023 GDP. The liabilities increased due to borrowing from IMF and IDB, (10 percent of GDP).

The assets and liabilities are denominated mostly in USD and Euros.

Net International Investment Position



2024 Developments: The NIIP in the first half of 2024 improved from -77 percent of GDP to -59.8 percent of GDP – an improvement of 17.2 percent of GDP, mainly driven by a larger projected GDP in 2024. In terms of NIIP flows in the first half of 2024, net FDI inflows marginally increased resulting in a worsening of NIIP position (0.6 percent of GDP). As spreads on government bonds decreased, there was an unfavorable valuation effect resulting in an increase in government portfolio liabilities of 2.3 percent of GDP. The unfavorable flow effect was offset by accumulation of reserves (1.4 percent of GDP) and net improvement in other investment position (1.6 percent of GDP).

1/The external sector assessment is based on Staff's estimates. The current ESA assessment is based on revised 2023 GDP and an updated macro-framework incorporating the Final investment decision for the exploration of oil from block 58.

Assessment. Supported by the EFF arrangement, the net international position has improved, reducing vulnerabilities in the external sector. The restructuring of external debt has also reduced risks to external debt sustainability (see Annex I). Sustained fiscal and monetary discipline will help further improve the negative NIIP position. A restrictive monetary policy will also help mitigate any unfavorable valuation effects owing to the presence of larger gross liabilities than gross assets.

Going forward, the Net IIP position is expected to decrease to USD -11.5 billion in 2028, corresponding to the accumulated current account deficits over the period for importing Capital Expenditures for investment in oil extraction. The assets are expected to increase by USD 0.9 billion (mostly on back of buildup of reserves). Liabilities are projected to increase by USD 9.75 billion, with repayment of government debt (in net terms) reducing public sector liabilities by 0.19 USD billion while direct investment contributing to an increase in liabilities.

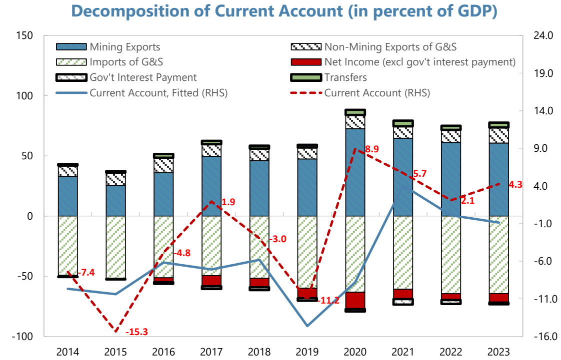
Assessment year 2023 (% GDP)	NIIP: -77	Gross Assets: 81.2	Debt Assets: 35.9	Gross Liab.: 158.2	Debt Liab.: 98.2

Current Account

Background. The current account surplus improved to 4.3 percent of GDP in 2023 from 2.1 percent of GDP in 2022. The improvement in the current account surplus is mainly driven by a higher trade (1.7 ppts), service (0.35 ppts) and secondary income balance (0.57 ppts), while the primary income partially offset the gains (-0.47 ppts). Unlike in the last two years when the trade balance worsened significantly relative to the previous year, the trade balance boosted on account of favorable terms of trade The lower oil prices in 2023 relative to 2022 also had a favorable impact on freight charges for imports, narrowing the service account balance. The deficit in primary income account in 2023 remained the same as in 2022 in level terms, with the denominator effect lowering the primary income balance in GDP terms.

From the saving investment balance perspective, public savings have now turned more favorable from an overall fiscal deficit of -11 percent to -1.7 percent in 2023 after reversal of loose fiscal and monetary policies and following the debt restructuring process.

Decomposition of Current Account (in percent of GDP)



Assessment. The IMF's EBA-Lite current account (CA) methodology applied to 2023 BOP data suggests the estimated CA gap in Suriname was moderately stronger than the level implied by the fundamentals and desirable policy settings in 2023. The cyclical component of CA is 1.4 percent of GDP, which reflects both the impacts of a large negative output gap and a moderately favorable terms of trade owing to a decline in global oil and other commodity prices. The current account norm as estimated by the model is -7.1 percent of GDP. The current account norm is adjusted by i) 2 percent of GDP to incorporate the financing constraints faced by Suriname due to the loss of external market access the model does not capture and ii) by 5.6 percent of GDP to remove the model's downward impact of migrant workers on the current account balance norm that is not applicable to Suriname. In Suriname, presence of large migrant workers sending outward remittances partially offsets the effects of inward remittances[2]. Resultantly, the estimated CA gap in 2023 is 2.4 percent of GDP, with CA-model based REER gap of -5.4 percent using the default CA model-based elasticities.

A current account surplus (4.2 percent of GDP) despite a marginal public sector deficit (1.5 percent of GDP) implies a high private savings and investment differential.

Developments in 2024 and medium-term outlook: In the first half of 2024, the current account balance was USD, 27.7 million. With the final investment decision announced in Q4 2024, the current account balance is expected to be volatile in the near and the medium term. Significant investment inflows, financed by FDI inflows, are expected to turn the current account into deficit, with expected oil related inflows boosting the current account balance in the long term. As market access is developed and debt restructuring related policies are unwound, staff expects the authorities to follow policies that will remove the marginal strength of the external sector relative to fundamentals and desirable policies.

Suriname: Model Estimates or 2023 (in percent of GDP)

Suriname: EBA-lite Model Results, 2023

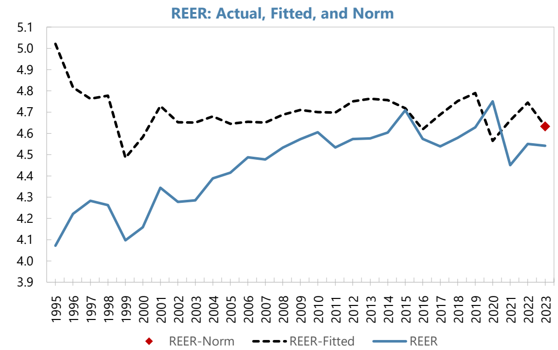
	CA model 1/	**REER model** 1/
	(in percent of GDP)	
CA-Actual	**4.3**	
Cyclical contributions (from model) (-)	1.4	
Additional temporary/statistical factors (-) 2/		
Natural disasters and conflicts (-)		
Adjusted CA	**2.9**	
CA Norm (from model) 2/	**-7.1**	
Adjustments to the norm (+)	7.6	
Migrant share	5.6	
Financing constraints	2.0	
Adjusted CA Norm	**0.5**	
CA Gap	**2.4**	**8.0**
o/w Relative policy gap	2.7	
Elasticity	-0.4	
REER Gap (in percent)	**-5.4**	**-17.9**

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

Background. The average nominal (NEER) depreciated sharply by around 20 percent during 2023. This was due to a massive depreciation of the exchange rate at the beginning of the year. The average REER depreciated by 2.7 percent in 2023. Between end-2022 and April 2023, the NEER depreciated 19 percent while the REER depreciated 5 percent over the same period. As the exchange rate stabilized towards the latter half of 2023, the NEER depreciated 16 percent and the REER appreciated 9 percent. The appreciation in REER was partly on back of an improvement of 1.4 percent in the Terms of Trade, helped by lower oil and manufactured goods prices.

2/A simple regression using quarterly data of percentage change in imports on lag of percentage change in net remittances yields a marginally negative and insignificant coefficient. The analysis is robust to increasing the lags and using inward rather than net remittances.



NEER has been highly volatile and has depreciated in double digits (average depreciation of 19.2 percent over 2018-2022), reaching a peak of 37 percent depreciation in 2020. Owing to strong and quick pass through of exchange rate depreciation, REER remained stable (average depreciation of only 1.3 percent over 2018-2022).

Assessment. The IMF's EBA-Lite REER methodology applied to 2023 BOP data suggests the real exchange rate is undervalued by 17.9 percent using the REER model-based elasticities.

Flexibility in exchange rate is a key for letting REER in line with the fundamentals.

REER Developments in 2024: The nominal exchange rate appreciated by 15 percent in the first 9 months of the year 2024, potentially removing undervaluation signaled by the EBA-lite CA model based on the 2023 external sector outcomes. In addition, with the real interest rates converging to desirable policy levels in the first quarter of 2024, policy related real interest rate contributions for REER undervaluation are removed.

Capital and Financial Accounts: Flows and Policy Measures

Background. **Suriname experienced outflows of both direct investment and portfolio investment but had inflows of other investments in 2023.** The large inflows of other investment of USD 216 million (6.3 percent of GDP) in 2023 are mostly due to an increase in government budget support by IMF, IADB and other multilaterals. Easing forex conditions also enabled companies to repatriate long overdue dividends resulting in outflow of direct investments. On the other hand, portfolio inflows, representing debt restructuring on Eurobonds, of 132 million (3.8 percent of GDP) more than offset the slight increase of portfolio outflows to USD 86 million (2.5 percent of GDP).

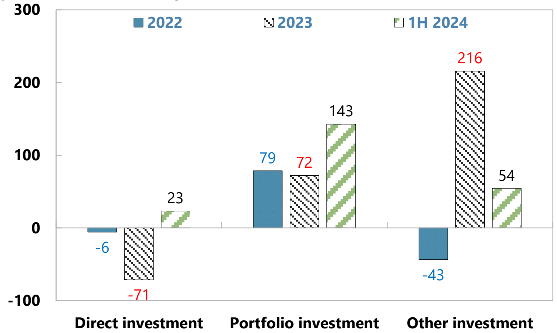
Developments in 2024: The trend of large other inflows cotninued as IMF and IaDB cotninued their budget and BOP support. There was a valuation adjustment of US$ 216 million as investor sentiment improved resulting in a decline in Suriname's bond spreads. In the latter half of 2024 and in the medium term, FDI inflows are expected to ramp up as investment pours in to develop the offshore oil fields.

Partial forex surrender requirements remain in place. Exporters are required to surrender 35 percent of their forex proceeds to commercial banks. The authorities have no plans of changing the surrender requirements. These surrender requirements help improve the forex liquidity in the forex market.

Developments in 2024. In recent months, some exporters are not complying with the surrender requirements. The authorities should be mindful of the Article VIII obligations while enforcing the surrender requirements.

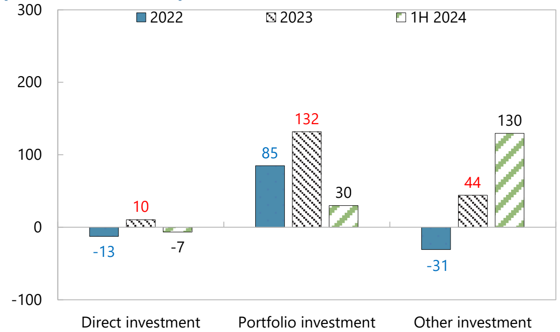
Assessment. Supported by the Extended fund arrangement under EFF, the net international position has improved, reducing vulnerabilities in the external sector. The authorities reform agenda, including fiscal restraint and a restrictive monetary policy will maintain the downward trajectory in the negative NIIP position.

Gross Capital Inflows (Liabilities)
(In millions of US$)



Sources: Surinamese authorities

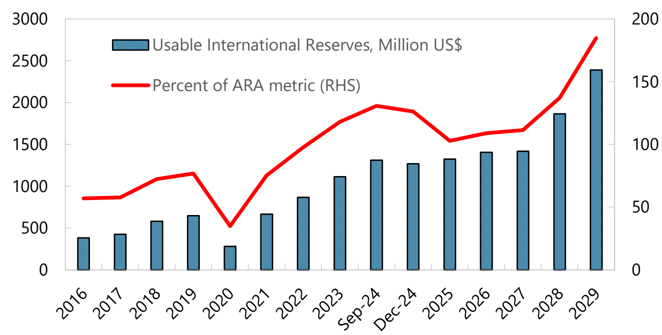
Gross Capital Outflows (Assets)
(In millions of US$)



Sources: Surinamese authorities

FX Intervention and Reserves Level

Usable International Reserves



Background. Usable international reserves (i.e., gross international reserves minus PBOC swap and banks' ring-fenced required reserves) increased sharply to USD 1112 million (6 months of imports) in 2023. The level of usable reserves in 2023 is 124 percent of the ARA reserve adequacy metric, satisfying the recommended level of reserves between 100-150 percent of the ARA EM metric. The usable reserves were USD 865 Million in 2022. Suriname is expected to accumulate usable international reserves to around 144 percent of the ARA reserve adequacy metric (equivalent of around 4 months of imports) by end-2028.

Consistent with the commitment to exchange rate flexibility, the authorities refrained from intervening in the forex market. To support forex market, the practice of directly providing forex to essential mineral exporters from the authorities' share of forex mineral revenue in exchange for authorities receiving SRDs at the going market rate has ceased in June 2024.

Developments in 2024: The usable international reserves increased to US$ 1302 million in October 2024 (128 percent of the ARA metric) after significant inflows from IMF BOP support and payment of dividends from Staatsolie in September more than offset the clearance of arrears on foreign currency denominated domestic debt.

Assessment. Staff see the need for further reserve accumulation to mitigate against any unfavorable terms of trade shocks and delays in external market access. Staff also see the need for the authorities to continue to refrain from intervening in the forex market and maintain the flexibility of exchange rate.

Annex III. Risk Assessment Matrix[1]

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
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. • **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.	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.	Keep the exchange rate flexible to act as a shock absorber. Use existing policy space to support the economy and protect the most vulnerable, consistent with the monetary policy framework and fiscal sustainability. Implement structural measures to improve competitiveness to support domestic demand. Monitor banks' buffers to withstand shocks
Medium	**Medium**	
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.	Sharp tightening of global financing conditions and rising risk premia can increase vulnerabilities for sovereign and banks.	Keep flexibility in exchange rate to act as a shock absorber. Keep appropriately tight monetary policy stance, communicating and signaling strong commitment to keeping inflation in check. Reprioritize spending to provide targeted fiscal support to the vulnerable.

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 **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.	**High** 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.

Annex IV. SDS Country Engagement

Annex IV. Table 1. Suriname: Country Engagement Overview

Policies Issues and Objectives	Domestic Constraints	Staff Engagement Plan
The authorities are amid a three-program supported by the EFF with the objective of eliminating macroeconomic imbalances and creating the conditions for durable growth. High debt levels are being reduced through a combination of debt restructuring and fiscal consolidation. The fiscal reforms focus on eliminating costly and poorly targeted energy subsidies, strengthening revenue mobilization, and enhancing public financial management. The authorities have adopted a reserve money targeting monetary and are addressing banking sector risks and strengthening governance institutions.	Suriname is a consensus-based society with strong involvement of labor unions and the business sector in decision making. Labor unions tend to drive politically sensitive policies and reforms. There is the potential for social and political pressures to intensify in the run-up to the May 2025 elections. Suriname suffers from limited fiscal space reflecting high debt levels and low revenue collection. Capacity is low compounded by exodus of skilled workers. Public sector wages are low making it difficult to recruit and retain skilled workers and constraining the government's ability to develop and implement policies.	The program was approved by the Board on December 22, 2021. Program objectives have been aligned with capacity development in government institutions (see CD strategy). Near term engagement will focus on supporting the authorities to successfully complete the outstanding reforms under the program, including through capacity development. A follow up program may be needed to help consolidate the macroeconomic gains and to put in place the appropriate institutional framework to successfully manage oil wealth. Capacity development from the Fund and other development partners will be instrumental over the medium term. (see CD strategy).
Fiscal policy		
Suriname is committed to reducing public debt and developing a fiscal framework for the successful management of oil revenues.	A credible fiscal consolidation is currently on the way supported by structural reforms to eliminate energy subsidies, strengthen public financial management, and improve revenue administration. The sovereign wealth fund law is being amended to allow for the incorporation of oil wealth and the value recovery instrument.	Engagement will focus on supporting the authorities, including through capacity development to: (i) implement a fiscal framework to allow for successful management of oil revenues (ii) strengthen fiscal institutions (tax administration and public financial management; and (iii) manage fiscal risk posed by public enterprises. Staff will work closely with the IaDB on these issues.
Monetary Policy		
The adoption of a reserve money targeting framework and the roll-out of open market operations is supporting the goal of returning inflation to single digits. The authorities intend transitioning to a more price-based monetary policy framework in the medium term.	The effectiveness of monetary policy is being hampered by the high degree of financial dollarization and the inefficient functioning of the interbank market.	Near term engagement is focusing on reducing inflation and strengthening the effectiveness of the RMT framework. 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.
Governance		
The authorities aim to reduce corruption and strengthen governance institutions. These reforms are now even more imperative with the announcement of a final investment decision by TotalEnergies. Strong institutions will help the country derive the maximum benefit from the oil wealth.	Suriname faces several governance vulnerabilities include gaps in legal frameworks, institutional weaknesses, implementation challenges, capacity constraints and an overall lack of accountability, transparency and awareness in systems and processes. Governance reforms are going but the pace is slow reflecting binding capacity constraint	Engagement will focus on supporting the authorities, including through CD to implement governance reforms in anti-corruption, public procurement, and AML/CFT. The Fund is supporting the authorities to amend the Anti-Corruption legal framework to create a requirement for income and asset declarations of high-ranking public officials. The IaDB is also supporting the authorities in strengthening capacity of the Anti-Corruption Commission and the implementation of the income and asset declaration.

Annex V. Status of the 2019 Article IV Main Recommendations

The Surinamese authorities have made good progress on the implementation of recommendations from the previous Article IV, as evidenced by the strong performance under the overlapping EFF-supported reform program. This includes most notably reforms to broaden the tax base, reduce subsidies, and strengthen governance and transparency.

Restoring Fiscal Sustainability

1. **The 2019 Article IV Consultation recommended fiscal consolidation aimed at putting debt on a downward path.** Most of the recommendations were recommended in the context of the EFF arrangement, albeit with delays. While it was not envisioned in the last Article IV, sovereign debt restructuring also played its part in restoring debt sustainability (Annex I).

- **Tax policy:** Specifically, it was recommended to increase the sales tax from 8-10 percent to 22 percent by 2020 and subsequently replace the sales tax with a VAT of 15 percent. The authorities implemented VAT in January 2023 and subsequently broadened its base in October 2023 to ensure that 60 percent of the consumption basket is taxed at a standard 10 percent VAT rate. In addition, in June 2024, the authorities introduced a 5 percent VAT on public utilities.

- **Subsidies:** Article IV recommended an increase in electricity tariffs by 15 percent per year during 2020-22 and by 20 percent per year during 2023-24, while exempting low-income households from these tariff increases (measured by monthly usage). Due to the COVID-19 crisis, phasing out of electricity subsidies did not begin until 2023. Tariffs were subsequently increased by x percent in 2023 and another y percent in 2024. In response to the energy shock in 2022, due to the war in Ukraine, the authorities introduced fuel subsidies. These were subsequently discontinued in February 2023. In addition, an excise of fuel was reintroduced and subsequently increased. In addition, in 2023 the authorities started to phase out subsidies on water and gas with a goal of reaching cost recovery by 2026.

- **Social safety net:** Article IV recommended increasing social safety net spending by 0.2 percent of GDP in 2020-21 and by 0.4 percent of GDP thereafter by expanding targeted cash transfer programs. In the context of the EFF-supported program, a floor on social assistance spending was introduced and the authorities increased the spending from 1.6 percent of GDP in 2020 to 3.5 percent of GDP in 2024.

- **Structural fiscal reforms:** Last Article IV also recommended reforms to tax and customs administration, public financial management (PFM), and the allocation and procurement of public investment. With extensive Fund CD support, the authorities introduced new tax identification numbers, imposed penalties for late payments of VAT, set up large taxpayers unit. The process to transform the tax department into a modern, semi-autonomous revenue agency is still ongoing, with the relevant legislature soon to be enacted. On PFM, cash management unit was set up and operationalized, transition to single treasury account has begun with a few pilot ministries. Expenditure ceilings for each line ministry are being introduced. New procurement law has recently been enacted.

Strengthening the Monetary Policy Framework

2. Last Article IV recommended fully implementing the reserve money targeting framework through the following measures:

- **Publish explicit short-term, annual, and long-term monetary targets.** Last article IV recommended publishing annual and longer-term target paths for reserve money based on an analysis of the link between nominal GDP and the demand for reserve money. The forecast, in conjunction with a forecast for currency in circulation would then provide a target path for total (required and excess) bank reserves – an anchor for the CBvS's short-term liquidity management operations. Central bank has not yet started publishing the target paths. Nonetheless, the Staff reports publish the reserve money paths in the context of the program goals.

- **Further expand the monetary toolbox.** The last article IV recommended further developing the capacity to undertake open market operations (e.g. through weekly operations in 7-day repo and reverse repo instruments) It also recommended converting part of the government debt to the CBvS into marketable securities for use in liquidity management operations, and to introduce a policy rate (potentially the 7-day repo rate) and increasingly rely on it as their main gauge of policy stance. After the default and subsequent restructuring of the government debt, appetite for government securities faded away, and security instruments for expanding the monetary toolbox could not be developed. A policy rate was also not introduced as the CBvS was limited to aggressively mop up excess liquidity after the high inflation/exchange rate episode.

- **Further strengthen the CBvS's coordination with the government.** CBvS and the Ministry of Finance were able to sign on a Memorandum of Understanding that clarified the modalities for sharing the financial burden arising from liquidity management operations between the CBvS and the Ministry of Finance.

- **Discontinuation of monetary financing of the budget.** The central government enacted a new Central Bank act in 2022 that explicitly prohibits monetary financing of the central government deficits.

- **Allowing the exchange rate to act as a shock absorber.** The last Article IV recommended a more flexible exchange market with meaningful price discovery, and for publishing a reference for the parallel FX rate, ideally at a daily frequency, to provide further clarity to the market. The central bank has adopted a fully flexible exchange rate regime. The market exchange rates are also published three times every day.

Bank Supervision and Crisis Management

3. Last Article IV recommended improvements in bank supervision and bank resolution and crisis management areas:

- **Revamping CBvS' supervisory efforts**. The last Article IV recommended the CBvS to require all banks with high NPLs and/or insufficient capital undertake an asset quality review (AQR), to prohibit these banks from dividend distribution, require them develop time bound recovery plan to comply with regulatory requirements and prepare NPL resolution plans. As the structural benchmark for the EFF program, the AQR was conducted by external auditors and the CBvS prepared a post-AQR roadmap. Banks with capital shortages submitted timebound recovery plans. The CBvS prepared a guidance for NPL resolution and shared with banks. Banks with NPLs above the benchmark submit their NPL resolution plans to CBvS which are assessed by the CBvS supervision team.

- **Establishing a sound crisis management framework**. The last Article IV recommended finalization of amendments to the Bank Resolution Act to provide the CBvS with early intervention and resolution powers and tools that are in line with international best practices, to establish a coordination framework on financial stability issues by operationalizing the Financial Stability Committee, regularly test and update contingency plans. Credit Institutions Resolution Act and Credit Supervision Act were amended, broadly in line with international best practices, and the Financial Stability Committee, composed of representatives from CBvS and MOF, was operationalized as structural benchmarks of the EFF program. The CBvS does not prepare and test contingency plans.

Strengthening Central Bank Governance

4. The CBvS has taken important steps to address safeguards recommendations from 2021. These include: (i) amending the CBvS Act to strengthen the CBvS' mandate, autonomy, governance, and accountability and transparency; (ii) constituting new decision-making bodies in line with the amended CBvS Act, including an Audit Committee; (iii) transitioning to International Financial Reporting Standards (IFRS) to improve the transparency of financial reporting; (iv) establishing an internal audit function; (v) agreeing with the government on a recapitalization plan for the CBvS; and (vi) engaging an international external auditor to audit long-outstanding financial statements. Going forward, it would be important for the CBvS to continue to strengthen staff capacity in key assurance functions and finalize the FY 2022-23 financial statements' audits.

AML/CFT

The 2019 Article IV Consultation recommended the following measures to strengthen the AML/CFT framework:

- **Produce a comprehensive national risk assessment (NRA).** Suriname completed its first NRA in 2020. The authorities finalized the country's second NRA in 2024.

- **Improve technical compliance with the Financial Action Task Force (FATF) standards.** In 2022 Suriname was assessed to have weak technical compliance for 30 out of the 40 FATF Recommendations. Since this evaluation, the authorities have made improvements to address issues identified. In 2023 Suriname was assessed to have improved compliance related to politically exposed persons, correspondent banking, confidentiality and customer due diligence for designated non-financial businesses and professions (DNFBPS).

- **Implementation of the risk-based approach to the supervision of both financial institutions and DNFBPs**. While amendments to the AML/CFT framework were approved by parliament in July 2024, further improvements are needed to enhance AML/CFT supervision for all financial institutions and to develop and implement risk based supervisory framework for DNFBPs.

Governance and Anti-Corruption

Since the last AIV exercise in 2019, the authorities have acceded to the UN Convention against Corruption – an important step - and commenced the implementation review mechanism (IRM) process of the Convention, working with UN Office on Drugs and Crime (UNODC), the Secretariat to the IRM.

The authorities have also commenced a review of Suriname law and practice in the area of governance and anti-corruption – which has recently resulted in a draft anti-corruption law which seeks to address a number of shortcomings identified in that review process. That draft law has now (after some delay) been seen by the Fund, and LEG has provided TA on its current provisions and how they might best be amended /added to in order to ensure that the authorities are best placed to meet current SB and MEFP commitments in the Fund program."

Annex VI. Capacity Development Strategy

Suriname's capacity development (CD) efforts are aligned with the reform objectives under the Fund-supported program. Key CD priorities include improving the institutional framework for fiscal policy, strengthening the compilation of government financial statistics, strengthening public financial management information, and improving the timeliness and quality of vital economic data and statistics, strengthening the Central Bank of Suriname (CBvS)'s implementation of the reserve money targeting framework, improving the governance and the supervisory and crisis management frameworks, and advancing structural reforms to enhance the anti-corruption and AML/CFT frameworks. CD use has been heavy and continued close integration of CD activities and program priorities and coordination among CD providers remain critical.

A. Context

1. Suriname is implementing an ambitious economic reforms program to correct systemic fiscal and external imbalances due to many years of economic mismanagement. The reform is supported by the EFF arrangement, which was approved by the Executive Board on December 22, 2022. The central objective of the authorities' program is to restore macroeconomic stability and address systemic fiscal and external sector imbalances. The program aims to: (i) restore fiscal sustainability and strengthen fiscal management; (ii) reduce public debt to sustainable levels; (iii) improve the social safety net to better protect the most vulnerable; (iv) upgrade the monetary policy framework and maintain a flexible, market-determined exchange rate; (v) improve the viability of the financial system and develop more effective bank oversight and a financial crisis management frameworks; and (vi) tackle corruption, strengthen institutions and institutional governance, and enhance Suriname's AML/CFT framework. With very low capacity, Fund CD has been instrumental in advancing these priority reforms.

2. Fund CD remains critical in advancing priority reforms. In areas such as government financial statistics (GFS) and banking supervision, limited data availability and weak data quality could hamper policy formulation and pose challenges to program performance assessment. Further strengthening of CBvS governance and analytical capacity is also urgently needed for the planned transition to a new monetary policy regime. The last Article IV consultation in 2019 pointed out that, while data provision is broadly adequate for surveillance purposes, there are serious shortcomings, particularly in national accounts and labor market indicators.

B. CD Delivery

- **Fund's CD Engagement with Suriname**. CD activities have increased markedly since 2021 following the authorities request for Fund's support. Table 1 summarizes key CD engagement since 2014. Looking ahead, Suriname is expected to remain a heavy user of CD, consistent with the program agenda though the limited absorptive capacity poses challenges.

- **Integration of CD in Fund's surveillance and lending.** CD delivery in Suriname has been integrated with objectives of the ongoing EFF. The country team has stepped up coordination effort under the program, with the country team and CD providers working closely together, including through mission participation, to ensure that CD is consistently integrated in the authorities' reform priorities and effectively supports program implementation. Sequencing and prioritizing of CD across reform streams in close coordination with the authorities and CD provider, is paramount given the limited absorptive capacity.

- **Collaboration with international partners**. Suriname continues to benefit from CD from international partners. Staff continuously discusses CD needs with international partners, including CARTAC, IDB, CDB, the UN agencies, OAS, the World Bank Group, the European Union, CARICOM/CARIFORUM, US Treasury, USAID, Canada (Catalyste+), and the Dutch government (Dutch Ministry of Finance, Dutch Statistics Office and the Dutch Central Bank). Staff is engaging with these partners regularly through joint meetings to ensure consistency of policy advice and synergies in supporting the program and CD objectives.

C. CD Priorities

3. The main objectives of CD in Suriname are to support the authorities' main reforms under the EFF. These reforms include strengthening the institutional framework for fiscal policy, ensure the efficient functioning of the RMT framework, enhance the autonomy, governance, and supervisory and crisis management framework of CBvS, improve the quality and timeliness of economic data, and improve governance, tackle corruption, and enhance the AML/CFT Framework.

Strengthen the Institutional Framework for Fiscal Policy

4. The authorities' economic program targets improvements in the primary balance of around 10 percentage points of GDP over 2021-2024, supported by a balanced mix of revenue and expenditure measures. To support these efforts, the Fund-supported program aims at improving fiscal institutions, including through more efficient revenue administration and public financial management and strengthening budget execution and the medium-term fiscal framework.

- **Public financial management (PFM).** The authorities are in the process of revamping their PFM systems procedures, and institutions. An FAD TA mission in July 2024 assisted the authorities in developing a prioritized and sequenced PFM reform action plan for the medium term. Key reforms include improving budget realism, strengthening internal controls, enhancing cash management, improving fiscal reporting, accountability, and transparency, improving the PFM legal framework and institutions, and strengthening the IFMIS. With its adoption, the authorities have set their reform agenda which would require strengthening coordination among all involved entities including CD providers.

- **Public investment management system.** CD will support the authorities in establishing a public investment management system. The government does not have a public investment management system that provides common rules and regulations, instruments, procedures, and information systems for appraising and selecting proposed capital infrastructure projects. There is no coordinated asset management strategy. While rules exist for the disposal of key assets such as mining and natural resources, and land use, these rules are not fully transparent. A PIM assessment conducted by the IDB found weaknesses across the entire PIM cycle including planning and project preparation, appraisal, project selection, lack of a proper gatekeeping function and project implementation. IDB is supporting the implementation of a PIM system.

- **Tax policy and revenue administration**: CD is supporting the authorities' revenue mobilization efforts, including the administration of the VAT; the establishment of the large taxpayer units (on which the Dutch government has been providing support to the Surinamese authorities); and conducting a comprehensive review of the existing work process and legal framework in revenue administration. The Fund under the GPFP program is providing CD on strengthening core business processes in registration, filing, and refund and building technical capacity in the said functional areas and audit. The objective of this program is to help the authorities in Suriname to improve the revenue administration's performance, increase tax compliance, and strengthen revenue collection. The program will strengthen management, governance and institutional arrangements, and core tax and customs operations. The program will include supporting the Tax Department to address weaknesses identified by the 2023 TADAT assessment. Two diagnostics mission have been undertaken under namely the review the launch and administration of the VAT and a TADAT assessment. CD is needed to review of the existing fiscal regime governing the operation of the multinational gold mining companies and to broadly support the strengthening of natural resource taxation, which is particularly critical given the potential for revenue from oil resources in the medium-term. A general diagnostic mission on tax policy to identify where reforms should be best targeted was completed in May 2023. The mission made several recommendations for strengthening tax and revenue performance.

- ***Expenditure policy and governance of the electricity sector***: CD in this area would focus on rationalizing the government wage bill and untargeted social spending, including the electricity subsidies, all of which comprise a significant share of total spending in Suriname's budget. The state-owned electricity company (EBS) has been making losses that require significant fiscal transfers to remain in operation. CD is needed to support the authorities' effort to reform the governance of the electricity sector, the management of the state-owned electricity company, and the pricing structure of electricity tariff. The authorities received assistance from the IDB for an independent financial assessment of EBS. A TA on energy subsidies reform was completed by FAD in May 2023 and was important in guiding the authorities' electricity tariff reforms.

- **Medium term fiscal framework**. CARTAC is supporting the authorities on We are also conducting a TA with the Ministry of Finance (MoF) on Medium-Term Fiscal Framework (MTFF). This project is progressing well. However, due to scheduling constraints by the MoF, the mission has been postponed from October to March-Q2 2025. The mission will focus on updating the MTFF template with the latest figures and introducing debt dynamic analysis.

- ***Improving social safety net***: CD in this area will support improving the design and targeting of the social transfer programs, which is much needed to enhance the social spending quality and efficiency and ensure the needs of the most vulnerable groups are met. The IDB and the ILO have been supporting the authority in improving efficiency and transparency of the social protecting program. The authorities have developed a time bound action plan to strengthen social protection with the support of the ILO. Additional CD will be needed in the social protection strategic plan's implementation.

Strengthen the Monetary Policy Framework

5. **The authorities have adopted a flexible exchange rate regime and fully transitioned to the Reserve Money Target (RMT) framework**. CD on central bank operations is focusing on enhancing the functioning of the RMT framework. The Dutch Central Bank provided a long-term expert, who, in coordination with MCM/WHD, provided TA on RMT, the auction process for RMT, and the development of an alternative instruments for interbank transactions. Continuous CD is needed to strengthen modelling and forecasting capabilities, monetary policy decision making, and liquidity management, reserve management, as well as designing an effective communication strategy and developing a medium-term framework for foreign exchange operations and market development. CARTAC is supporting the central bank on macro econometric modeling and forecasting with the objective of enhancing the research department's capabilities in macro econometric techniques and to introduce a semi-structural model for forecasting purposes. The first mission took place in May 2024, with the next mission scheduled for March 2025. The authorities intend to transition to a more interest rate focused monetary policy regime and have requested assistance from MCM. In this context, CARTAC provided TA to enhance the Central Bank of Suriname's communication on monetary policy and financial stability.

Strengthen the Autonomy and Governance of CBvS and the Supervisory and Crisis Management Framework

6. **The authorities have revised the CBvS law to improve the governance structure of the CBvS to enhance transparency, accountability, and oversight**. In addition, the authorities have revised the bank supervision law to facilitate risk-based supervision of banks, including by providing the CBvS the powers to assess banks’ business strategies, governance, risk management, capital planning, budget forecasting, valuation of collateral, and profit and loss projections. To enable the CBvS to address problems in the banking sector, the resolution framework has been strengthened to increase the CBvS’ powers and tools for early intervention, recovery, and resolution of financial institutions.

- *Governance of the CBvS:* LEG has helped the authorities modify and adopt the CBvS’ law to strengthen the CBvS’ mandate, autonomy, and decision-making structures. FIN is closely monitoring the implementation of a governance reform implementation plan adopted in June 2021 by the CBvS. Additional resources may be needed to provide further assistance to the CBvS to implement the governance reform and strengthen CBvS’ operations. The authorities intend to align the central bank law 2022 with the foreign exchange regulation 1947 in two stages with TA from LEG.

- *Financial reporting and recapitalization of CBvS*: MCM has assisted the CBvS in finalizing its annual accounts for 2016 to 2019 and transition to IFRS accounting. CD has supported the authorities (MOFP and CBvS) to jointly develop a plan to recapitalize the CBvS.

- *Financial crisis management framework:* LEG and MCM have been supporting the authorities in developing the bank resolution law and operationalizing the Bank Resolution Unit within the CBvS. The next step will be further assistance in developing and implementing regulations related to bank resolution.

- *Operational risk management and capital requirements:* MCM provided a CARTAC led TA in July 2024 to assist the central bank in the issuance of an operational risk management guide for banks (including business continuity and third-party providers). The central bank also received training in setting capital requirements for operational risk and reporting requirements with regards to the collection of operational risk losses.

- *Central Bank communication strategy:* MCM provided, in November 2024, a CARTAC-led TA mission to assist the central bank in enhancing its communication on monetary and financial stability.

- Debt reporting and transparency: MCM is providing CD on debt recording to the Suriname Debt Management Office (SDMO).

Strengthening the Quality of Economic Data

- ***Government finance statistics (GFS).*** Compiling high-quality GFS data in Suriname faces several obstacles, including a blurry definition of budgetary central government (BCG) and central government, and a lack of a comprehensive integrated financial management information system (IFMIS). The December 2021 STA TA mission identified significant weakness in the compilation of fiscal and public debt data. STA completed follow up TAs during 2022-2024 to help the authorities implement the earlier recommendations and to compile and maintain an up-to-date list of public entities (Institutional Table) within central government. CD has supported the authorities in compiling consistent data from above and below – the – line as well as the stock of financial assets and liabilities, enabling the integration of financial stocks and flows and improving the quality of the GFS. Additionally, CD has supported the automatization of the compilation process and the summary of the other accounts payable using existing data in the IFMIS. Support is also being provided to enhance institutional arrangements to improve the collection and processing of the source data for GFS.

- ***Debt statistics.*** CARTAC and the World Bank are providing TA to the Suriname Debt Management Office (SDMO) to strengthen its capacity on public debt data compilation and reporting. CARTAC has provided 4 missions over the past year to improve debt compilation, train back-office staff and improve procedures, improve the structure of the back office, drafted an MOU between the SDMO, MOF and CBvS to improve external and domestic debt service payments and to support better coordination, accuracy, and timeliness of payments. Additional resources are also needed to appoint experts to provide hands-on support in fiscal and public debt data collection and compilation. In 2025 the debt compilation will be benefit with the implementation of the Meridian system.

- ***Other economic statistics***: CD in this area will aim at improving the quality and timeliness of economic data and statistics in monetary, national accounts, price, and external sector statistics. Monetary statistics compilers need CD to ensure data consistency across sectors, particularly the public debt data and government financing data. STA experts have delivered the TA mission on monetary and financial statistics in May 2023 to help the authorities expand the coverage of monetary statistics to include other deposit-takers (credit unions) and other financial corporations (pension funds and insurance companies). Currently, national accounts data is available only at annual frequency and is published with an eight to nine-month lag. Shortening the time lag and producing quarterly national accounts data are vital for program monitoring and policy design. With a future benchmark revision, the base year (2015) should also be updated. CARTAC will be supporting the GBS with these initiatives in FY 26. CARTAC is supporting the authorities to improve estimation of expenditure-based GDP. On price statistics, consumer price index (CPI) should be classified based on the Classification of Individual Consumption According to Purpose (COICOP) expenditure categories and should include at least three-digits of COICOP detail. Their current classification varies from COICOP. CARTAC will also support authorities in implementing COICOP. CARTAC is also supporting the authorities to develop a residential property price index. CD resources may be needed to help support the planned rebasing exercise. On external sector statistics, CARTAC has been providing TA to address data gaps in balance of payments and reduce the size of errors and omissions.

Improving Governance

7. CD in the governance area has focused on strengthening the AML/CFT framework and reducing corruption.

- *Improving the AML/CFT framework*. CD is supporting the authorities' effort to strengthen their AML/CFT framework in line with the international AML/CFT standards. This CD Project is being funded by Phase III of the Fund's AML/CFT Thematic Trust Fund. A scoping mission by LEG took place in November 2021, followed by an on-site mission in July 2022, to identify areas of support, including in areas related to legal drafting and risk-based supervision. Staff has provided a draft proposal for the new AML/CFT law in Dutch and English for the authorities' consideration and reviewed relevant sectoral laws with respect to banking and casinos.

- *Tackling corruption and improving transparency of the public sector*. CD in this area has been prioritized to support the authorities' effort to revise the anti-corruption and procurement laws. LEG is assisting the authorities to amend the anti-corruption legal framework to criminalize acts of corruption and to improve income and asset declaration of high-ranking public officials and political exposed persons.

D. Challenges and Mitigating Factors

8. The authorities generally have good ownership of the Fund-supported program and see CD as critical to ensure its success. Risks of delayed implementation of CD recommendations are high due to limited skilled human resources, weak information technology infrastructure and absorption capacity constraints. The implementation of the EFF-supported program has mitigated these risk factors through catalyzing support from IFIs and bilateral partners and incorporating critical CD activities as structural benchmarks under the program. The Fund's resident representative office will continue to play a critical role in the coordination of CD between the authorities and CD providers.

Annex VI. Table 1. Suriname: Capacity Development Activities (2014-2024)

TA/Training Mission	Provider	Mission Date
Revenue Administration		
Tax and customs: Preparing for the Value-Added Tax	FAD	Mar 2017
Legal and ax policy frameworks: Preparing for the Value-Added Tax	FAD	Apr 2017
Revenue administration: Follow up on the preparation for the Value-Added Tax	FAD	Oct 2017
Asessing Suriname's readiness to successfully launch and administer VAT	FAD	Sept 2022
Tax policy reform options	FAD	May 2023
Reforming electricity subsidies	FAD	Jun 2023
TADAT assessment	FAD	Oct 2023
Assessing the launch and administratin of VAT	FAD	Jan 2024
Building VAT audit capacity	FAD	Nov 2024
Public Financial Management		
Establishment of a single treasury account and improving financial reporting	MCM	Jan 2014
Assistance on MTEF and the budget process also present at the ICAC conference	CARTAC	Jun 2014
Establishing a treasury and cash management unit	FAD	Jul 2016
Improved budget execution and control	CARTAC	Oct 2016
Desk reviews for the PFM law and the establishment of a sovereign wealth fund	FAD	2017-2018
Macro fiscal scoping mission	CARTAC	Jul 2018
Public financial management	CARTAC	Apr 2019
Moving to a modern treasury function	CARTAC	Jun 2021
Accounting and financial reporting	CARTAC	Jun 2021
Strengthening budget planning and preparation	CARTAC	Sep 2021
Macrofiscal forecasting	CARTAC	Nov 2022
Macrofiscal forecasting	CARTAC	Jan and Mar 2023
Charts of Accounts	CARTAC	Feb 2023
PFM Priority action plan	FAD	Jul 2024
Setting expenditure ceilings	FAD	Dec 2024
Public Debt		
Public sector debt compilation and reporting	CARTAC	Aug 2023
Training in public debt management	CARTAC	Apr 2024
Institutional development	CARTAC	Oct 2024
Financial Market Development and Supervision		
Developing macroprudential indicators and measures of systemic risk	CARTAC	Apr 2015
Developing a stress-testing methodology for the insurance sector	CARTAC	May 2015
Development of financial soundness indicators for insurance sector	CARTAC	Jun 2015
Enhancement of financial stability analysis	CARTAC	Jul 2015
Developing pension fund sector	CARTAC	Jul 2016
Emergency liquidity assistance, early intervention and crisis management	MCM	Aug and Nov 2016
Macroprudential and financial interconnectedness	CARTAC	Nov 2018
International financial reporting system (IFSR9) implementation	CARTAC	Mar 2019
International financial reporting system (IFSR9) implementation, follow-up	CARTAC	Jul 2019
Enhancing the stress test framework	CARTAC	Mar 2021
Enhancing systemic risk monitoring	CARTAC	Nov 2021
IFRS 9 and 17 implementation Insurance Sector	CARTAC	Nov 2021
Adoption of international financial reporting standard	MCM	Mar 2022
Financial stability report	CARTAC	Nov 2022
Central Bank Operations		
T-bills auction	MCM	Jul 2014
Macroeconomic and monetary operations	MCM	Sept 2015
TA needs assessment	MCM	Sept 2015
Exchange rate policy	MCM	Nov 2015
Monetary framework operations	MCM	Mar 2016
Monetary policy, FX operations and framework and debt market development	MCM	Jan 2020
Calibration of reserve money targets - follow up	MCM	Jun 2021
T-bills auction	MCM	Apri 2016
Liquidity management and monetary operations	MCM	June 2016
Enhancing central bank financial strength and transparency	MCM	Oct 2016
Monetary policy framework and foreign exchange operations	MCM	Jan 2020
Desk reviews for amendment of central bank law	LEG	May 2021
Calibration of reserve money targets	MCM	Jun 2021
Reserve management	MCM	Dec 2023
Liquidity forecasting	MCM	Apr 2024
Central bank communication	MCM/CARTAC	Nov 2024

Annex VI. Table 1. Suriname: Capacity Development Activities (2014-2024) (concluded)

TA/Training Mission	Provider	Mission Date
Monetary and Financial Statistics		
Financial soundness indicators	STA	Apr 2016
Monetary and financial statistics	STA	May 2023
National Accounts and Price Statistics		
National account statistics on expenditure-based GDP, current prices	CARTAC	Feb 2014
National account statistics on expenditure-based GDP, current prices	CARTAC	Apr 2015
National account statistics on expenditure-based GDP, current prices	CARTAC	Nov 2015
National account statistics	CARTAC	Feb 2017
National account statistics to improve GDP estimates	CARTAC	Dec 2022
Price statistics	CARTAC	Aug 2017
Price statistic--residential property price index	STA	Apr 2023
External Sector Statistics		
Balance of payments statistics assessment	CARTAC	Feb 2014
BOP and external sector statistics	STA	Mar 2014
Balance of payments and IIP enhancement	CARTAC	Jul 2016
External sector statistics	CARTAC	Nov2018
External Sector Statistics: Review BOP Time Series	CARTAC	Mar 2020
External sector statistics	CARTAC	Apr 2024
Government Finance Statistics		
Government finance statistics	STA	Dec 2015
Government finance statistics	STA	May 2016
Government finance statistics	STA	May 2017
Government finance statistics	STA	May 2018
Government finance statistics and public sector debt statistics	STA	Dec 2021
Government financial statistics	STA	Apr 2022
Government financial statistics	STA	Oct 2022
Government financial statistics	STA	May 2023
Government financial statistics	STA	Nov 2023
Government financial statistics	STA	Jun 2024
Governance		
Scoping mission	LEG	Nov 2021
AML/CFT framework and anti-corruption	LEG	Jul 2022
Anti-corruption	LEG	2023-23
AML/CFT framework	LEG/CARTAC	Feb and Apr 2024
Anti-corruption	LEG	Oct and Nov 2024
AML /CFT Supervision	LEG/CARTAC	Oct 2024
Other areas		
Electronic auditing course	CARTAC	Jan 2014
Improving macroeconomic projection frameworks and training staff in forecasting techniques	CARTAC	Jun 2014
Enhanced General Data Dissemination System (e-GDDS)	STA	Feb 2017

Annex VII. Past FSAP (2014) Recommendations

Recommendation	Status
Implement new capital adequacy rules and ensure banks meet new standards through capital building where necessary.	The CBvS issued the Solvency Regulation in 2011.
Operationalize treasury bill auctions.	With the loss of market access, the operationalization of treasury bill auctions is still pending
Finalize draft supervision rules related to banks, pensions and insurers including bank corporate governance, foreign exchange risk, and enforcement.	The CBvS has issued 14 guidelines covering also these topics. The guidelines do not cover enforcement. There are no guidelines for pensions and insurance supervision.
Develop and monitor liquidity standards for banks.	The CBvS has issued the liquidity risk directive for banks.
Improve operational and institutional capacity in the area of monetary policy implementation and develop a framework for systemic liquidity management including a review of the use of the current overdraft facility.	CBvS has developed operational and institutional capacity to target reserve money as an operational target. The framework for liquidity management includes Term Deposit Facilities and central bank certificates, coupled with Standing Lending and emergency Lending facilities.
Resolve small banks unable to meet regulatory standards including by transferring valuable assets to viable financial institutions to reduce cost and maintain the financial services that they render.	Surinamese authorities undertook an asset quality review, conducted by the external experts, as part of the program conditionality. The banks identified with capital shortages submitted their recapitalization plans to the CBvS.
Develop a focused financial sector policy framework.	
Expand the banking data collected and analyzed at the CBvS.	CBvS has extensively advanced its data collection requirements from banks, but still the credit risk does not cover the details proposed by the FSAP.
Develop a national payment strategy.	CBvS has developed a national payment strategy.
Enact the draft Insurance Act.	The Insurance Act is still in draft form but submitted to the Parliament in June 2024.
Develop robust long-term projections of fiscal costs of existing pensions and the proposed Pay-As-You-Go pension plan and consider increased retirement age and targeting of benefits to reduce costs.	The authorities haven't met this recommendation yet.

Annex VIII. Data Issues

Annex VIII. Table 1. Suriname: Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating 1/

B

Questionnaire Results 2/

Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	C	C	B	B	C	B	C

Detailed Questionnaire Results

Data Quality Characteristics	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency
Coverage	C	C	C	B	C	
Granularity 3/	C		B	B	B	
			B		C	
Consistency			C	B		B
Frequency and Timeliness	C	B	A	A	A	

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.
1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.
2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance* , January 2024, Appendix I).
3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund are adequate for surveillance.
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. Steps should be taken to proivde quarterly data on National Accounts. Breakdown of various components in calculating CPI should also be made available. The Government and Finance Statistics should be expanded to include General Government.

Changes since the last Article IV consultation. The provision of data remains broadly the same as during the last Article IV consultation.

Corrective actions and capacity development priorities. Statistics related to labor market shoud be published. CPI should be classified based on the Classification of Individual Consumption According to Purpose (COICOP) expenditure categories and should include at least three-digits of COICOP detail. Their current classification varies from COICOP. The General Bureau of Statistics (GBS) disseminates annual GDP estimates with a considerable lag. With a future benchmark revision, the base year (2015) should be updated. CARTAC will be supporting the GBS with these initiatives in FY 26.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. Staff does not use any data and/or estimates in the staff report in lieu of official statistics

Other data gaps. Labor market data, that is sufficiently segregated to include gender and employment in various sectors of the economy. Data on climate (temperature, rainfall) and agriculture production

Annex VIII. Table 2. Suriname: Data Standards Initiatives

Suriname participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since December 2017.

Annex VIII. Table 3. Suriname: Common Indicators Required for Surveillance

(As of November 27, 2024)

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[6]	Frequency of Reporting[6]	Expected Frequency[6,7]	Suriname[8]	Expected Timeliness[6,7]	Suriname[8]
Exchange Rates	15-Nov-24	15-Nov-24	D	D	D	30	...	7
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	Oct-24	Nov-24	M	M	M	...	1M	...
Reserve/Base Money	Oct-24	Nov-24	M	M	M	30	2M	42
Broad Money	Sep-24	Nov-24	M	M	M	30	1Q	42
Central Bank Balance Sheet	Oct-24	Nov-24	M	M	M	30	2M	42
Consolidated Balance Sheet of the Banking System	Sep-24	Nov-24	M	M	M	30	1Q	42
Interest Rates[2]	Sep-24	Nov-24			M	30	...	42
Consumer Price Index	Sep-24	Oct-24	M	M	M	30	2M	30
Revenue, Expenditure, Balance and Composition of Financing[3]–General Government[4]					A	365	3Q	270
Revenue, Expenditure, Balance and Composition of Financing[3]–Central Government	Sep-24	Oct-24	M	M	Q	30	1Q	120
Stocks of Central Government and Central Government-Guaranteed Debt[5]	Aug-24	Oct-24	M	M	Q	30	2Q	60
External Current Account Balance	Jun-24	Aug-24	Q	Q	Q	90	1Q	60
Exports and Imports of Goods and Services	Jun-24	Aug-24	Q	Q	M	90	12W	42
GDP/GNP	Dec-23	Sep-24	A	A	Q	365	1Q	300
Gross External Debt	Jun-24	Aug-24	Q	Q	Q	90	2Q	60
International Investment Position	Jun-24	Oct-24	Q	Q	A	90	3Q	60

[1] Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.

[2] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

[3] Foreign, domestic bank, and domestic nonbank financing.

[4] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

[5] Including currency and maturity composition.

[6] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual.; ("SA") semiannual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than.

[7] Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan.

[8] Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "..."

Appendix I. Letter of Intent

Paramaribo, Suriname
December 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 and a half, despite increasingly challenging domestic and external environment and capacity constraints, we were able to complete six consecutive reviews (2^{nd} through 7^{th}).

The announcement of Final Investment Decision on October 1 marks a new beginning for Suriname. However, we are mindful that an abundance of natural resources does not guarantee prosperity for the population, unless proper institutional frameworks are put in place. In this regard, by end-December we will pass amendments to the Public Financial Management (PFM) and Savings and Stabilization Fund Suriname (SSFS) laws to introduce a fiscal rule (establishing targets for public net debt and annual primary expenditure limits). We will work closely with the IMF and IDB to calibrate and operationalize the fiscal rule with the objective to avoid excessive fiscal procyclicality with respect to oil, build buffers, and ensure intergenerational equity.

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. The recently enacted new procurement law should help bring both efficiency and transparency to government procurement practices. On the revenue side, we are continuing our efforts to strengthen tax administration, including through hiring and training of additional staff, improving VAT collections and processing of VAT refunds. Reforms are ongoing to strengthen the Large Taxpayer Unit and to make the tax department a semi-autonomous revenue agency. 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. On October 22, Moody's upgraded our sovereign debt credit rating by two notches and changed the outlook to positive.

Our debt restructuring process is entering its final phase. A final agreement with EXIM China and China ICBC was signed in November. We signed an umbrella agreement with the Paris Club (PC) for the second phase of debt treatment and bilateral negotiations with individual PCCs are ongoing. An agreement-in-principle (AIP) with the remaining commercial creditors is expected in the coming months. We met the new continuous IT on maintaining zero arrears to domestic debt creditors 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. We will gradually phase out the retail segment of CBCs to improve the monetary transmission mechanism and to increase banking intermediation. 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. The CBvS has refrained from FX interventions. To increase liquidity in the FX market, we will enforce compliance of the 35 percent surrender requirement in a manner that is consistent with Article VIII provisions of the IMF. To increase the liquidity and transparency in the FX market, we plan to launch an electronic trading platform in December 2024 for interbank FX trading, which will also include AML/CFT compliant secondary banks that hold licenses for conducting FX transactions. We have also regulations governing FX trading platform, as well as reviewed and updated FX regulations guiding the FX Auction to ensure they are consistent with the program objectives and do not interfere with the efficient functioning of the FX market.

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. We are striving to publish the audited IFRS financial statements for 2022 by the end of January 2025. We will also implement the recapitalization plan of the Central Bank, that was finalized in August 2024.

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 have also aligned the base for the calculation of the FX and SRD Suriname National Electronic Payment System (SNEPS) norms with that of the reserve requirements for the banks. This will avoid the need for cumbersome procedures by the banks and will increase transparency in calculating SNEPS norms. 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 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 have made good progress in strengthening the AML/CFT framework. We have enacted a number of legislations to bring our AML/CFT framework in line with international standards based on the FATF recommendation. We have just completed the second National Risk Assessment (NRA) on ML/TF that will help us fill the gaps identified in the first NRA. In view of the good progress made, we have requested rerating on several FATF recommendations which were rated partially compliant/noncompliant and are now upgraded to Compliant/Largely Compliant ratings.

We did not meet the quantitative performance criterion (QPC) on the fiscal balance of the central government but have since implemented corrective measures to bring the fiscal path back on track. Electricity company is remitting additional revenues it gets from tariff increases to the budget. The state power company (Staatsolie) has made efforts to reduce costs in thermal electricity production to help with budget savings. The draft 2025 budget has included budgetary allocations for electricity, water, telecommunications and fuel payments for each ministry. To improve fiscal transparency, we will seek to eliminate intra-SOE settlements and will make steps towards publishing and auditing financial statements of EBS. 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. Finally, we will curtail non-priority capital expenditures.

We met our social assistance spending targets for end-September 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 ratified social spending reform plan. 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 eighth review of the extended arrangement under the EFF, which will make available an amount equivalent to SDR 46.8 million (36.3 percent of quota or about USD 62.6 million) upon approval (out of which SDR 33.6 million or about USD 45 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-September 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 primary balance of the central government (floor, cash basis), ceiling on net domestic assets (NDAs) of the Central Bank and the floor on the net international reserves of the Central Bank for the end-December.

The attached Memorandum of Economic and Financial Policies (MEFP) provides an update on recent developments since the seventh 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/_________
Maurice L. Roemer
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 through the seventh reviews under the extended arrangement under the EFF.

2. **We remain resolute in putting government finances in order and finalizing external debt restructuring.** 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 are in the final phase of external debt restructuring. We have reached an umbrella agreement with Paris Club for the second phase of debt treatment, as well as an agreement with China (Exim Bank and ICBC), and the Israel Discount Bank. Negotiations to restructure debt owed to one final commercial creditor (Credit Suisse) are ongoing.

3. **We are seeing the results of our hard work and sacrifices in restored macroeconomic stability.** With an upward surprise in 2023 economic growth, economic recovery is strong. Inflation has dropped from the highs of 60 percent to around 10.5 percent year-on-year in September. Employment has reached pre-crisis levels. Usable international reserves are stable at 6.1 months of imports at end-October. Moody's upgraded Suriname's government long-term local and foreign-currency issuer rating from Caa3 to Caa1 and changed the outlook from stable to positive.

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.

5. The Final Investment Decision for Block 58 presents a unique opportunity to transform the economy. With the FID announcement in October, investment will soon start in the new offshore field (Block 58) and oil production is expected to begin in 2028. Total Energies and its partners are expected to invest about USD10.5 billion during 2025-8 with a local content component of about USD1 billion. This future oil wealth has the potential to significantly improve living standards for the Surinamese people but achieving this outcome will require investing in institutions that ensure this new wealth is managed well, with high levels of transparency and accountability.

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

6. Our ability to implement difficult policies despite an increasingly challenging socio-political environment speaks of our commitment to fiscal sustainability. In a span of 20 months, we fully eliminated fuel subsidies, started to phase out object subsidies (electricity, gas, water), and made efforts to contain the public wage bill. We also introduced the VAT and subsequently broadened its base.

7. While we fell short of the end-September primary fiscal balance target, we are taking measures to correct the course (¶9). Solid revenues and savings on capital expenditure and goods and services were not sufficient to offset slippages on electricity subsidies, higher-than-expected social assistance transfers, and the need to compensate rice farmers for their loss of crop due to the drought. Had the agreed payments by EBS (SRD 250 million per moth) been observed we would have met the adjusted end-September target. To correct course, EBS has restarted transferring the additional incomes it gets from higher electricity tariffs to the state budget each month, Staatsolie provided a discount on regular monthly settlements by SRD 67 million, based on efforts to reduce costs of thermal electricity production, and we adjusted the electricity tariff formula for the changing energy mix.

8. We request that the end-December 2024 primary balance target be lowered from SRD 4,600 million to SRD 3700 million and 2025 budget be based on 2.7 percent of GDP primary balance target. The ongoing drought in the interior depleted the reservoir we counted upon for hydro energy generation. This strained EBS balance sheet, as it had to rely on more expensive thermal energy for electricity generation, making it difficult for it to transfer the agreed amounts to the state budget. The ongoing drought and warmer nights (due to climate change) have also led to the failure of rice crops in the Nickerie district and we had to provide them with financial assistance. While we were hoping to quickly remove all the unregistered workers from public payroll (4 percent of public workforce), we are still fighting legal challenges to the measure brought by the unions, which affected the public payroll. We will enact a conservative 2025 budget based on 2.7 percent of GDP primary balance target (compared to 3.5 percent of GDP targeted in the previous review). This reduction in the fiscal target will not jeopardize macroeconomic stability and debt sustainability given improved medium-term outlook due to the FID.

9. To reach the required primary balance this year and to underpin the next year's budget, 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 4,500 registered by September 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 are fast-tracking 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 sustainably reduce the outstanding stock of VAT refunds. We continue strengthening the Tax Department, including the Large Taxpayer Unit. We are in the process of recruiting – before the end of the year - 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, July, and September and a further increase of 7 percent planned in November. The tariffs are linked to the exchange rate and oil price developments, and now also 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 next 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. We will also work towards raising transparency and accountability by publishing online the full financial statements (and corresponding audit reports) of EBS for the years 2019 and 2020 (*new proposed end-December 2024 SB)*. In addition, by end-January 2025, we will finalize and submit the financial statements of 2021 to the auditor *(new proposed end-February 2025 SB)*. 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. We will also incorporate into the next year's budget an allowance for electricity payments, so that each ministry and subsidy-receiving SOE will be responsible for paying their own electricity bills to EBS on time.

- *Wage bill.* To compensate for erosion in real wages over time, we have agreed with union representatives to raise civil servant wages on average by 15 percent in July (reflected in wage payouts from October onwards), implying a wage bill of 7.5 percent of GDP in 2024. A further 5 percent increase has been agreed for 2025. A freeze on public employment is still in effect and the number of civil servants is trending downwards. Moreover, we are proceeding carefully with the process of removing unregistered and chronically absent workers from the public payroll. We are hoping that the legal uncertainty regarding the remaining unregistered workers (4 percent of public workforce) will be resolved shortly. We have been clearing other irregularities (workers with two full-time salaries, for example). 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.

10. We are strengthening fiscal institutions. The reforms focus on improving our tax administration, public debt management and public financial management (PFM), including strengthening the fiscal framework to manage prospective high increases in oil revenues.

- *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, 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 oversee the implementation of the TSA, covers 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 December*). We have institutionalized 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, all line ministries are reporting the stock of arrears to the Ministry of Finance and Planning (MoFP) monthly. 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) 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 developed a national audit plan with audit risk selection criteria. To improve the ease of paying taxes, we will continue working with banks to develop an online VAT payment option by end-February 2025. With the CD by IDB, the Tax Department is being converted into a Semi-Autonomous Revenue Authority which will allow for a better organizational structure and higher remuneration for its skilled staff. Draft legislation to that effect is under discussion and will be passed by end-December 2024. We are recruiting 25 new staff at the Tax Department *(end-November 2024 SB, not met)*. These steps are expected to improve our ability to administer all taxes.

- *Strengthening fiscal framework*. To manage the new oil wealth, with the help of IDB, we have drafted legislation to strengthen the fiscal framework by introducing fiscal rules and revamping the Savings and Stabilization Fund Suriname (SSFS). The draft legislation introduces two fiscal rules in its PFM law: (i) a target for public debt (net of assets in the SSFS) to be reached by the end of the five-year period, and (ii) annual primary expenditure limits, consistent with achieving the debt target. All mineral revenues will be deposited directly in the SSFS and managed independently by the fund (under strengthen transparency and corporate governance requirements). In turn, annual budgets will set the limit for a maximum withdrawal from the fund during a fiscal year to partly finance spending. The draft legislation also includes an escape clause in the event of a national disaster (defined in the legislation). The draft legislation will be passed into law before the end of 2024.

- *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 *(end-December SB 2024)*. 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 are committed to maintaining zero arrears to domestic debt creditors (continuous IT) for the remainder of the program. We have staffed the SDMO with six employees to strengthen 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, in November 2024 we enacted 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, implemented with delay in November 2024)*. We will start publishing the information in line with the enacted law on an external government website by end-December 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 early March 2025.

- *Improving transparency in extractive industries*. Suriname has been participating in the Extractive Industries Transparency Initiative (EITI) since May 2017 and progress has been made. We are committed to fulfil the EITI reporting requirements by end-February 2024, so as to have

Suriname's temporary suspension reversed. Furthermore, we will make concerted efforts to take corrective measures as laid out by the EITI Board during the 2024 Validation procedure.

III. STRENGTHENING THE SOCIAL SAFETY NET

11. 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.

12. 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.

13. Due to our efforts to sufficiently increase social protection spending, we met the program target in Q1, Q2 and Q3 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 2.5 percent of GDP in 2023 to 3.5 percent of GDP in 2024. We are expanding the coverage of the social beneficiary program which now has over 132,000 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.

14. 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. Where feasible, we will make steps to send payments through the banking system, to improve transparency and oversight.

15. 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.

16. 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

17. 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 was finalized in October, paving the way for negotiations with individual PCCs. The final agreement with EXIM China and China ICBC was signed in November 2024. Restructuring with Israel Discount bank was also completed in October and is undergoing internal review before signature. Both the China ICBC and China Exim loans were restructured under bilateral terms (with lower interest rates and longer maturity, and no haircut). 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 one remaining private external creditor (Credit Suisse) in good faith, by sharing relevant, non-confidential information on a timely basis and providing early opportunity to give input on the design of restructuring strategies. However, progress is slow, pending reassignment of CS's debt portfolio to a new arm of UBS bank. 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, except for a small amount (around SRD300 million) of disputed arrears owed to Suriname's Penson Fund 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 met the continuous IT on non-accumulation of domestic debt arrears.

- We are working on clearing suppliers' arrears. We have cleared SRD2.1billion of supplier arrears by end Oct 2024. However, new arrears were accumulated. after we reconciled data, the stock of supplier arrears stood at SRD 6.6 billion at end October 2024, excluding legacy arrears incurred before Jan 1, 2022 (of SRD 588mn) and VAT refund arrears (of `SRD 809mn). 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 (¶9).

- 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). An exception applies to the contracting of new oil-resource revenue-related collateralized debt by Staatsolie to finance its stake in the exploration of oil in block 58. Staatsolie is expected to finance its FID through both issuance of a domestic bond and an external commercial bank syndicated loan. These loans are expected to be contracted on the basis of Staatsolie's projected cashflows and its balance sheet strength.

V. MANAGING MONETARY POLICY

18. 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 appreciated in the first half of the current year, but depreciated in recent months. We will continue to maintain a tight monetary policy stance until the inflation expectations are anchored at the lower levels. Private sector credit growth has slowed, contained in part by a shift to more FX lending as SRD on back of an appreciating SRD in the first half of the year and higher SRD lending rates and investments diverted to central bank certificates and term deposits. We met all the monetary targets for this review.

19. 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 have also aligned the base for the calculation of the FX and SRD SNEPS norms with that of the reserve requirements for the banks. This will avoid the need for cumbersome procedures by the banks and will increase transparency in calculating SNEP norms. We are also implementing Treasury single Account for the government to move its deposits out of the banking system and into the central bank.

20. We will phase out issuance of Central Bank Certificates to retail investors. Phasing out such issuances will also increase the monetary policy transmission, banking system's health and intermediation function. Until the CBC-Rs are completely phased out, we will shift any issuances to a market-based mechanism that is already in place and being practiced for CBC issuances. We will also ensure tenor of the CBCs and CBC-Rs does not overlap with the duration of the Term Deposit tenors. We will focus our efforts on re-directing the liquidity into the banking system at the maturity of the respective CBC-Rs.

21. Mindful that the reserve money targeting regime will become suboptimal when oil inflows start to come in, we will start taking steps to prepare for a new monetary policy regime. The transition will be made in multiple steps and would require capacity development at each stage. We will make improvements in institutional structure and development of technical capacity an immediate priority. We will also take steps to develop a well-functioning interbank market for the central bank with the goal to shift to an interest rate rule within the next 1-2 years. As we develop further capacity in a broader range of areas, we plan to move to inflation targeting as a nominal anchor, accompanied by a fully flexible exchange rate.

22. 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 also make all instruments issued by the central bank as well as government paper eligible as a collateral for CBvS liquidity facilities. 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.

23. Our foreign exchange policies are embedded in our commitment to a flexible, market-determined exchange rate. We have refrained from direct FX interventions. Starting July 2024, we have also terminated the indirect FX sales to essential goods importers. MoFP continues to 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]

24. 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 December. 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. After consultation with the IMF, we issued Circulars 2024-1 and 2024-2 on August 29, 2024 to align selected provisions in the regulations to meet the best practice criteria of IMF's policy on avoiding MCPs. 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.

VI. REDUCING BANKING SECTOR RISKS

25. We are committed to addressing vulnerabilities in the banking system. The reported level of capital adequacy ratio for the banking system is 22.9 percent as of August 2024. Nonperforming loans (NPL) continue to decline but the average NPL ratio is still above the five percent benchmark. All NPL resolution plans from banks have been assessed and banks with an NPL ratio above the 5% regulatory benchmark are required to submit a quarterly progress report. Banks' profitability still largely depends on profits from the OMOs, but with the decline in OMO rates, and possible increase in the demand for loans, 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 percent of total assets. Liquidity, however,

[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.

remains unevenly distributed across banks and skewed towards one large systemic bank. 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.

26. We remain committed to ensure the timely completion of bank recapitalization plans to preserve the stability in the financial system. We will continue monitoring the financial health of the state-owned bank and the privately owned bank to ensure its capital recovery stems from a sustainable business model. We will take the necessary actions if these banks fail to realize capital injection. 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.

27. 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. 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.

28. We will improve systemic risk monitoring including through liquidity and solvency stress testing, improving information on interconnectedness and monitoring banks' maturity gaps. We will work on developing and implementing a macro prudential toolkit based on the financial system vulnerabilities which will also help address the systemic risks stemming from dollarization. We will start this process for banks but over the medium term will be expanding it to also include NBFIs. We will accompany the de-dollarization efforts by sound macroeconomic policy frameworks, including sustainable fiscal and credible monetary policy as a key precondition for de-dollarization. We will put in place a credit registry bureau, guided by the CBvS and supported by adequate supervision and regulation, to provide a comprehensive database to track leverage of entities and individuals and to help close the granular data gaps required for an effective macroprudential framework.

29. We are determined to implement other important financial sector reforms. We are committed to improving the supervision of the insurance and pension sectors, including the assessment of their lending practices and their sources of profitability, intensified monitoring of their interconnectedness with the banking system, introducing stricter reporting requirements and implementing asset classification regulations for NBFIs and fit-and-proper criteria for their ownership. We will enhance 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. 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

30. 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-December 2024 SB, proposed to be reset to end-January 2025)*. We are also building capacity for reporting central bank financial data consistent with IFRS to speed up the audits of subsequent years. 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 specifics 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.

31. 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. The working group to undertake a full review of the Foreign Exchange Regulation of 1947 has been installed with a view of finalizing its recommendations by March 2025. In the meantime, only the CBvS will issue circulars regarding foreign exchange regulations.

32. We will implement the CBvS recapitalization plan. 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. At the time of the 7th EFF review, we signed a plan that is based on the FY 2021 published audited financials and includes 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. We will implement the recapitalization according to the binding timelines of the plan. We also stand ready for further capital injections 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

33. While capacity constraints have delayed implementation of key governance reforms, the government has made important 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, the authorities have brought the anti-corruption legal framework into line with the requirements set out in the end-November SB concerning the Chapter III of UNCAC on the criminalization of acts of corruption.

- 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-November 2024, proposed to be reset to end-February 2025)*.

- 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 Mutual Evaluation Report of Suriname adopted by the Caribbean Financial Action Task Force (CFATF) in November 2022, we enacted a new AML/CFT law in November 2022 to bring in line with international standards. In the first enhanced follow-up process, key technical compliance deficiencies were closed with the aforementioned act. 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) developing and implementing a risk-based framework and 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. 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.

- Suriname also made the commitment to initiate the process for a second National Risk Assessment (2020–2024). To this end Kroll AML Division was contracted to advise and assist in the execution of this initiative. The second NRA has just been completed and will help Suriname fill the gaps identified in the first NRA and the Mutual Evaluation Report of Suriname adopted in November 2022 will provide more details on areas not addressed.

- 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. Given the good progress made in the implementation of the CFATF recommendations, Suriname has requested rating upgrades from CFATF on several recommendation.

IX. INCORPORATING CLIMATE CONSIDERATIONS IN MACROECONOMIC POLICIES

34. 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.

35. **We are strengthening our institutional framework to enhance climate mitigation and adaptation procedures.** We have established 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.

36. **We are exploring various climate finance options**. In August, we launched the world's first sale of carbon credits under Article 6 of the Paris Agreement. These credits are based on the preservation of Suriname's forests, which cover 93 percent of the country and offer the absorption of over 20 million tons of carbon annually. The price of this carbon credit is estimated to be worth USD 25-35 per ton. 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.

X. STATISTICS

37. **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

38. **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 31 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											
		end-Dec				end-Jan.				end-Feb.				end-Mar.			
	Act.	PC	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	

Continue to next page

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

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Apr.				end-May.				end Jun.			
	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/	442	166	-111	Not Met	552	300	8	Not Met	663	707	660	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/	118	49	13	Not Met	122	104	92	Not Met	156	150	156	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,040	-67	134	Not Met	-941	-691	-246	Not Met	-1,263	-1,188	-591	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/									742		832	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	21,223		19,110		21,856		20,025		22,390		20,280	
Reserve money (local currency portion only)	9,801		9,516		9,954		9,860		10,107		10,411	
Reserve money (constant exchange rates)	16,306		16,136		16,459		16,676		16,612		16,879	
NFA (constant exchange rates)	8,220		7,022		8,277		7,943		8,739		8,490	
Gross international reserves (millions of U.S. dollar)	1,000		886		1,004		951		1,094		983	
Usable international reserves (millions of U.S. dollar) 5/	674		558		678		620		768		656	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Continue to next page

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

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Jul.				end-Aug.				end Sep.			
	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/	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	

Continue to next page

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

	2022											
	end-Oct.				end-Nov.				end-Dec.			
	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/	1,105	1,788	657	Not Met	1,215	2,111	1,174	Not Met	1,326	2,625	1,150	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) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0.02	Not 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/	194	169	204	Met	196	150	179	Met	226	313	332	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,193	-845	-111	Not Met	-1,063	-425	435	Not Met	-1,332	-2,548	-1,080	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/									1,483		1,717	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	24,277		25,205		24,660		26,514		25,047		27,470	
Reserve money (local currency portion only)	10,718		11,507		10,871		11,632		11,024		12,263	
Reserve money (constant exchange rates)	17,224		18,583		17,377		18,710		17,529		19,414	
NFA (constant exchange rates)	9,289		9,714		9,316		9,296		9,478		11,514	
Gross international reserves (millions of U.S. dollar)	1,190		1,045		1,192		1,031		1,260		1,194	
Usable international reserves (millions of U.S. dollar) 5/	864		716		866		707		934		865	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

Continue to next page

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	

Continue to next page

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

(In millions of Suriname dollars, unless otherwise indicated)

	2023															
	end-Sep.				end-Oct.				end-Nov.				end-Dec.			
	PC	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/	1,721	1,790	1,773	Not Met	1,912	1,550	2,088	Met	2,103	1,306	2,133	Met	2,294	637	2,029	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) (millions of U.S. dollars)	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)	0		0	Met	0	0	-1,042.3	Met	0	0	-1,042	Met	0	0	-1,661.8	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57	-39	5	Met	-73	-61	-7	Met	-6	22	152	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214	3,967	2,995	Met	4,722	4,554	3,743	Met	4,121	3,733	1,986	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
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		15	Met	25		18	Met	30		20	Met
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		3,163	Not Met
2. Stock of VAT refunds outstanding (ceiling)																
Memorandum items																
Reserve money	29,440		26,720		30,049		27,660		30,670		28,647		31,374		28,816	
Reserve money (local currency portion only)	15,320		14,208		15,573		15,111		15,831		15,621		16,162		16,566	
Reserve money (constant exchange rates)	20,589		19,167		20,857		20,000		21,130		20,708		21,477		21,523	
NFA (constant exchange rates)	8,797		8,819		8,742		9,212		8,507		9,223		9,455		11,264	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		1,141		1,112		1,142		1,234		1,346	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		908		873		908		995		1,112	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

Continue to next page

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/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2024											
	end-April.				end-May				end-Jun.			
	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/	1,538	2,085	162	Not Met	1,922	2,220	52	Not Met	692	556	-50	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) (millions of U.S. dollars)	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	-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/	-29	-11	-29	Not Met	-14	-34	-45	Not Met	-96	-58	-42	Met
7. Net domestic assets of the central bank (ceiling) 2/	1,066	804	1,209	Not Met	980	1,267	1,401	Not Met	2,277	1,747	1,282	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				
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	30	30	9	Met	30	30	11	Met	30	30	13	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									2,617	2,617	2,931	Met
2. Stock of VAT refunds outstanding (ceiling)	909	909	748	Met					722	722	693	Met
Memorandum items												
Reserve money	29,526		28,238		28,004		27,768		30,127		27,124	
Reserve money (local currency portion only)	17,202		17,389		17,570		17,281		17,749		17,134	
Reserve money (constant exchange rates)	22,110		22,160		22,312		22,023		22,463		21,956	
NFA (constant exchange rates)	10,656		10,773		11,073		11,073		9,926		10,546	
Gross international reserves (millions of U.S. dollar)	1,365		1,364		1,396		1,350		1,382		1,410	
Usable international reserves (millions of U.S. dollar) 5/	1,131		1,130		1,162		1,116		1,148		1,176	
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/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024																		
	end-Jul.				end Aug.				end Sep.				end Oct.				end Nov.	end Dec.	
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	PC	Prop PC
Quantitative Performance Criteria																			
Fiscal/debt targets																			
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,346	976	226	Not Met	1,999	1,706	210	Not Met	2,653	2,416	1,876	Not Met	3,306				3,960	4,613	3,700
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	Met	0	0	0	Met	0	0	0	Met	0				0	0	0
3. New central government guaranteed debt (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0				0	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0				0	0	0
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	0	0	-1,662	Met	0	0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-122	-74	-45	Met	-137	-91	-55	Met	-179	-85	4	Met	-143	-89	-5	Met	-158	-241	-76
7. Net domestic assets of the central bank (ceiling) 2/	2,781	2,105	1,766	Met	2,636	1,988	2,512	Not Met	3,754	2,442	1,780	Met	3,261	2,584	2,594	Not Met	3,647	4,869	2,867
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	Met	0	0	0	Met	0	0	0	Met	0	0	0
Indicative Targets																			
1. Social spending of central government (floor) 2/									3,785		4,240	Met						5,122	
2. Stock of VAT refunds outstanding (ceiling)									443		859	Not Met						163	693
3. Non-accumulation of central government domestic debt arrears (continuous ceiling) (millions of SRD)									0		0	Met	0				0	0	
Memorandum items																			
Reserve money	30,312				27,786				28,545		28,663		28,985				29,668	29,892	30,830
Reserve money (local currency portion only)	17,912				18,108				17,772		18,194		18,019				18,240	18,407	18,381
Reserve money (constant exchange rates)	22,596				23,003				22,770		23,211		22,866				23,055	23,021	23,342
NFA (constant exchange rates)	9,557				10,503				8,757		11,376		8,686				8,547	7,893	10,216
Gross international reserves (millions of U.S. dollar)	1,356				1,411				1,366		1,545		1,361				1,352	1,373	1,555
Usable international reserves (millions of U.S. dollar) 5/	1,121				1,177				1,132		1,311		1,127				1,117	1,139	1,321
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 begining 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 ¶	Target date 1/	Status	Objective
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 strict limits on monetary financing (with transitional rules).		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	December 2024	Proposed to be reset to January 2025	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; implemented with delay in August 2024	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.
Measure		**Target date**	**Status**	**Objective**
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.		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 targets are breached		March 2024	Not met; implemented with delay in April	Improve strength of the financial sector.

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; imlemented 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	Strenthen 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-September 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 program.	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	Not Met	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	[in progress]	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
Publish online the full financial statements (and corresponding audit reports) of EBS for the years 2019 and 2020		December 2024	New proposed SB	Improve governance and increase transparency.
Finalize and submit the 2021 financial statements of EBS to the auditor.		February 2025	New proposed SB	Improve governance and increase transparency.

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 the 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 proportionate sanctions for non-compliance.		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	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to creates 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	November 2024	Not met, proposed to be reset to end-February 2025	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	28	November 2024	Met	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; implemented with a delay in November 2024	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. 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).

Table 1. Suriname: Total Mineral Revenues of CG

	(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	17,307
End-December 2024	17,611

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.

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	93
End-November 2024	102
End-December 2024	111

1/ Excluding IMF disbursements.
2/ Including international capital markets.

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 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.

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 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.

- **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.

- **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	256
End-December 2024	266

23. **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

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)	Start date	end-date
End-June 2023	76		
End-July 2023	92		
End-August 2023	112		
End-September 2023	121	Dec-22	Sep-23
End-October 2023	136	Dec-22	Oct-23
End-November 2023	163	Dec-22	Nov-23
End-December 2023	204	Dec-22	Dec-23
End-January 2024	21	Dec-23	Jan-24
End-February 2024	54	Dec-23	Feb-24
End-March 2024	59	Dec-23	Mar-24
End-April 2024	82	Dec-23	Apr-24
End-May 2024	117	Dec-23	May-24
End-June 2024	180	Dec-23	Jun-24
End-July 2024	214	Dec-23	Jul-24
End-August 2024	240	Dec-23	Aug-24
End-September 2024	256	Dec-23	Sep-24
End-October 2024	279	Dec-23	Oct-24
End-November 2024	279	Dec-23	Nov-24
End-December 2024	279	Dec-23	Dec-24

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.

G. Net Domestic Assets of the CBvS

24. 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.

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.

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

26. 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.

27. 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 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.

28. 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)

29. 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:

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

- 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.

30. **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

31. **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)

32. **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.

33. 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)

34. 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.

35. 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)

36. 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.

37. 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.

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

IV. INFORMATION REQUIREMENTS

39. 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.

40. 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.

41. 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.

42. 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.

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

44. 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. 25[41]) - 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.

45. 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.

46. 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.

47. 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 four4 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.

48. 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.

INTERNATIONAL MONETARY FUND

SURINAME

December 5, 2024

STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION AND EIGHTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FROM MODIFICATION OF PERFORMANCE CRITERIA, WAIVER OF NONOBSERVANCE OF PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW—INFORMATIONAL ANNEX

Prepared By | Western Hemisphere Department
(In consultation with other departments)

CONTENTS

FUND RELATIONS

(As of October 31, 2024)

Membership Status: Joined: April 27, 1978; Article VIII

General Resources Account:	**SDR Million**	**Percent of quota**
Quota	128.90	100.00
Fund holdings of currency (Holdings Rate)	464.05	360.01
Reserve Tranche Position	1.95	1.51

SDR Department:	**SDR Million**	**Percent of allocation**
Net cumulative allocation	211.64	100.00
Holdings	101.02	47.73

Outstanding Purchases and Loans:	**SRD Million**	**Percent of Quota**
Extended Arrangements	337.10	261.52

Latest Financial Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR million)	Amount Drawn (SDR million)
EFF	Dec 22, 2021	Mar 31, 2025	430.70	337.10
Stand-by	May 27, 2016	Apr. 16, 2017	342.00	58.00

Projected Payments to Fund[1]
(SDR Million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2024	2026	2026	2027	2028
Principal			9.85	16.42	40.62
Charges/Interest	5.04	20.69	20.60	19.87	18.70
Total	**5.04**	**20.69**	**30.45**	**36.28**	**59.31**

Implementation of HIPC Initiative: Not Applicable.

Implementation of Multilateral Debt Relief Initiative (MDRI): Not Applicable.

Implementation of Catastrophe Containment and Relief (CCR): Not Applicable.

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

[1] When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

A. Nonfinancial Relations with the Authorities

Exchange rate arrangements

The national currency is the Surinamese dollar (SRD), which replaced the Surinamese guilder in January 2004 at a conversion rate of 1,000 guilders per SRD 1. The de jure exchange rate arrangement is classified as floating. Suriname maintains an exchange system that is free of multiple currency practices and restrictions on the making of payments and transfers for current international transactions.

Last Article IV consultation

The last Article IV consultation was concluded by the Executive Board on December 23, 2019 (The last published IMF Article IV country report is from December 2019: IMF Country Report No. 19/391). Suriname is on the standard 12-month consultation cycle.

Participation in the GDDS and the e-GDDS

In July 2004, the IMF officially announced Suriname's formal participation in the General Data Dissemination System (GDDS), and e-GDDS was implemented in April 2017.

Safeguards Assessment

The CBvS has taken important steps to address safeguards recommendations made in 2021. These include: (i) amending the CBvS Act to strengthen the CBvS' mandate, autonomy, governance, and accountability and transparency; (ii) constituting new decision-making bodies in line with the amended CBvS Act, including an Audit Committee; (iii) transitioning to International Financial Reporting Standards (IFRS) to improve the transparency of financial reporting; (iv) establishing an internal audit function; (v) agreeing with the government on a recapitalization plan for the CBvS; and (vi) engaging an international external auditor to audit long-outstanding financial statements. Going forward, it would be important for the CBvS to continue to strengthen staff capacity in key assurance functions and finalize the FY 2022-23 financial statements' audits.

B. Suriname: Capacity Development

The Fund's capacity development (CD) engagements with Suriname have increased markedly since the request of the EFF and are focused mostly on revenue mobilization, strengthening fiscal institutions, governance, and statistics, Suriname's capacity development strategy is presented in Annex VI of the Staff Report). Key CD activities delivered in the last decade is presented below.

Suriname: Capacity Development Activities (2014-2024)

TA/Training Mission	Provider	Mission Date
Revenue Administration		
Tax and customs: Preparing for the Value-Added Tax	FAD	Mar 2017
Legal and Tax Policy Frameworks: Preparing for the Value-Added Tax	FAD	Apr 2017
Revenue Administration: Follow up on the preparation for the Value-Added Tax	FAD	Oct 2017
Assessing Suriname's Readiness to Successfully Launch and Administer VAT		Sept 2022
Tax policy reform options	FAD	May 2023
Reforming electricity subsidies	FAD	Jun 2023
TADAT Assessment	FAD	Oct 2023
Assessing the launch and administrating of VAT	FAD	Jan 2024
Building VAT audit capacity	FAD	Nov 2024
Public Financial Management		
Establishment of a single treasury account and improving financial reporting	MCM	Jan 2014
Assistance on MTEF and the budget process also present at the ICAC conference	CARTAC	Jun 2014
Establishing a treasury and cash management unit	FAD	Jul 2016
Improved budget execution and control	CARTAC	Oct 2016
Desk reviews for the PFM law and the establishment of a sovereign wealth fund	FAD	2017-2018
Macro fiscal scoping mission	CARTAC	Jul 2018
Public financial management	CARTAC	Apr 2019
Moving to a Modern Treasury Function	CARTAC	Jun 2021
Accounting and Financial Reporting	CARTAC	Jun 2021
Strengthening Budget Planning and Preparation	CARTAC	Sep 2021
Macrofiscal forecasting	CARTAC	Nov 2022
Macrofiscal forecasting	CARTAC	Jan and Mar 2023
Charts of Accounts	CARTAC	Feb 2023
PFM Priority Action Plan	FAD	Jul 2024
Setting expenditure ceilings	FAD	Dec 2024
Public Debt		
Public sector debt compilation and reporting	CARTAC	Aug 2023
Training in public debt management	CARTAC	Apr 2024
Institutional development	CARTAC	Oct 2024

Suriname: Capacity Development Activities (2014-2024) (continued)

Financial Market Development and Supervision		
Developing macroprudential indicators and measures of systemic risk	CARTAC	Apr 2015
Developing a stress-testing methodology for the insurance sector	CARTAC	May 2015
Development of financial soundness indicators for insurance sector	CARTAC	Jun 2015
Enhancement of financial stability analysis	CARTAC	Jul 2015
Developing pension fund sector	CARTAC	Jul 2016
Emergency liquidity assistance, early intervention and crisis management	MCM	Aug and Nov 2016
Macroprudential and financial interconnectedness	CARTAC	Nov 2018
International financial reporting system (IFSR9) implementation	CARTAC	Mar 2019
International financial reporting system (IFSR9) implementation, follow-up	CARTAC	Jul 2019
Enhancing the Stress Test Framework	CARTAC	Mar 2021
Enhancing Systemic Risk Monitoring	CARTAC	Nov 2021
IFRS 9 and 17 implementation Insurance Sector	CARTAC	Nov 2021
Adoption of international financial reporting standard	MCM	Mar 2022
Financial stability report	CARTAC	Nov 2022
Central Bank Operations		
T-bills auction	MCM	Jul 2014
Macroeconomic and monetary operations	MCM	Sept 2015
TA needs assessment	MCM	Sept 2015
Exchange rate policy	MCM	Nov 2015
Monetary framework operations	MCM	Mar 2016
Monetary policy, FX operations & framework and Debt market development	MCM	Jan 2020
Calibration of Reserve Money Targets - follow up	MCM	Jun 2021
T-bills auction	MCM	April 2016
Liquidity management and monetary operations	MCM	June 2016
Enhancing Central Bank financial strength and transparency	MCM	October 2016
Monetary Policy Framework and Foreign Exchange Operations	MCM	January 2020
Desk reviews for Amendment of Central Bank Law	LEG	May 2021
Calibration of Reserve Money Targets	MCM	Jun 2021
Reserve management	MCM	Dec 2023
Liquidity forecasting	MCM	Apr 2024
Central bank communication	MCM/CARTAC	Nov 2024

Suriname: Capacity Development Activities (2014-2024) (continued)		
TA/Training Mission	Provider	Mission Date
Monetary and Financial Statisitics		
Financial soundness indicators	STA	Apr 2016
Monetary and financial statistics	STA	May 2023
National Accounts and Price Statistics		
National account statistics on expenditure-based GDP, current prices	CARTAC	Feb 2014
National account statistics on expenditure-based GDP, current prices	CARTAC	Apr 2015
National account statistics on expenditure-based GDP, current prices	CARTAC	Nov 2015
National account statistics	CARTAC	Feb 2017
National account statistics to improve GDP estimates	CARTAC	Dec 2022
Price statistics	CARTAC	Aug 2017
Price statistic--residential property price index	STA	Apr 2023
External Sector Statistics		
Balance of payments statistics assessment (February 2014)	CARTAC	Feb 2014
BOP and external sector statistics (March 2014)	STA	Mar 2014
Balance of payments and IIP enhancement (July 2016)	CARTAC	Jul 2016
External sector statistics (November 2018)	CARTAC	Nov2018
External Sector Statistics: Review BOP Time Series (March 2020)	CARTAC	Mar 2020
Desk review: follow up in external sector statistics (May 2021 – Apr 2022)	CARTAC	May 2021 - Apr 2022
External sector statistics	CARTAC	Apr 2024
Government Finance Statistics		
Government finance statistics	STA	Dec 2015
Government finance statistics	STA	May 2016
Government finance statistics	STA	May 2017
Government finance statistics	STA	May 2018
Government finance statistics and public sector debt statistics	STA	Dec 2021
Government financial statistics	STA	Apr 2022
Government financial statistics	STA	Oct 2022
Government financial statistics	STA	May 2023
Government financial statistics	STA	Nov 2023
Government financial statistics	STA	Jul 2024
Governance		
Scoping mission	LEG	Nov 2021
AML/CFT framework and anti-corruption	LEG	Jul 2022

Suriname: Capacity Development Activities (2014-2024) (concluded)

Anti-corruption	LEG	2023-23
AML/CFT framework	LEG	Feb and Apr 2024
Anti-corruption	LEG	Oct and Nov 2024
AML /CFT Supervision	LEG	Oct 2024
Other areas		
Electronic auditing course	CARTAC	Jan 2014
Improving macroeconomic projection frameworks and training staff in forecasting techniques	CARTAC	Jun 2014
Enhanced General Data Dissemination System (e-GDDS)	STA	Feb 2017

Resident Representative: The Fund has an office in Paramaribo opened in June 2022 opened in June 2022 by the current resident representative, Charles Amo-Yartey.

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

World Bank Group:

- Overview of World Bank Group lending to Suriname: https://financesone.worldbank.org/countries/suriname

- Project Operations: https://projects.worldbank.org/en/projects-operations/projects-list?os=0&qterm=suriname

Inter-American Development Bank (IADB)

- Country page: https://www.iadb.org/en/who-we-are/country-offices/suriname

- IADB's lending portfolio: https://idbinvest.org/en/countries/suriname

Caribbean Development Bank (CDB)

- Country Page: https://www.caribank.org/countries-and-members/borrowing-members/suriname

- CDB's Strategy Paper: https://www.caribank.org/publications-and-resources/resource-library/country-strategies/country-strategy-paper-suriname-2014-2018

Islamic Development Bank (IsDB)

- Country Page and IsDB's project operations: https://www.isdb.org/suriname

STATISTICAL ISSUES

A. Assessment of Data Adequacy for Surveillance

General: Data provision is broadly adequate for surveillance purposes, but has shortcomings, reflecting capacity constraints and limited resources. Most affected are the national accounts price and labor market indicators. Annual national accounts data are available with a delay of about 9 months. CPI data, including for individual basket items are available. However, other detailed CPI component data (for example, the weights in the consumption basket of fuel and electricity) are unavailable, and no other price indexes, such as a production price index (PPI) or imports and exports price indices, are available. Fiscal and external sector data are broadly adequate for surveillance. The authorities also need to compile social indicators for enabling social policy design to support inclusive growth. Overall, the lack of timely and complete economic data deprives policymakers and the private sector of accurate information about the economy and hampers a full diagnostic of the current conjuncture. The Central Bank of Suriname (CBvS) has developed a Monthly Economic Activity Indicator, based on survey of about 250 companies, that usefully tracks economic activity. The authorities could further develop labor market indicators to fill the labor statistics gap.

Real sector statistics: The CARTAC has provided the General Bureau of Statistics (ABS) technical assistance in improving the quality and coverage of real sector statistics data. The ABS currently produces annual estimates of GDP by production at current and constant 2007 prices; as well as annual current price estimates for GDP by expenditure that are not disseminated. The ABS is working on rebasing GDP to 2015 and the process is expected to be completed in June 2020. There are plans to start producing quarterly GDP by production, with support from the Economic Commission for Latin America and the Caribbean (ECLAC), Canada's Project for the Regional Advancement of Statistics in the Caribbean (PRASC), and the National Institute of Statistics and Geography of Mexico (INEGI), starting end-2019. The ABS has updated the CPI basket based on the results of the 2013/2014 household budget survey and published a census of enterprises. The ABS is also expected to receive TA on developing gender statistics from CARICOM and ESTAT in 2020. The ABS received support from PRASC in July 2019 to conduct trade and freight transport margin studies, produce adjustment factors and indicators, improve classification and quality of International Merchandise Trade Statistics (IMTS), and establish the Integrated Business Register (IBR). Following the publication of the Demographic Data 2015–18, the ABS plans to continue producing it every two years starting in 2020.

Government finance statistics (GFS). Compiling high-quality GFS data in Suriname faces several obstacles, including a blurry definition of budgetary central government (BCG) and central government, and a lack of an integrated financial management information system. The December 2021 STA TA mission identified significant weakness in the compilation of fiscal and public debt data. STA completed follow up TAs during 2022-2024 to help the authorities implement the earlier recommendations. CD has supported the authorities to establish a system to compile and maintain an up-to-date list of public entities (Institutional Table) within central government. Support is also being provided to enhance institutional arrangements to improve the collection and processing of the source data for GFS.

Debt statistics. The World Bank is providing TA to the Suriname Debt Management Office (SDMO) to strengthen its capacity on public debt data compilation and reporting. Additional resources are also needed to appoint experts to provide hands-on support in fiscal and public debt data collection and compilation. The authorities are expected to request MCM TA on domestic debt market diagnostics and a roadmap to develop domestic capital markets post debt restructuring.

Other economic statistics*:* CD in this area will aim at improving the quality and timeliness of economic data and statistics in monetary, national accounts, price, and external sector statistics. Monetary statistics compilers need CD to ensure data consistency across sectors, particularly the public debt data and government financing data. STA experts have delivered the TA mission on monetary and financial statistics in May 2023 to help the authorities expand the coverage of monetary statistics to include other deposit-takers (credit unions) and other financial corporations (pension funds and insurance companies). Currently, national accounts data is available only at annual frequency and is published with an eight to nine-month lag. Shortening the time lag and producing quarterly national accounts data are vital for program monitoring and policy design. CARTAC is supporting the authorities to produce quarterly national accounts data. On price statistics, CARTAC is supporting the authorities to develop a residential property price index. CD resources may be needed to help support the planned rebasing exercise. On external sector statistics, CARTAC has been providing TA to address data gaps in balance of payments and reduce the size of errors and omissions.

Monetary and financial statistics: The CBvS uses standardized report forms (SRFs) to regularly report data for the central bank and other depository corporations (ODCs) on a monthly basis. There have been important improvements to quality and timeliness of monetary and financial statistics. The surveys for depository corporations are disseminated on the CBvS's website within five weeks of the reference month. The CBvS does not yet provide SRFs for other financial corporations.

Financial sector surveillance: The CBvS compiles financial soundness indicators (FSIs) for the banking system on a monthly and quarterly basis with a lag of about one quarter. However, the FSIs are currently not reported to the Statistics Department (STA) for dissemination on the IMF's FSI website. The authorities are encouraged to adopt the IMF FSI methodology and to begin reporting Suriname's FSIs to STA on a regular basis, as recommended by the April 2016 STA TA mission.

External sector statistics: The CBvS compiles and disseminates quarterly balance of payments and international investment position (IIP) statistics. The CBvS has transitioned to the sixth edition of *the Balance of Payments and International Investment Position Manual (BPM6)*. The CBvS also disseminates quarterly external debt statistics on its website and reports them to the World Bank's Quarterly External Debt Statistics (QEDS) database. The coverage of public sector external debt and private sector external debt loans is adequate. In more recent years, the CBvS has strengthened the compilation and coverage of foreign direct investment and prepared inward direct investment data by partner economy and economic sector. There is a further need to expand the coverage of deposits abroad of the nonfinancial sector, private sector external debt other than loans, and services (transport, travel, insurance and pension services, financial, and other business services), which will continue to contribute to reduce the persistent high net errors and omissions in the balance of payments statistics. The improvement of travel services estimates requires the implementation of visitor surveys in coordination with the Suriname Tourism Office and the General Bureau of Statistics (ABS). Remittances can also be improved by using the household survey of the ABS to compile remittances through informal channels. After the Final investment Decision, coverage of activities related to off-shore oil fields also need to be strengthened. Improved interagency coordination (CBvS, ABS, Ministry of Finance, Debt Management Office, and other agencies) will also strengthen consistency and harmonization among macroeconomic statistics.

B. Data Standards and Quality

Suriname implemented e-GDDS in April 2017.

C. Reporting to STA

Suriname currently does not report fiscal statistics for inclusion in either International Financial Statistics or the Government Financial Statistics Yearbook.

Statement by Mr. Andre Roncaglia, Executive Director for Suriname, Mr. Felipe Antunes, Alternative Executive Director, and Mr. Karel Steven Eckhorst, Advisor
December 18, 2024

On behalf of the Surinamese authorities, we thank staff for the constructive and frank discussions during the eighth review of the Extended Fund Facility (EFF) arrangement and 2024 Article IV Consultations. Our authorities largely agree with staff's perspective on Suriname's economic performance and outlook under the EFF program. Furthermore, the authorities welcome the resumption of the Article IV Consultation after a five-year hiatus.

Despite a challenging internal environment, macroeconomic stabilization is progressing. The authorities remain committed to the program and are steadfast in implementing reforms. However, they recognize that important challenge remains to anchor recent achievements. The authorities are particularly determined to prevent possible slippages and policy reversals in the future. Therefore, they are working tirelessly to implement the agreed structural reform agenda with a view to strengthen and ringfence legislative and institutional frameworks. In that context, we underscore that all except one end- September quantitative targets and continuous PCs have been met.

<u>Recent Developments and Outlook</u>

Suriname is at a pivotal moment with a promising economic recovery underway and transformative opportunities on the horizon. The country's economic recovery is gaining momentum, reflecting the results of diligent reform efforts and sacrifices. Economic growth in 2023 exceeded expectations, supported by declining inflation. The outlook for 2024 and beyond is very promising. The announced Final Investment Decision in October for offshore oil exploitation marks a transformative opportunity for Suriname. Investments of approximately USD 10.5 billion, including a local content share of USD 1 billion, are planned for 2025–2028, with oil production expected by 2028. This emerging resource wealth has the potential to elevate living standards significantly. The authorities are conscious that Suriname's success will depend on a sustained and robust effort at institution building to ensure transparency, accountability, and effective management.

Inflation remains on a clear downward path since 2022. High inflation of more than 60 percent has been reduced to 32.6 percent at the end of 2023 and is projected to decline further in 2024. In October 2024, end-of-period inflation reached 10.5 percent on an annual basis, resulting in a revised projection for end-2024 of around 10 percent. This encouraging outcome reflects the strict monetary policy stance and corrective fiscal measures implemented by the authorities, which have successfully contained demand-pull inflationary pressures. Going forward, authorities remain committed to closely monitor monetary developments and maintain the reserve money path consistent with the program targets, as well as to take concrete measures to improve the monetary transmission mechanism.

Fiscal, Social, and Tax Policies

The authorities have taken decisive action to increase spending efficiency and enhance revenue mobilization. Taking into account unexpected revenue shortfalls and overspending in the first half of 2024, the Ministry of Finance and Planning (MoFP) quickly reversed course and issued guidelines to control expenditures and match those with revenues. To further control expenditures, the MoFP will implement a system that automatically caps them on a monthly basis, preserving space for social spending. Regarding social spending, enhancing efficiency will be a priority, so that the cash transfers reach every eligible household. Emergency measures to improve the health system are also being considered. We highlight that, in 2024, the Indicative Target on social spending has been met continuously. Furthermore, the 2025 Budget will be more comprehensive and accurate. With elections in May 2025, a traditionally large expense item, the authorities are aware that good budget control remains crucial.

Significant efforts are underway to strengthen public financial management. Before end-December 2024, Parliament is expected to approve and enact the amended Public Financial Management (PFM) Act and the Savings-and Stabilization Fund (SSFS) Act. These landmark laws will reconcile the needs of present and future generations, stabilizing the economy, creating solid fiscal buffers, and allowing for investments. Underscoring the commitment to prudence in the conduct of fiscal policy, primary expenditure and total public debt rules have been incorporated in the PFM law to keep debt sustainable. These rules will guide and constrain the design and execution of the central government's budget over well- defined periods of five years.

VAT performance has surpassed expectations, and revenue mobilization will increase through an enhanced organizational structure. VAT performance was largely driven by stricter enforcement of tax compliance, including the imposition of penalties and interest on late filing and payment of outstanding taxes, in line with the VAT law. Authorities are continuing their efforts to strengthen tax administration, including through the hiring and training of additional staff with a view to improve tax collection. The tax authorities will strive to achieve the targets for tax and the non-tax revenues. Ongoing reforms aim to strengthen the Large Taxpayer Unit and to make the tax department a revenue agency. Accordingly, the Tax Department is being converted into a Semi-Autonomous Revenue Authority (SARA) which will allow for a better organizational structure, with enhanced effectiveness and efficiency, including higher remuneration for the highly skilled staff. The draft legislation to that effect, the SARA Act, is currently under discussion and is likely to be adopted by end-December 2024 in the Parliament.

Notwithstanding structural challenges posed by climate change, the authorities are determined to continue progress towards removing electricity subsidies. Increased tariffs have underpinned authorities' continuous efforts to ensure repayments of the electricity company (EBS) to the Government. The EBS is working on a comprehensive plan, including measures to reach tariffs at cost-recovery level in 2025. At the same time, the many facets of climate change have taken a toll on the economy. Widespread and persistent drought triggered necessary adjustments in the energy mix. The electricity matrix will shift further towards more expensive thermal sources, because hydroelectricity generation is unfortunately failing to meet demand. To support the natural rate of growth of electricity consumption, especially due to new residential demand, the Government continues to weigh several options, taking into account both economic and social imperatives.

Progress continues to be made in the management and clearance of suppliers' arrears. Authorities are making progress in clearing suppliers' arrears by paying monthly between SRD 80 and SRD 100 million. The payment of arrears and the reconciliation in the system resulted in a significant improvement for the management of arrears. Nevertheless, clearance remains an ongoing process. There is a reasonable chance suppliers' arrears will decrease even further in the near future. Currently, reconciliation is done manually, but starting 2025 there will be a pilot project between the Treasury Department, the Central Bank of Suriname, and IFMIS to automate the reconciliation and payment process. The MoFP will introduce a digital platform which will allow for the communication among several systems within the administrative structure. The authorities are confident that this will significantly improve Government's capacity to deliver its services to the public.

Debt Management and Sustainability

Suriname's successful strides in stabilizing its macroeconomic environment has positively impacted its debt profile. Public debt is on a firm downward trajectory, falling from above 100% of GDP in recent years to a projected 23% at the end of the decade. The authorities' proactive approach to internal and external debt management, combined with international support and economic reforms, has significantly improved Suriname's debt sustainability outlook. Furthermore, public debt-to-GDP ratio is expected to fall further as oil production and export from block 58 takes off in 2028, following the October 2024 Final Investment Decision from operators TotalEnergies and APA.

With China and Suriname reaching landmark agreements in November, debt restructuring has entered a final phase. Both China Exim and China ICBC loans will be restructured. The signing of the agreement on government concessional loans with Exim China will happen in December 2024. Furthermore, the authorities signed an umbrella agreement with the Paris Club (PC) for the second phase of debt treatment. Bilateral negotiations with individual PC Creditors are ongoing. The authorities expect to sign an agreement with the remaining commercial creditors in the coming months. The completion of these agreements will provide a solid base for debt management and debt sustainability going forward.

Monetary, Financial, and Exchange Rate Policies

The Centrale Bank van Suriname (CBvS) commitment to maintaining macroeconomic stability has been reinforced by decisive monetary policy actions and a clear vision for future reforms. The proactive monetary policy stance has successfully tightened SRD liquidity, driving a steady decline in inflation. This achievement reflects diligent implementation of open market operations and the employment of higher local currency reserve requirement. While private sector credit has slowed down, investments in central bank instruments have risen, enabling the CBvS to meet the monetary QPCs for September 2024. Looking ahead, the CBvS is preparing to transition from reserve money targeting to an interest rate rule over the next 1–2 years, supported by institutional and technical capacity development, including the establishment of a functioning interbank market. Ultimately, the goal is to adopt inflation targeting as the nominal anchor ensuring the economy is equipped to manage future oil inflows effectively. Continued engagement with the Fund will be of the essence to support a successful monetary policy transition.

Key reforms to enhance financial sector stability, resilience, and sustainability are progressing steadily. Priorities include maintaining robust capital buffers (the reported level of capital adequacy ratio for the banking system is currently at 22.9%) and reducing NPL ratios below 5%. The monetary authorities are also focused on addressing liquidity disparities in the banking system and implementing timely recapitalization and governance reforms for state-owned banks. Efforts are underway to enhance risk-based supervision aligned with recent legislative reforms. To bolster systemic risk monitoring and management, the CBvS is improving stress-testing and macro-prudential frameworks. Reforms in the insurance and pension sectors, alongside efforts to enhance electronic payment systems, capital markets, and AML/CFT frameworks, aim to ensure a robust and transparent financial sector. With technical assistance from the IMF and other partners, the CBvS remains committed to implementing a comprehensive, well-coordinated financial sector reform agenda.

The CBvS is dedicated to fostering a well-functioning, market-driven foreign exchange system as a cornerstone of macroeconomic management. Local currency depreciation pressures increased in the third quarter of 2024 but eased more recently, as the CBvS successfully managed to contain excess liquidity after a vast amount of Central Bank Certificates matured in November 2024. To enhance market efficiency and transparency, the CBvS is set to launch an electronic FX trading platform in December 2024, after overcoming technical challenges. The CBvS has issued revised circulars on the operations in the foreign exchange market in 2024, building on consultation with the Fund, to align selected provisions in the regulations to meet the best practice criteria of IMF's policy on Multiple Currency Practices. The CBvS remains committed to refraining from measures that hinder market efficiency and to consulting with the IMF on future regulatory actions.

<u>Governance Reforms</u>

The CBvS continues to make significant strides in addressing key priorities across financial reporting, audit enhancements, governance improvements, and balance sheet recapitalization. The clearing of the backlog in audited financial statements progresses steadily, with the FY 2021 IFRS-compliant statements published in August 2024 and plans to finalize the FY 2022 statements by early 2025. Special audits of program monetary data have consistently validated the accuracy of the performance criteria, and CBvS is strengthening internal audit capacity through co-sourcing and targeted training. To enhance governance, recommendations from IMF technical assistance on foreign reserves management are being implemented. In addition, the CBvS recapitalization plan, grounded in the FY 2021 audited financial report, will ensure a robust balance sheet and credibility in executing monetary policy. These measures underscore the CBvS commitment to transparency, accountability, and financial stability.

Continued structural reforms include the further strengthening of the anti-corruption and AML/CFT frameworks. The amended Procurement Law was approved in Parliament in November. This will ensure centralization and transparency of procedures and processes. The Law will require the publication of all names of public officials involved with Government procurement, as well as awarded entities and their beneficiary owners. Furthermore, Suriname requested reassessment of compliance with several Financial Action Task Force (FATF) recommendations earlier this year and achieved significant improvements. Many recommendations that were assessed as partially and largely compliant were upgraded to the level of compliant. These developments reflect the country's commitment to comply with FATF international standards. 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.

Suriname remains vigilant to preserve the Amazon Forest, while tapping into new climate finance opportunities. More than 90% of the territory of Suriname is covered by the Amazon Forest. As one of only three countries in the world with such a major asset, the challenge of reconciling oil and gas production and forest preservation is fully recognized. To balance the two objectives the country would benefit from capacity building from the Fund, the Bank and other development partners. Suriname authorities call for additional support from the international community in this regard, including through enhanced access to concessional climate financing and technical assistance.

The overcoming of gender gaps has the potential to unlock significant economic growth. The authorities appreciate the very valuable inputs from the Selected Issues Papers, in particular the focus on gender gaps and female labor force participation. Targeted policies to support women and increase their participation in the labor market have led to a gradual decline of gender inequality in the recent past. With the adoption of a Gender Vision 2020 – 2035 policy framework, annual action plans have been developed that target specific priority areas (e.g. education, health, labor, poverty reduction, gender pay gap). To increase the effectiveness of these plans, evaluation rounds are conducted at the end of every year. However, several bottlenecks remain. The absence of specific gender budgeting is a case in point. Funds are allocated within the State budget per Ministry. In addition, the lack of timely data also hampers the formulation and design of adequate gender-related policies. New opportunities for gender inclusion will be explored leveraging the latest Census data produced by the General Bureau of Statistics.

Concluding remarks

Authorities are proud that overall program performance remains satisfactory amidst challenging circumstances. Despite mounting pressures stemming from political and climate change factors, program ownership remains strong. The severe draught that recently affected many Amazon countries have disrupted transport to the interior and impacted energy generation. Nevertheless, authorities remain focused on their ambitious reform agenda, including energy subsidy reforms and sensitive anti-corruption initiatives. With the upcoming adoption of the SARA Act, a robust entity will improve revenue collection, making sure that everyone pays their fair share in taxes. Furthermore, the latest debt- restructuring agreements with China are a major achievement, paving the way towards long- term debt sustainability.

Despite conjunctural headwinds, the medium- and long-term outlook for Suriname is very positive. The long-awaited Final Investment Decision was signed, and the country is gearing towards a major economic transformation. To prepare for this transformation, authorities increased efforts to strengthen public financial management with the amendment of crucial legislation and the introduction of sound fiscal rules, which will ensure a robust resource revenue management framework. The final goal is to capture, absorb, and redistribute abundant oil wealth in a fair and balanced manner over the medium-term, to the benefit of the people of Suriname. The authorities are committed to the objectives outlined in the IMF-supported program and view these as the pathway towards macroeconomic stability, a fundamental condition for strong, sustainable, balanced, and inclusive growth.