



**FISCAL STRENGTHENING TO SUPPORT ECONOMIC GROWTH  
PROGRAM**

**LOAN NR 4112/OC-SU-L1050**

**REVISION ON THE FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

*(Expressed in United States Dollars)*

**Submitted to:**

The Ministry of Finance and Planning in Suriname  
Program Implementation Unit of the  
Fiscal Strengthening to Support Economic Growth Program  
Loan Agreement NR 4112/OC-SU-L1050  
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**Submitted by:**

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To: The Ministry of Finance and Planning in Suriname  
Program Implementation Unit of the  
Fiscal Strengthening to Support Economic Growth Program (FISEG)  
Loan Agreement NR 4112/OC-SU-L1050

## **INDEPENDENT AUDITOR'S REPORT**

### **Our opinion**

We have audited the accompanying special purpose financial statements 2022 of the Fiscal Strengthening to Support Economic Growth Program (further refer to as 'The Program'), executed by The Ministry of Finance and Planning and financed with funds from the Inter-American Development Bank Loan Agreement NR 4112/OC-SU-L1050.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the cash flows and cumulative disbursements of the Program as of December 31, 2022, in accordance with the accounting policies described in Note 2.

The special purpose financial statements comprise:

1. the statement of cash received and disbursements made;
2. the statement of cumulative investments as at 31 December 2022; and
3. the notes to the financial statements comprising of a summary of the accounting policies and other explanatory information.

### **Basis for our opinion**

We conducted our audit in accordance with International Standards on Auditing and specific requirements of the Inter-American Bank.

Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Program in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of management for the financial statements**

The project management of the Fiscal Strengthening to Support Economic Growth Program is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis Accounting and specific requirement of the Inter-American Development Bank.

Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Program's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Program's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with International Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control;
- evaluating the appropriateness of accounting policies used and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Program execution regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

#### **Report on other legal and/or regulatory requirements**

We did not observe any situations suggesting non-compliance with the financial clauses in the Inter-American Development Bank Loan Agreement No. 4112/OC-SU-L1050 during the period reviewed by us.

#### **Restriction on use and distribution**

We draw attention to Note 2 to the accompanying special purpose financial statements which describe the basis for accounting. The accompanying special purpose financial statements are prepared to comply with the specific reporting requirements of the IDB. As a result, the accompanying financial statements may not be suitable for another purpose. Our opinion is not qualified in respect of this matter.

The accompanying special purpose financial statements and our auditor's report thereon are intended solely for the Fiscal Strengthening to support Economic Growth Program, Ministry of Finance of the Republic of Suriname and the Inter-American Development Bank and should not be used for other purposes.

#### **Bank balances confirmations**

As of the date of this report the FISEG Project Monitoring Unit was unable to obtain the bank balance confirmation from the Central Bank of Suriname as of the date of this report. The cash reported at year-end 2022 has been determined on the basis of the bank statements as at December 31, 2022 and January 1, 2023. Our opinion is not qualified in respect of this matter.

Paramaribo, May 30, 2023  
Crowe Burgos Accountants N.V.



Romeo K. Burgos MSc. CA RA  
Managing Partner

## FINANCIAL STATEMENTS

### STATEMENT OF CASH RECEIVED AND DISBURSEMENTS MADE FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022 *(Expressed in US Dollars)*

|   | Notes | IDB               | LOCAL            | TOTAL             |
|---|-------|-------------------|------------------|-------------------|
| <b>CASH RECEIVED</b>  |       |                   |                  |                   |
| Accumulated cash at beginning of period                       |       | 21,870,099        | 1,584,791        | 23,454,890        |
| Activity during the year:                                     |       |                   |                  |                   |
| Transfers   | 8.    | -7,900,000        | -                | -7,900,000        |
| Disbursements (Advances, reimbursements, and direct payments) |       | -                 | -                | -                 |
| Interest and credit fee                                       | 5.    | -                 | 947,802          | 947,802           |
| <b>Total cash received</b>                                    |       | <b>13,970,099</b> | <b>2,532,593</b> | <b>16,502,692</b> |
| <b>DISBURSEMENTS MADE</b>                                     |       |                   |                  |                   |
| Cumulative cash disbursed at beginning of period              |       | 11,796,226        | 1,584,791        | 13,381,017        |
| Activity during the year:                                     |       |                   |                  |                   |
| Payments for goods and services                               | 6./7. | 454,422           | -                | 454,422           |
| Bank charges  | 6.    | 69                | -                | 69                |
| Interest and credit fee                                       | 5.    | -                 | 947,802          | 947,802           |
| <b>Total cash disbursements</b>                               |       | <b>12,250,717</b> | <b>2,532,593</b> | <b>14,783,310</b> |
| <b>Available cash balance, December 31, 2022</b>              | 3.    | <b>1,719,382</b>  | <b>-</b>         | <b>1,719,382</b>  |

The accompanying notes on pages 7 to 17 form an integral part of the financial statements.

**STATEMENT OF CUMMULATIVE INVESTMENTS AS AT DECEMBER 31, 2022**

*(Expressed in US Dollars)*

|                 |                                   |            | 31-Dec-21         |                  | Movement during 2022 |                | 31-Dec-22         |
|-----------------|-----------------------------------|------------|-------------------|------------------|----------------------|----------------|-------------------|
|                 |                                   |            | IDB               | LOCAL            | IDB                  | LOCAL          | TOTAL             |
| IDB Nr          | Category of disbursement          | Notes      |                   |                  |                      |                |                   |
| <b>01.00.00</b> | <b>Direct Costs</b>               | <b>7.1</b> | <b>10,816,238</b> | -                | <b>364,312</b>       | -              | <b>11,180,550</b> |
| 01.01.00        | Strengthen Revenue Administration |            | 8,984,580         | -                | 364,312              | -              | 9,348,892         |
| 01.02.00        | Strengthen the PFM                |            | 1,801,516         | -                | -                    | -              | 1,801,516         |
| 01.03.00        | Strengthen the Public Invest      | <b>7.2</b> | 30,142            | -                | -                    | -              | 30,142            |
|                 |                                   |            |                   |                  |                      |                |                   |
| <b>02.00.00</b> | <b>Administrative Cost</b>        |            | <b>979,988</b>    | -                | <b>90,179</b>        | -              | <b>1,070,167</b>  |
| 02.01.00        | Program Manager                   |            | 113,492           | -                | 26,945               | -              | 140,437           |
| 02.02.00        | Financial Expert                  |            | 57,585            | -                | 3,178                | -              | 60,763            |
| 02.03.00        | Procurement Expert                |            | 67,398            | -                | 3,178                | -              | 70,576            |
| 02.04.00        | Monitoring Expert                 |            | 87,474            | -                | -                    | -              | 87,474            |
| 02.05.00        | Evaluation Expert                 |            | 100,386           | -                | -                    | -              | 100,386           |
| 02.06.00        | Audit & Evaluation                |            | 19,518            | -                | 6,506                | -              | 26,024            |
| 02.07.00        | Consultants to support execution  |            | 430,571           | -                | 24,312               | -              | 454,883           |
| 02.09.00        | PIU Administrative expenses       |            | 103,564           | -                | 26,060               | -              | 129,624           |
|                 |                                   |            |                   |                  |                      |                |                   |
| <b>06.00.00</b> | <b>Financing costs</b>            | <b>5.</b>  | -                 | <b>1,584,791</b> | -                    | <b>947,802</b> | <b>2,532,593</b>  |
| 06.01.00        | Interest                          |            | -                 | 1,013,487        | -                    | 918,467        | 1,931,954         |
| 06.02.00        | Credit fee                        |            | -                 | 571,304          | -                    | 29,335         | 600,639           |
|                 | <b>TOTAL</b>                      |            | <b>11,796,226</b> | <b>1,584,791</b> | <b>454,491</b>       | <b>947,802</b> | <b>14,783,310</b> |

The accompanying notes on pages 7 to 17 form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

### 1. GENERAL INFORMATION

#### 1.1 Program Background

The Government of Suriname (GoS), with the financial support of the Inter-American Development Bank (IDB), embarked on a 5-year Fiscal Strengthening to Support Economic Growth (FISEG) program. The project, which has a duration of 5 years, started in July 2017. The total contract amount is US\$ 40.000.000 (Forty Million United States Dollars) and will be fully financed by a loan from the IDB. The objective of FISEG is to support Suriname's efforts to attain a sustainable fiscal path in the medium term through an ongoing reduction of its fiscal deficit.

The program has been financed by a specific investment loan by the IDB with the Republic of Suriname as the borrower. The governmental entity responsible for implementing the program is The Ministry of Finance and Planning (MoF) through the office of the Minister of Finance. A project executing unit has been established within the existing structure of the MoF and is responsible for all the fiduciary and technical obligations of the program.

The component "Administrative cost", even though not a formal separate activity, regards funding for strengthening the support areas in order to provide better service at a lower cost on technical areas. It also includes the funding for the PIU monitoring, evaluating and procurement of all activities, the annual external audit and funding for external consultants hired for specific program activities.

#### 1.2 Cost and financing structure of the program

##### Reformulation loan and budget transfer

In August 2020 there was a reformulation of the original approved loan. The amount of US\$ 20,000,000 is allocated to the Safety net for Vulnerable Populations Program. This amount is divided as follow:

- Protecting using existing cash transfer programs US\$ 19,970,000
- Monitoring evaluation and auditing US\$ 30,000

These transfers regard the reformulation of the project loan of US\$ 20,000,000 to the Safety net for Vulnerable Populations Program (component 4 and 5). No funds were withdrawn for the safety net project. The costs related to the Safety net components are therefore not included in these financial statements.

The financing structure of the Project after reformulation is based on the cost already incurred as part of previous subcomponents. This yield that costs before August 2020 were incorporated as part of the expenditures of current component 1, Strengthen Revenue Administration.

An overview is as follow:

| <b>IDB Nr.</b>  | <b>Category of disbursement</b>             | <b>Fiscal Strengthening</b> | <b>Support to Safety Net</b> | <b>Total in US\$</b> | <b>In percentage</b> |
|-----------------|---|-----------------------------|------------------------------|----------------------|----------------------|
| <b>01.00.00</b> | <b>Direct Cost</b>                          | <b>15,997,588</b>           | <b>-</b>                     | <b>15,997,588</b>    | <b>39.99</b>         |
| <b>01.01.00</b> | Strengthen Revenue Administration           | 15,075,193                  | -                            | 15,075,193           | <b>37.69</b>         |
| <b>01.02.00</b> | Strengthen the PFM                          | 922,395                     | -                            | 922,395              | <b>2.31</b>          |
| <b>02.00.00</b> | <b>Administrative Cost</b>                  | <b>2,227,567</b>            | <b>-</b>                     | <b>2,227,567</b>     | <b>5.57</b>          |
| <b>03.00.00</b> | <b>Contingencies</b>                        | <b>1,774,845</b>            | <b>-</b>                     | <b>1,774,845</b>     | <b>4.44</b>          |
| <b>04.00.00</b> | <b>Protect using existing Cash</b>          | <b>-</b>                    | <b>19,970,000</b>            | <b>19,970,000</b>    | <b>49.93</b>         |
| <b>05.00.00</b> | <b>Monitoring, Evaluation, and auditing</b> | <b>-</b>                    | <b>30,000</b>                | <b>30,000</b>        | <b>0.07</b>          |
|                 | <b>Total</b>                                | <b>20,000,000</b>           | <b>20,000,000</b>            | <b>40,000,000</b>    | <b>100.00</b>        |

The objective of component 1 of the fiscal component is to revamp the Department of Taxes and Customs' institutional organization and support the Value Added Tax (VAT) implementation.

Component 2 includes personnel and other recurrent costs required for supporting the Program's administration in te implementation period. It also includes auditing costs and monitoring and evaluation activities for the FISEG part of the loan.

Component 3 'Contingencies' is to ensure an unfavorable or unexpected event/cost that may occur only at component 1 of the Fiscal components. Until 2022 no amounts were drawn yet.

Component 4 of the Safety Nets Component will finance the increase in the value of the cash transfers for a period of up to six months for beneficiaries of three existing programs delivered by the Ministry of Social Affairs and Housing. This component will also finance the design and implementation of a pilot of an electronic payment system for the Child Allowance.

Component 5 includes auditing costs, monitoring and evaluation activities for the Safety Net for vulnerable populations part of the reformulated loan agreement.

### **1.3 The status of the project as of the end of 2022**

#### **Component 1. Strengthen the revenue administration**

- The tender process yielded four prospective consultancy firms that reflected upon the expression of interest and subsequently submitted their request for proposal. After submission, an evaluation committee was erected to assess the proposals. The technical evaluation resulted in one (1) qualified consultancy firm, which automatically moved the committee to proceed with the opening of their bid. The Tender and evaluation process for SARA came to a conclusion. The consultancy firm that has been recruited is Ernst and Young Participaties N.V.
- An active campaign was started to commence VAT as part of the new taxation within DoTC. This campaign was meant to provide taxpayers with adequate information on registration, legibility criteria, confirmation of taxes, tax returns on VAT when applicable and service routs and centers that were part of DoTC implementation. This campaign was a pilot project that should result in a strategy for communication with both taxpayers and internal stakeholders of DoTC. Evaluation of the campaign should commence in 2023.

- ICT developments in 2022 were more based on planning to accommodate ICT relocation as part of the developments of the new building for DoTC. Development of the website for DoTC was more part of the requirements from the VAT campaign. Development of an automated information system for taxes was part of the operations of DoTC, but not registered as part of the FISEG activities. A vendor was recruited as part of the replacements of Bearing Point.
- Tender for an architectural firm for design and supervision was led to selection of the firm with the second highest score. Though five firms reflected with a technical and financial proposal, only the firm with the best technical score moved to the negotiation phase. Since negotiations did not meet the expectations and criteria of the Client and the supplier withdrew, because of that, no objection was obtained for negotiations with the bidder that had the second highest technical score.
- Transparency portal infrastructure created; an inventory of previously purchased equipment revealed that more needed to be done to fully comply with the requirements of the transparency portal. Plans were made to complete the portal in 2023.

## **Component 2. Protection using existing cash transfer programs**

This component will be reflected as part of a separate audit. It is noteworthy that funds from both components after reformulation are not drawn from the same account. Hence bank statements are separate. The remaining balance from component 2 (US\$ 7.9 million) was transferred from the Project account 0313100/001-114-840 at the Central Bank of Suriname on November 2<sup>nd</sup> of 2022. Reporting obligations for this amount were already fulfilled in 2021. Further details should be provided by a separate audit.

### **1.4 Institutional Background**

#### **Program Management**

The Program Implementation Unit (PIU) members as December 31, 2022 are as follow:

| <b>Responsibility</b> | <b>Name</b>             | <b>Organization</b> |
|-----------------------|-------------------------|---------------------|
| Program Manager       | Winston Roseval         | PIU                 |
| Procurement officer   | Gaitrie Sitaram         | PIU                 |
| Financial officer     | Gracelly Kasanngaloewar | PIU                 |
| Monitoring Specialist | Vacant                  |                     |
| Evaluation Specialist | Vacant                  |                     |

The positions of the monitoring and the evaluation specialist are still vacant. The program still runs at 60% human resource capacity. In order to fulfill the continuance of program services the Program Manager fills in that gap.

### Steering Committee

The steering Committee as at December 31, 2022 is composed as follows:

| Responsibility | Name                     | Organization                   | Function                                       |
|----------------|--------------------------|--------------------------------|--|
| Chair          | Kermechend Raghoebarsing | Ministry of Finance & Planning | Minister                                       |
| Member         | Iris Sandel              | Ministry of Finance & Planning | Director of Planning and Development Financing |
| Member         | Dharmradj Parohi         | Ministry of Finance & Planning | Director of Finance                            |
| Member         | Ismael Kalaykhan         | Ministry of Finance & Planning | Director of Taxes and Customs                  |
| Secretary      | Winston Roseval          | Program Implementation Unit    | Program Manager                                |

On the 28th of September 2022, Mr. A. Achaibersing resigned as the Minister of Finance and Planning and therefore is no longer part of the Steering Committee. The Minister of Foreign Affairs, Minister A. Ramdien, was the acting Minister of Finance & Planning. On the 13<sup>th</sup> of December 2022, the current Minister of Finance and Planning, Mr. K. Raghoebarsing, took office.

The head of the PIU (Program Manager) acts as Secretary of the Committee on a permanent basis, and only acts as a deciding vote when there is a tie.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Cash basis of accounting

The financial statements of the Project for the period ended December 31, 2022 have been prepared using the cash basis of accounting, which recognizes transactions and acts only when the cash and or its equivalent is received or disbursed, and not when they give rise to accrue or originate rights or obligations.

### 2.2 Currency and Exchange Rates

The functional currency of the Project is the U.S. Dollar (US\$). Transactions in SRD are converted to US\$ using the applicable rate of the Central Bank of Suriname (CBvS) at the day of the transaction. The financial statements are presented in American Dollar, rounded to the nearest whole US dollar value, unless otherwise stated. A letter sent to the PIU indicates that the wages from non-PIU consultants will be paid at the official Central Bank exchange rate. The exchange rates as at December 31 were:

|               | 2022   |  | 2021   |
|---------------|--------|--|--------|
|               | SRD    |  | SRD    |
| <b>US\$ 1</b> | 30.645 |  | 21.137 |

This, however, does not account for the increasing trend of exchange rates that have been used throughout 2022.

## 3. AVAILABLE CASH BALANCE

The available cash balance at December 31, 2022 consisted of the following:

|                                       | Account no          | US\$             |
|---------------------------------------|---------------------|------------------|
| Central Bank of Suriname US\$ account | 0313100/001-114-840 | 1,719,339        |
| Cash on hand                          | Petty Cash          | 43               |
|                                       |                     | <b>1,719,382</b> |

## 4. ADVANCE PENDING JUSTIFICATION

The Project is receiving cash advances of funds from the IDB based on a disbursement request. The financial manual states that upon reaching 50 - 80% expenditure out of the cash advance, the program has achieved justification to request additional cash advances. As of December 31, 2022, the pending justification to the IDB was US\$ 2,421,559 and is equal to 58% of the expenditures out of the cash advance. Hence this places the PIU in a position to request a disbursement request from the IDB.

## 5. LOCAL COUNTERPART FUNDS (FINANCIAL COSTS)

The cumulative paid financial charges (interest and credit fees) paid by the Government of Suriname at December 31, 2022, as a result of the loan provided by the IDB, totals US\$ 2,532,493.

| Details    | Date                                 | In US\$          |
|------------|--------------------------------------|------------------|
| Credit fee | December 2017 + June & December 2018 | 227,842          |
| Interest   | June & December 2018                 | 162,739          |
| Credit fee | June & December 2019                 | 169,097          |
| Interest   | June & December 2019                 | 209,378          |
| Credit fee | July 2020                            | 63,976           |
| Interest   | July 2020                            | 181,523          |
| Credit fee | February, June & December 2021       | 110,390          |
| Interest   | February, June & December 2021       | 459,846          |
| Credit fee | June & December 2022                 | 29,335           |
| Interest   | June & December 2022                 | 918,467          |
|            |                                      | <b>2,532,593</b> |

## 6. PROCUREMENT OF GOODS, SERVICES AND WORKS

The following table presents the services procured by the Project from 01 January to 31 December 2022:

| Consultants/ suppliers | Amount in US\$ |
|------------------------|----------------|
| PIU members            | 33,301         |
| Consultants            | 388,624        |
| Audit & Evaluation     | 6,506          |
| Miscellaneous          | 26,060         |
|                        | <b>454,491</b> |

## 6.1 Consultants

The consultants' expenses consist of the following:

The following are the services, non-consulting services procured by the Project from 01 January to 31 December 2022:

### Procurement of services

| Consultants/ suppliers | Description of services                                     | Amount in US\$ |
|------------------------|---|----------------|
| G. Leeuwin             | Local Retired tax Official for DoTC                         | 1,940          |
| A. van Suilen          | Scoping Mission   | 5,839          |
| A. Sewnarain           | Lead Fiscal expert for DoTC                                 | 5,033          |
| R. Kalloe              | Junior Auditor 3 for DoTC                                   | 6,674          |
| D. Baptist             | Technical assistance DoTC                                   | 1,973          |
| F. Salamat             | Communication Specialist DoTC                               | 981            |
| C. Klein – Jules       | Anti-Money laundering and Fraud Operational Specialist DoTC | 1,446          |
| M. S.D. Chin A Fat     | Anti-Money laundering and Fraud Tactical Specialist DoTC    | 374            |
|                        |   | <b>24,260</b>  |

### Procurement of goods

| Contractor/ supplier        | Description of goods  | Amount in US\$ |
|-----------------------------|---|----------------|
| CHS                         | Scanners + Anti-virus   | 68,934         |
| Fernandes                   | Purchase of vehicles for the DoTC                                 | 110,455        |
| Devina's Enterprises        | Office Furniture DoTC   | 148,429        |
| Other                       | Advertisement, training, Rent, Quick Books                        | 2,952          |
| Eagle Grass Cutting Service | Inventory and maintenance towards renovation Old Embassy building | 3,442          |
| Surpost                     | Distributions of filling forms for taxpayers for DoTC             | 30,153         |
|                             |   | <b>364,364</b> |

## 6.2 Miscellaneous

| Contractor/ supplier | Description of goods   | Amount in US\$ |
|----------------------|--|----------------|
| Pensioenfonds SWM    | Rent office space  | 20,000         |
| Telesur, SWM, EBS    | Utilities  | 1,048          |
| Various              | Advertisements, office supplies, Maintenance costs and other | 4,943          |
| Bank charges         |  | 69             |
|                      |  | <b>26,060</b>  |

## 7. DISBURSEMENT CATEGORIES

In 2022 there was a total amount spent for component 1 of US\$ 364,381.96. This amount was spent on:

### 7.1 Strengthen Revenue Administration

|   | In US\$           |
|---|-------------------|
| Taxpayer Service function created                     | 143,559.26        |
| Internal Revenue System Modules Implemented partially | 68,933.63         |
| Revenue Administration Physical Structure Implemented | 151,889.07        |
|   | <b>364,381.96</b> |

#### Taxpayer Service function created

The amount of \$ 134,559.26 was spent on payments to Surpost, Fernandes Auto Handel and for an advertisement for Taxpayer Management Consultant.

#### Internal Revenue System Modules Implemented partially

The amount of \$ 68,933.63 was spent on the payments to CHS for 15 scanners and Antivirus.

## Revenue Administration Physical Structure Implemented

The amount of \$ 151,889.07 was spent on the payments to Devina's Enterprises and Eagle Grass Cutting.

## 7.2 Administrative Costs

A total amount of \$ 90,109.29 includes salaries of the PIU members and other recurrent costs required for supporting the Program's administration in the implementation period.

## 8. DISBURSEMENTS MADE

| Disbursement<br>request number | Type              | Date       | US\$              |
|--------------------------------|-------------------|------------|-------------------|
| 1                              | Reimbursements    | 20-12-2017 | 2,248,456         |
| 2                              | Receipt           | 26-03-2018 | 3,932,188         |
| 3                              | Reimbursements    | 05-12-2019 | 4,265,276         |
| 4                              | Receipt           | 03-12-2019 | 3,524,179         |
| 5                              | Receipt           | 17-08-2020 | 7,900,000         |
| 6                              | Transfer of funds | 02-11-2022 | -7,900,000        |
|                                |                   |            | <b>13,970,099</b> |
| 1                              | Justification     | 19-12-2017 | 2,248,456         |
| 2                              | Justification     | 26-09-2018 | 904,568           |
| 3                              | Justification     | 19-11-2019 | 1,333,272         |
| 4                              | Justification     | 03-12-2019 | 1,077,587         |
| 5                              | Justification     | 04-12-2019 | 4,265,276         |
|                                |                   |            | <b>9,829,159</b>  |
|                                |                   |            | <b>4,140,940</b>  |

The amount of US\$ 4,140,940 can be specified as follow:

|                                | In US\$          |
|--------------------------------|------------------|
| Available cash 31/12/2022      | 1,719,382        |
| Expenses pending justification | 2,421,559        |
|                                | <b>4,140,940</b> |

The intention of the transferred amount of US\$ 7,900,000 in 2020, was for the project "Safety Nets for Vulnerable Populations". These funds were subtracted from the FISEG account and refunded to the General project account of The Ministry of Finance and Planning. This amount is no longer part of the cash balance as at December 31, 2022 and was never available for the FISEG program.

## 9. RECONCILIATION BETWEEN THE STATEMENT OF CASH FLOW AND THE STATEMENT OF CUMULATIVE INVESTMENTS

|   | IDB              | GOS        | TOTAL            |
|---|------------------|------------|------------------|
|   | US\$             | US\$       | US\$             |
| Cumulative cash received as at December 31, 2022      | 13,970,099       | 2,532,593  | 16,502,692       |
| Cumulative investments as at December 31, 2022        | -12,250,717      | -2,532,593 | -14,783,310      |
| <b>Available cash balance as at December 31, 2022</b> | <b>1,719,382</b> | <b>-</b>   | <b>1,719,382</b> |

## 10. RECONCILIATION BY DISBURSEMENT CATEGORIES BETWEEN THE PROJECT'S RECORDS AND THE IDB'S RECORDS

| Category                                 | Per Project's records | Per IDB's records | Difference       |
|--|-----------------------|-------------------|------------------|
|  | US\$                  | US\$              | US\$             |
| <b>1. Direct Costs</b>                   | <b>11,180,620</b>     | <b>9,301,807</b>  | <b>1,878,813</b> |
| 1.1 Strengthening revenue administration | 9,280,028             | 7,922,231         | 1,357,797        |
| 1.2 Strengthening the PFM                | 1,801,516             | 1,349,434         | 452,082          |
| 1.3 Strengthening the public investment  | 99,076                | 30,142            | 68,934           |
| <b>2. Administrative costs</b>           | <b>1,070,099</b>      | <b>527,352</b>    | <b>542,747</b>   |
| 2.1 Program Manager                      | 140,437               | 72,020            | 68,417           |
| 2.2 Financial expert                     | 60,763                | 47,620            | 13,143           |
| 2.3 Procurement expert                   | 70,576                | 57,815            | 12,761           |
| 2.4 Monitoring expert                    | 87,474                | 45,225            | 42,249           |
| 2.5 Evaluation expert                    | 100,386               | 49,827            | 50,559           |
| 2.6 Audit and evaluation                 | 26,024                | 6,506             | 19,518           |
| 2.7 Cons. to support execution           | 454,883               | 173,577           | 281,306          |
| 2.8 Monitoring Tools                     | -                     | -                 | -                |
| 2.9 PIU Administrative expenses          | 129,556               | 74,762            | 54,794           |
| <b>Total investments</b>                 | <b>12,250,719</b>     | <b>9,829,159</b>  | <b>2,421,560</b> |

This amount of USD 2,421,559 results from expenditures made after the last disbursements.

|  | <b>In US\$</b>   |
|--|------------------|
| To be justified, brought forward from 2019 | 177,132          |
| To be justified, brought forward from 2020 | 1,402,885        |
| To be justified, brought forward from 2021 | 387,050          |
| To be justified, brought forward from 2022 | 454,491          |
|  | <b>2,421,559</b> |

## **11. SUBSEQUENT EVENTS**

### **11.1. Approval of the financial statements**

The financial statements of the Project as at December 31, 2022 and for the period covering January 1, 2022 to December 31, 2022 were approved by the Program Implementation Unit on May 12, 2023

### **11.2. Accounts payable as at December 31, 202**

The list of outstanding payables as at December 31, 2022 is as follows:

| <b>Supplier/Consultant</b> | <b>Description of Services</b>                              | <b>In US\$</b> |
|----------------------------|---|----------------|
| Synergy                    | Video and Radio Production                                  | 39,305         |
| Fernandes Auto Handel      | Purchase Vehicles for DoTC                                  | 12,270         |
| G. Leeuwin                 | Local Retired tax Official for DoTC                         | 1,455          |
| M. Chin A Fat              | Anti-Money laundering and Fraud Operational Specialist DoTC | 720            |
| D. Baptist                 | Technical assistance DoTC                                   | 2,200          |
| Cleanit N.V.               | Cleaning Company  | 59             |
|                            | <b>Total</b>  | <b>56,009</b>  |