

MINISTRY OF PUBLIC WORKS

IDB LOAN CONTRACT NO.: 4828/OC – SU

PROJECT: IMPROVING LOGISTICS and COMPETITIVENESS in SURINAME

SPECIAL PURPOSE FINANCIAL STATEMENTS

COVERING THE PERIOD:

01 JANUARY 2022 TO 31 DECEMBER 2022

Table of content

	Page
COVER LETTER	1
INDEPENDENT AUDITORS REPORT	2
STATEMENT OF CASH RECEIVED AND DISBURSEMENT FOR THE PERIOD: 01 JANUARY 2022 TO 31 DECEMBER 2022	5
STATEMENT OF CUMULATIVE INVESTMENTS FOR THE PERIOD: 01 JANUARY 2022 TO 31 DECEMBER 2022	6
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD: 01 JANUARY 2022 TO 31 DECEMBER 2022	7
ANNEX 1: SUPPLEMENTARY FINANCIAL INFORMATION	21

Ministry of Public Works
Department of Civil Technical Works
Attn. Mr. Satish Mohan
Mr. Jaggernath Lachmonstraat 167
PARAMARIBO

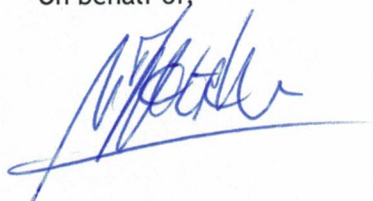
Paramaribo, April 14, 2023
A 23/49 RJ/SSO

Dear Mr. Mohan,

Please find enclosed a copy of the special purpose financial statements of the program "IMPROVING TRANSPORT LOGISTICS AND COMPETITIVENESS IN SURINAME" for the year ended December 31, 2022 that have been initialed for identification purposes, and our auditor's reports thereon dated April 14, 2023.

We confirm our permission to include this auditor's reports in copies of the aforementioned special purpose financial Statements provided that they are identical to the enclosed copy that has been initialed for identification purposes.

Sincerely,
BDO Assurance N.V.
On behalf of,



N.T.H. Veerman RA CA
Partner

INDEPENDENT AUDITOR'S REPORT

To: the Ministry of Public Works, Executing Agency of the IDB financed program "IMPROVING TRANSPORT LOGISTICS AND COMPETITIVENESS IN SURINAME"

Report on the audit of the special purpose financial statements for the period ended December 31, 2022

Our opinion

We have audited the special purpose financial statements of the Program "IMPROVING TRANSPORT LOGISTICS AND COMPETITIVENESS IN SURINAME", carried out the Ministry of Public Works of Suriname and financed through the Inter-American Development Bank (IDB), Contract N° 4828/OC-SU, for the period ended December 31, 2022.

The special purpose financial statements comprise:

- the Statement of Cumulative Investments;
- the Statement of Cash Received and Disbursements;
- the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying special purpose financial statements of the Program "IMPROVING TRANSPORT LOGISTICS AND COMPETITIVENESS IN SURINAME" for the period ended December 31, 2022 have been prepared in all material respects, in accordance with the financial reporting requirements of the contractual clause 5.02 of the Loan Contract N° 4828/OC-SU and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB.

Basis of our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Our responsibilities for the audit of the special purpose financial statements* section of our report. We are independent of the Ministry of Public Works of Suriname in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in Suriname, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter - Basis of Accounting, Prior period and Restriction on Distribution and Use

Basis for preparation of the special purpose financial statements

Without modifying our opinion, we draw attention to Note 2 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements have been prepared to assist the Program in complying with the requirements of Loan Agreement referred to above and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB.

Restriction of use

As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended only for the Executing Agency of the Project and the IDB, and should not be distributed to other parties other than the Bank or the Executing Agency of the Project. However, this report may become a public document, in which case its distribution would not be limited. Our opinion has not been modified in relation to this issue.

Emphasis of Matter - implementation period and additional resources

We draw attention to Note 10 of the special purpose financial statements, which describes that the agreed project implementation period is insufficient, and an extension of the implementation period will be necessary to complete the execution of the program. Our opinion is not modified in respect of this matter.

Description of responsibilities regarding the special purpose financial statements

Responsibilities of management for the special purpose financial statements

Management is responsible for the preparation of the special purpose financial statements in accordance with the requirements established in the of Loan Agreement referred to above and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the audit of the special purpose financial statements

Our objective is to obtain reasonable assurance that the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. 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 the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the special purpose 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;
- obtain 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 project's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude 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 company'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 special purpose 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;
- evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures; and
- evaluate whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Paramaribo, April 14, 2023

For BDO Assurance N.V.



N.T.H. Veerman CA RA
Partner

Executing Agency: Ministry of Public Works

Loan Contract no. 4828/OC-SU

Program: Improving Transport Logistics & Competitiveness in Suriname (ITLCS)

Implementation Period: 05 December 2019 – 05 December 2024

STATEMENT OF CASH RECEIVED AND DISBURSEMENT (US Dollars)

Period ending 31 December 2022

	31 Dec 2022	31 Dec 2021	31 Dec 2020
	IDB	IDB	IDB
CASH RECEIVED			
Beginning balance	700,569	700,569	0
Activity during the period			
• Disbursements (advance)	1,460,539	0	700,569
• Interest received	0	0	0
• Other	0	0	0
Total Cash Received	2,161,108	700,569	700,569
DISBURSEMENTS			
Beginning balance	315,428	41,901	0
Activity during the period			
• Refunds		0	0
• Payments for goods & services	615,903	273,527	41,901
• Other	0	0	0
Total Cash Disbursements	931,331	315,428	41,901
CASH AVAILABLE AS OF 31 DECEMBER	1,229,777	385,141	658,668

The notes on pages 7 to 20 form an integral part of the financial statements

Executing Agency: Ministry of Public Works

Loan Contract no. 4828/OC-SU

Program: Improving Transport Logistics & Competitiveness in Suriname (ITLCS)

Implementation Period: 05 December 2019 – 05 December 2024

STATEMENT OF CUMULATIVE INVESTMENTS (US DOLLARS)

Period ending 31 December 2022

STATEMENT OF CUMULATIVE INVESTMENTS (In US Dollars)					
	ITEM	Progr expend Yr 1 Dec 2019-Dec 2020	Progr expend Yr 2 Jan 2021-Dec 2021	Progr expend Yr 3 Jan 2022-Dec 2022	Cumulative Progr Expend Yr1,2&3
1	Component 1: Port intervention	0	0	50,465	50,465
1.1	Logistic Center	0	0	8,485	8,485
1.2	Access Control System (equipment)	0	0	0	0
1.3	Port Community System	0	0	41,980	41,980
2	Component 2: Intervention on Port's Adjacent Road Network	1,569	2,257	256,218	260,044
2.1	Primary Urban Roads	1,569	2,257	256,218	260,044
2.2	Bridge over Saramacca Canal at van 't Hogerhuysstr	0	0	0	0
3	Component 3: Institutional Strengthening & Administration	0	20,059	40,397	60,456
3.1	Road Assessment Management	0	0	0	0
3.2	Technical Training	0	20,059	75	20,134
3.3	Programs for the participation of women in logistics services and persons with disabilities	0	0	40,322	40,322
4	Component 4: Administration, Management and Audit	40,332	251,211	268,823	560,366
4.1	Program administration (PEU)	40,332	247,040	252,534	539,906
4.2	Monitoring & evaluation of the Program	0	0	0	0
4.3	External audit of the Program	0	4,171	16,289	20,460
	Contingencies	0	0	0	0
	Total Program Expenditures	41,901	273,527	615,903	931,331

**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD:
01 JANUARY 2022 TO 31 DECEMBER 2022**

NOTE 1: PROGRAM DESCRIPTION

1. General

On December 5th, 2019, the Republic of Suriname and the Inter -American Development Bank entered into a Loan Agreement No. 4828/OC-SU to cooperate in the execution of the Improving Transport Logistics and Competitiveness in Suriname program, hereinafter called the Program.

2. Program Scope and Objective

The main objective of the operation is to **contribute to the enhancement of Suriname's logistic productivity by improving the performance and reducing logistics costs of the main port facility in Suriname**. Specifically, the project will improve the efficiency of the infrastructure and operations of the port of Paramaribo through: (i) the provision of efficient port infrastructure, and the implementation of digital platforms to facilitate trade logistics and goods clearance processes; (ii) improvements in the level of service, capacity, and resilience of adjacent roads and access to the port; and (iii) institutional capacity strengthening to ensure efficient execution, sustainable asset management, and adequate operation.

The Program is a specific investment loan, to be implemented by the Ministry of Public Works (MPW). It is expected that the project will result in lower logistic costs and travel times in and out of the port and its surrounding areas, thus improving the ease of trade for economic activities, such as agriculture. The operation will also improve the resilience of surrounding roads and port infrastructure.

3. Program components

To achieve the objectives as indicated above, the Program comprises of the following components:

Component 1: Port interventions

This component will finance the development of: (i) a logistics center within the port for the classification of cargo and the development of added-value processes. This includes the construction of a truck center, offices and light parking (1.53 hectares) and warehousing facilities (container stuffing and stripping, cross-docking, consolidation, sacking, among others) (1.52 hectares) in compliance with the regulatory framework for people with disabilities of Suriname or international standards; and (ii) implementation of a Port Community System to automate operational processes and improve documentary compliance for imports and exports.

Component 2: Road interventions

This component will upgrade and improve the resilience and safety of the road sections in: (i) Martin Luther Kingweg (from Latourweg to Saramacca Canal); (ii) Van 't Hogerhuysstraat bridge over the Saramacca Canal, replacing the current three-lane (3-lane) bridge with and expanded six lane (6-lane); (iii) the Van 't Hogerhuysstraat (from Saramacca Canal to Molenpad); (iv) the Slangenhoustraat

(from Van't Hogerhuysstraat to Hernhutterstraat); (v) the Hernhutterstraat (from Slangenhoustraat to the Willem-Campagnestraat); (vi) the Willem-Campagnestraat (between Hernhutterstraat and Van 't Hogerhuysstraat); and (vii) the Molenpad. It will also finance the detailed designs for the civil works and the supervision activities of the civil works and proposed interventions. This component will implement Intelligent Transport Systems for traffic control, planning, and enforcement, while integrating traffic lights and variable road signs for sections adjacent to the port and along the described road section. The intervention will ensure that the related infrastructure will comply with universal accessibility design.

Component 3: Institutional Strengthening

(i) the development of a Road Asset Management System for the national road network, allowing systematic planning and execution of maintenance practices, the road authority oversees road maintenance and will be the final beneficiary of the Road Asset Management System; (ii) training related to project management, engineering, monitoring, and evaluation, and training for various stakeholders to be able to register and use the Port Community Systems; (iii) monitoring and evaluation; (iv) execution of a comprehensive gender approach, including training and empowering of women to conduct specialized logistic services and related activities under partnerships with stakeholders; and (v) initiatives targeting the inclusion of people with disabilities in the labor force related to the economic activities of the port.

4. Program costs and financing structure

The total cost of the Program is forty-five million US dollars (USD 45,000,000) all financed by the IDB with no current counterpart from the Government of Suriname (GOS).

The following is the financial plan of the Program and the approved amounts correspond with the signed loan contract and IDB records as per OPS-1 report.

Cat.	Components/Products	IDB	%
1	Component 1: Port interventions	4,460,000	9.91%
1.1	Logistic Center	2,050,000	4.56%
1.2	Access Control System (equipment)	210,000	0.47%
1.3	Port Community System	2,200,000	4.89%
2	Component 2: Interventions on Port's Adjacent Road Network	36,200,000	80.44%
2.1	Primary urban roads	26,600,000	59.11%
2.2	Bridge over <i>Saramacca</i> channel at <i>Van't Hogerhuysstraat</i>	9,600,000	21.33%
3	Component 3: Institutional strengthening and administration	700,000	1.56%
3.1	Road asset management system	200,000	0.44%
3.2	Technical training	400,000	0.89%
3.3	Programs for the participation of women in logistics services	100,000	0.22%
4	Component 4: Administration, management, and audit	2,000,000	4.44%
4.1	Program administration (PEU)	1,895,000	4.21%
4.2	Monitoring and evaluations of the program	25,000	0.06%
4.3	External audit of the program	80,000	0.18%
	Contingencies	1,640,000	3.65%
	TOTAL	45,000,000.00	100.0%

5. Program execution and duration

According to the Loan contract No 4828/OC-SU, and the design of the Program, the Executing Agency is the Ministry of Public Works, Transport and Communications. The name of the Executing Agency has been changed after the election in 2020 to the Ministry of Public Works. In accordance with the signed loan contract, the project execution has been set for the period: December 2019 to December 2024.

The Ministry of Public Works will implement the project through a Program Executing Unit (PEU) which will be responsible for general and technical coordination; planning, monitoring, and evaluation; financial management; procurement administration; environmental, health and safety management; and communications activities.

The PEU will be responsible for general and technical coordination; planning; monitoring and evaluation; financial management; procurement administration; environmental, health and safety management; and communication activities in order to achieving the objectives as set forth by the Program.

To execute the operations and as agreed between the GOS and the IDB, the PEU will consist of the following personnel:

- i) 1 Program Manager (PM)
- ii) 1 Operations Officer (OO)
- iii) 1 Procurement Specialist (PS)
- iv) 1 Financial Specialist (FS)
- v) 1 Roads Specialist (RS)
- vi) 1 Environmental and Social Specialist (ESS)
- vii) 1 Technical Coordinator for Port component
- viii) 1 Administrative Assistant

6. Change in project staff

During the year 2022 there has been several changes in project staff. The Program Manager, whom was a civil servant from the Ministry of Public Works, retired at the end of March 2022, therefore his contract with the PEU was not extended. The Operations Officer was appointed by the Minister of Public Works as the new Program Manager, and it was approved by the Ministry of Finance and the IDB. Currently there are no plans to fill in the position of the Operations Officer. The contract of the Technical Coordinator for the Port component (Port Specialist) was dissolved as he was not able to perform his duties due to health reasons. The Focal Point Component 2 also resigned per December 01, 2022, from the Ministry of Public Works and was replaced by Ms. Variëlle Pawiro-Oelomo.

Furthermore, the Permanent Secretary of the Ministry of Public works resigned and was replaced by Mr. Satish Mohan in April 2022

For the year 2022, the PEU consisted of the following key personnel of civil servants and external consultants:

Program Manager	: Mr. H. Wip (March 2020 - March 2022) (civil servant)
	: Ms. S. Amat (August 2022 - present)
Operations Officer	: Ms. S. Amat (March 2020 – July 2022)
Procurement Specialist	: Ms. A. Dewansingh (March 2020 - present)
Construction Engineer	: Mr. E. Abdillah (April 2021-present)
Financial Specialist	: Ms. Y. Sital (May 2021- present)
Focal Point Component 2	: Ms. M. Rampiare (July 2021- November 2022) (civil servant)
	: Ms. Variëlle Pawiro-Oelomo (December 2022 – present) (civil servant)

7. Technical Partners:

According to the signed loan contract, there are four (4) main technical partners involved with this Program and these are: The Port of Paramaribo, Road Authority, and the utility companies EBS & SWM.

8. Beneficiaries

The beneficiaries are transport and logistics companies, importers and exporters, and the population of Paramaribo that use the Van 't Hogerhuysstraat and adjacent roads.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of the special purpose financial statements

These special purpose financial statements are prepared according to the requirements established in the contractual clause 5.02 of the Loan Contract N° 4828/OC-SU and in the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB.

2.2 Basis of preparation

These special purpose financial statements have been prepared using the cash basis of accounting, recognizing cash receipts in the period when cash is received and recognizing expenses when cash has been disbursed. This accounting policy is another comprehensive basis of accounting than generally accepted accounting principles, under which transactions should be recorded when they occur and not when they are paid.

2.3 Prior period

On April 30, 2021, the Inter-American Development Bank (IDB) has waived the contractual requirements of Article 7.03 of the Special Conditions and Section 5.02 of the General Conditions of the Loan Agreement to submit the annual audited financial statements of 2020 for the project by April 30, 2021. Therefore the 2021 Financial Statements also included the 2020 transactions (5 December 2019 up to 31 December 2020), which were also audited in the 2021 Financial Statements.

2.4 Functional and presentation currency

The special purpose financial statements are presented in United States Dollars (USD), which is also the functional currency of the Program.

The approved and contractual currency is USD. All disbursements shall be denominated and made in USD, unless the borrower requests that a disbursement be denominated in a currency other than the USD.

The program's accounting records are maintained in USD. The Central Bank of Suriname converts the payments to local currency or USD using the exchange rates on the day of payment or at the rate of exchange at a time close to the transaction date.

Exchange rate

Transactions in local currency (SRD) via bank transfer are translated to the functional currency of the loan at exchange rates ruling on the dates in which the transactions are processed by the CBvS. A new Government was established in May 2020, and in September 2020 it was decided to adjust the exchange rate to reflect a more realistic rate that was being used in the different sectors of the Surinamese economy. This was a fixed rate as well; however a second adjustment was done in June 2021 which was a "floating" exchange rate based on supply/demand.

During the year 2022 the exchange rate between de SRD and the US Dollar increased significantly and inflation was about 50%. To give an indication, the exchange rate on:

- 02 January 2022 was SRD 21.145 for USD 1.00 and on
- 30 December 2022 it was SRD 31.765 for USD 1.00

The exchange rate applicable for petty cash and SOF expenditures are based on the “wisselkoers notering” as published daily on the CBvS website. Furthermore, the resultant foreign currency gain or loss is recognized in the statement of “Cash received and Disbursed”.

2.5 Disbursements/receipts

Receipts and disbursements comprise of amounts advanced by the IDB to the Executing Agency (Ministry of Public Works) under the loan agreement during the period 05 December 2019 to 31 December 2022. For each advance of Funds, except for the first advance, the Executing Agency should present justifications for the use of at least eighty percent (80%) of the cumulative balances pending justification in a manner acceptable to the IDB.

NOTE 3: PROCUREMENT OF GOODS AND SERVICES

Unless IDB agrees otherwise in writing, the contracts for works, goods and services are subject to ex-ante review by IDB and require IDB no-objection prior to proceeding, in accordance with the IDB’s policies and procedures.

3.1 Procurement of goods and works and non-consulting services

The procurement policies applicable in 2022 are those dated May 2019, which are contained in IDB-document GN-2349-15.

3.2 Selection and contracting of consultants

The procurement policies applicable in 2022 are those dated May 2019, which are contained in IDB-document GN-2350-15.

AWARDED CONTRACTS

The following list provides an overview of awarded contracts for goods and services during the period: December 2019 until December 2022. Contracts denominated in a different currency than the USD were translated to USD.

PRISM #	Contract Description	Contractor/ Consultant/Supplier	Total Contract amount (US\$)	Signed date	IDB No Objection	Investment category
SUA1971	Program Manager PEU	Henk Wip	\$7,200.00	March 15, 2020	Yes	4.1
SUA1970	Operations Officer PEU	Sitih Amat	\$32,400.00	March 15, 2020	Yes	4.1
SUA1969	Procurement Officer PEU	Anushka Dewansingh	\$31,200.00	March 15, 2020	Yes	4.1
SUA 1988	Road Specialist PEU	Maya Rampiare	\$3,000.00	June 15, 2020	Yes	4.1
SUA 1987	Social & Environmental Specialist PEU	Sandhia Punwasi	\$30,000.00	August 15, 2020	Yes	4.1
SUA 1989	Financial Officer PEU	Nazima Kodabaks	\$3,000.00	August 15, 2020	Yes	4.1
SUA 1986	Focal Point	Devika Doekhie	\$5,400.00	June 15, 2020	Yes	4.1
N/A	ITLC-5-CP-B_Aquisition of Laptops and Desktops for PEU-ITLCS (part1)	SIOC NV	\$23,464.00	January 15, 2021	Yes	4.1
N/A	ITLC-2-CP-B_Purchase of Furniture for PEU-ITLCS	Office Furniture	\$19,433.00	February 19, 2021	Yes	4.1
SUA 2030	Individual Consultant: Port Specialist	Marcel Mulier	\$16,093.60	April 1, 2021	Yes	4.1
SUA 2031	Construction Engineer PEU	Ewald Abdilah	\$17,381.00	April 1, 2021	Yes	4.1
N/A	Refurbishing of the carpet of the big conference room at the Ministry of Public Works	Rudisa	\$6,804.47	March 12, 2021	Yes	4.1
SUA 2034	Program Manager PEU	Henk Wip	\$3,862.46	April 1, 2021	Yes	4.1
SUA 2035	Operations Officer PEU	Sitih Amat	\$17,381.08	April 1, 2021	Yes	4.1
SUA 2036	Procurement Officer PEU	Anushka Dewansingh	\$16,737.34	April 1, 2021	Yes	4.1
SUA 2037	Financial Audit for Improving Transport Logistics and Competitiveness in Suriname incl. Amendment #1 & #2	BDO Assurance NV	SRD 978,880 & USD 33,000	April 15, 2021	Yes	4.3
SUA 2038	Financial Specialist	Yvonne Sital	\$16,737.34	May 1, 2021	Yes	4.1
SUA 2045	Small Renovation Works of PEU-Office	MV&V	\$77,043.80	April 28, 2021	Yes	4.1
N/A	Acquisition of Appliances for PEU-ITLCS	HSDS	\$3,428.73	May 14, 2021	Yes	4.1
N/A	Technical support & maintenance, training in Quickbooks accounting	IAC International NV	\$936.79	June 30, 2021	Yes	4.1

PRISM #	Contract Description	Contractor/ Consultant/Supplier	Total Contract amount (US\$)	Signed date	IDB No Objection	Investment category
SUA 2051	Focal Point Component Owner Road (top-up contract)	Maya Rampiare	\$2,148.57	July 14, 2021	Yes	2.1
SUA 0896	Purchase of office printers	VSH	\$37,815.92	August 18, 2021	Yes	4.1
SUB 0897	Purchase of desktops	SIOC NV	\$50,636.20	August 10, 2021	Yes	4.1
N/A	Cleaning Services for PEU-ITLCS, incl. amendment #1	PS Cleaning	\$13,082.00	September 15, 2021	Yes	4.1
SUA 2066	Consultancy services for a gender & diversity strategy to increase the number of women and P& with D, Incl. amendment #1	A Company Consultora S.A/Equal Chances for Green Development	\$115,063.00	October 12, 2021	Yes	3.3
SUA 2068	Initial feasibility diagnosis for the creation of a Port Community System (PCS) in Suriname - Lead Consultant, incl. amendment #1	Pascal Olivier	\$59,750.00	November 9, 2021	Yes	1.3
N/A	ITLC-19-LPN-SC Activities for training in Road Design and Maintenance, Project Management and in Port Community System and new port processes	FIDIC	\$19,900.00	December 15, 2021	Yes	3.2
SUA2075	Supervision Services for the Logistics Center to be built at the J. Sedney Terminal, Port of Par'bo, incl. amendment #1	Sunecon/Firm engineering	\$208,800.00	December 29, 2021	Yes	1.1
SUA 1970	Operations Officer PEU	Sitih Amat	\$18,388.53	April 1, 2022	Yes	4.1
SUA 1969	Procurement Officer PEU	Anushka Dewansingh	\$17,707.47	April 1, 2022	Yes	4.1
SUA 2031	Construction Engineer	Ewald Abdillah	\$18,388.53	April 1, 2022	Yes	4.1
SUA 2038	Financial Specialist	Yvonne Sital	\$17,704.47	May 1, 2022	Yes	4.1
SUA 2051	Focal Point Component Owner Road (top-up contract)	Maya Rampiare	\$3,326.82	July 14, 2022	Yes	4.1
SUA 2112	Program Manager PEU	Sitih Amat	\$24,064	August 1, 2022	Yes	4.1
SUB 0910	Acquisition o Project Vehicles PEU-ITLCS	Fernandes Autohandel NV	\$95,000	April 22, 2022	Yes	4.1
SUA2103	Consulting services for the design, preparation of bid documents and supervision of the works van 't Hogerhuysstraat, incl. Amendment #1 and #2	Consortium Sunecon-Firm engineering-IBT	\$2,424,343	May 31, 2022	Yes	2.1
N/A	ITLC-46-LPN-SC Activities for training in Road Design & Maintenance, Project Management, etc.	FIDIC	\$26,000	July 11, 2022	Yes	3.2
SUA 2142	Focal Point Component Owner Road (top-up contract)	Varielle Pawiro-Oelomo	\$2,406	December 01, 2022	Yes	4.1

NOTE 4: ADVANCES PENDING JUSTIFICATION

Advances and justification (IN US DOLLARS)

	2022	2021	2020
Opening balance of advances pending justification	700,569	700,569	0
Advances received and recorded during the period	1,460,539	0	700,569
Advance of funds justification	565,804	0	0
Closing balance of advances pending justification	1,595,304	700,569	700,569

In 2020 based on the Annual Financial Plan and disbursement request no. 1, an amount of USD 700,569 had been advanced by the IDB (AOF no. 1). In June 2022, justification of advance no. 1 for an amount of USD 565,804 was submitted and approved by the IDB. Based on this and the financial plan 2022, disbursement request no. 2 was received in July 2022 for an amount of USD 1,460,539.

NOTE 5: AVAILABLE CASH BALANCE

The available cash balance is deposited in the Program's bank accounts at the Central Bank of Suriname. The composition of the bank and cash as of 31 December 2022 is as follows:

	31 Dec 2022 USD	31 Dec 2021 USD	31 Dec 2020 USD
Central Bank USD Account #0313100/001-152-840	1,225,358	376,974	650,668
Central Bank SRD Account #0313100/001-258-968	2,909	4,771	7,000
Petty cash	493	173	1,000
Special Operations Fund	1,017	3,223	0
Net Sources of Funds	1,229,777	385,141	658,668

For this Program Treasury, two accounts (USD and SRD) are utilized. The Surinamese Ministry of Finance is the solely account holder, whereby the Executing Agency is primarily responsible for the funds. Every project has its own project bank accounts, which makes it possible to administrate the cash flows of the project. The project bank accounts are held with the Central Bank of Suriname.

The process is that the Executing Agency sends a request for payment with the necessary documentation to the Ministry of Finance, after which the latter submits a payment request to the Central Bank of Suriname. The original bank statements are sent to the Executing Agency.

Bank accounts held with the Central Bank of Suriname do not accrue interest and do not bear monthly fees for maintaining the bank account. The Program funds are maintained in USD and SRD. Payments in a different currency other than the USD and SRD are converted by the Central Bank of Suriname upon processing of the payment request.

NOTE 6: DISBURSEMENTS MADE BY THE IDB

The following disbursements (in USD) were recorded during the program execution period:

Request No.	Request type	Received date	Amount
1	Disbursement	10 September 2020	700,569
2	Disbursement	11 July 2022	<u>1,460,539</u>
			2,161,108
3	Justification	28 June 2022	<u>565,804</u>
			1,595,304

Disbursement pertains to the amount requested by the Executing Agency and subject to justification when 80% of the funds are used.

Justification pertains to the amount used for project expenses out of the advance of funds and reported to the IDB.

Total cash received from the IDB as at 31 December 2022 amounted to USD 2,161,108 (Advance of funds).

NOTE 7: RECONCILIATION BETWEEN THE STATEMENT OF CASH FLOW AND THE STATEMENT OF CUMULATIVE INVESTMENTS (IN USDOLLARS)

	2022	2021	2020
Per Statement of Cashflow			
Cumulative cash received as at 31 December	2,161,108	700,569	700,569
Per Statement of Cumulative Investments			
Cumulative Investments as at 31 December	931,331	315,428	41,901
Available Cash Balance as at 31 December	1,229,777	385,141	658,668

NOTE 8: RECONCILIATION BY INVESTMENT CATEGORIES BETWEEN THE PROGRAM'S RECORDS AND THE IDB RECORDS (OPS)

The IDB records as per OPS-1 of 31 January 2023 include:

- Current approved amounts of USD 45,000,000 (reference is made to note 1, point 4)
- Total disbursed funds of USD 2,161,108 (reference is made to note 6)
- The Program's records show a total amount of USD 931,331 in project expenditures for the period December 2019 until December 2022. The first justification of advance was submitted to the IDB in June 2022 for an amount of USD 565,804 (see below table) which was about 81% of AOF No. 1.

The difference between the IDB and the Program's records per 31 December 2022 shown in the below table are due to payments made after the first justification of advance dated 28 June 2022 and acknowledged by the IDB on 11 July 2022. Details are as follows:

Category of investments	IDB	Program records	Difference
Component 1: Port Intervention	31,640	50,465	18,825
Component 2: intervention on Port's Adjacent Road Network	3,826	260,044	256,218
Component 3: institutional Strengthening and Administration	34,040	60,456	26,416
Component 4: Administration, Management and Audit	496,298	560,366	64,068
Contingencies	0	0	0
Total	565,804	931,331	365,527

NOTE 9: CONTINGENCIES AND COMMITMENTS

There are no contingent liabilities or commitment to report.

Maintenance: The Borrower through the Executing Agency undertakes to ensure that the works and equipment included in the Program shall be adequately maintained, according to general accepted technical standards. The Borrower, through the Executing Agency, shall: (a) prepare an annual maintenance plan; and (b) present to the Bank a report on the status of said works and equipment, and an annual maintenance for the year during the Program's execution and within the first quarter of each calendar year. If, from the inspections conducted by the Bank or from the reports it receives, it is determined that maintenance does not meet the levels agreed upon, the Borrower through the Executing Agency shall undertake the necessary measures to fully correct these shortcomings.

Additional Resources: The Borrower, directly or through the Executing Agency, as the case may be, commits to contribute Additional Resources in a timely manner. If, as of the approval date of the Loan by the Bank, it has been determined that Additional Resources are needed, the estimated amount of such Additional Resources shall be that specified in the Special Conditions. Whether or not an estimate of the amount of Additional Resources has been determined shall neither limit nor diminish the obligation of the Borrower, directly or through the Executing Agency, to contribute in a timely manner all additional resources which may be necessary for the complete and uninterrupted execution of the Project.

NOTE 10: SUBSEQUENT EVENTS

Account payables as per 31 December 2022

The account payable per above mentioned date is USD 32,852 and is the amount still to pay for goods and services that were already received, but the actual payment was still in process by above mentioned date. This relates to the following individuals/organizations: BDO Assurance NV (USD 8,383.55), Y. Sital (USD 72.96), FIDIC (USD 24,289.10), A. Dewansingh (USD 106.77).

Recruitment of PEU staff and consultant

The recruitment process for the Admin Assistant was launched twice, in August 2021 and September 2022 via advertisements in the local newspapers but failed both times as none of the suitable candidates were willing to accept the offer due to the low remuneration. Plans are to request three (3) CVs from suitable candidates and hopefully the 3rd time will be successful. Currently the recruitment process for a Social & Environmental Specialist to the PEU is ongoing.

Status of the project and feasibility project duration / completion

Further to the contracts signed in 2021, there have been amendments in time extension and/or budget increase in 2022. These contracts are: Consultancy for a needs analysis of the Port Communication System, Consultancy for a Gender and Diversity Strategy, Consulting services for the design, preparation of bid documents and supervision of the works on roads and bridge, the audit contract, contract for office clean services and contracts of PEU staff.

Regarding the latter, the Ministry of Finance & Planning (MoFP) approved an adjustment of 60% of the monthly fees for PEU staff to be paid per 01 April 2022. In addition to that, a quarterly "performance reward" of 50% of the monthly fees was also proposed based on quarterly established targets. Since then, however, the MoFP

has not provided clear instructions on establishing the key performance indicators. In July 2022 the ITLCS project submitted their performance indicators for the first three quarters of 2022 to serve as input for the incentive to be awarded to PEU members. The project has not received any feedback from MoFP on this matter, hence no incentive has been paid up to date.

Regarding component 1, the Design & Build procurement process for the Logistic Center was not successful as the only administrative responsive applicant's bid, exceeded the available budget. As a way forward, the PEU proposed to request the Supervision Consultant to design the logistic center. This resulted in an addendum on their contract. The works tender will be launched once the consultant has finalized the design and tender documents for which the decision has the approval of Havenbeheer Suriname.

As already mentioned in the previous Annual Financial Statement (AFS), the estimated time for the execution of the civil works (24 months) under component 2 and the following defects notification period (maintenance of 12 months) it was already foreseen that the project implementation period according to the loan agreement is insufficient. Hence, a time extension will be necessary to complete the works accordingly.

Furthermore, the Consortium (Sunecon/Firm Engineering/IBT) responsible for the preparation of the bid documents and the design of the roads and bridge has informed the PEU that based on the draft design the cost estimate for the bridge and roads, if the scope for the civil works is adhered to, will be well beyond the budgeted amount of 33 million US Dollars.

It has been decided by the Ministry of Public Works that the civil works will be done in lots of which the bridge will be lot 1 and lot 2 will be the roads, however the scope will be decreased until additional financing is secured.

Policies

Until date the Program Operational Manuel (POM) has not yet been updated.

Annex 1

SUPPLEMENTARY FINANCIAL INFORMATION

BUDGET VS. INVESTMENT CATEGORIES

According to the Project records, the expenditures per investment category are as follows:

		Approved Budget USD	Cumulative investments until 2022 USD	Variance USD	Variance %
	ITEM				
1	Component 1: Port intervention	4,460,000	50,465	4,409,535	98.87
1.1	Logistic Center	2,050,000	8,485	2,041,515	99.59
1.2	Access Control System (equipment)	210,000	0	210,000	100
1.3	Port Community System	2,200,000	41,980	2,158,020	98.09
2	Component 2: Intervention on Port's Adjacent Road Network	36,200,000	260,044	35,939,956	99.28
2.1	Primary Urban Roads	26,600,000	260,044	26,339,956	99.02
2.2	Bridge over Saramacca Canal at van 't Hogerhuysstraat	9,600,000	0	9,600,000	100
3	Component 3: Institutional Strengthening & Administration	700,000	60,456	639,544	91.36
3.1	Road Assessment Management	200,000	0	200,000	100
3.2	Technical Training	400,000	20,134	379,866	94.97
3.3	Programs for the participation of women in logistics services and persons with disabilities	100,000	40,322	59,678	59.68
4	Component 4: Administration, Management and Audit	2,000,000	556,740	1,443,260	72.16
4.1	Program administration (PEU)	1,895,000	536,280	1,358,720	71.70
4.2	Monitoring & evaluation of the Program	25,000	0	25,000	100
4.3	External audit of the Program	80,000	20,460	59,540	74.43
	Contingencies	1,640,000	0	1,640,000	100
	Program Expenditures	45,000,000	927,705	44,072,295	97.94
	Exchange rate gains/losses		3,626		
	Total Program Expenditures	45,000,000	931,331	44,068,669	97.93

The amount of USD 3,626 pertains to exchange rate losses because transfers are made from the USD account to the SRD account for petty cash and SOF expenditures, against the CBvS exchange rate on the date of the transfer. However, a different exchange rate is being recorded based on the date of each PC/SOF expenditure. Due to high inflation in 2022, this has resulted in exchange losses.

DISBURSEMENT ANALYSIS

The low disbursement rate for the year 2022 is mainly due to the following events:

- **Component 1**

Because the bids for the design & build for the Logistics Center were substantially higher than the available budget, the works contract was delayed and a change in scope was required for re-tender. The scope had to be adjusted by having the design done by the Supervision firm and have their contract amended accordingly which was done by amendment.

- **Component 2**

Although the Consortium signed two (2) addenda for additional services to be rendered under their initial contract for preparation of bid documents, design and supervision for the roads and bridge, there was a delay in submission of deliverables which has had an impact on the prognosed project expenditures.

- **Component 3**

In 2022, funds were reserved for trainings on behalf of PEU staff and civil servants from the Ministry of Public Works, however only the FIDIC trainings (module 2, 3 & 4) were held.

Delays in payments were also the case regarding the contract for "Women empowerment and persons with disabilities" because deliverables were not submitted in a timely manner on which case, payments are based.

- **Component 4**

The contracts of PEU staff have been denominated in Suriname Dollars in 2021, using an exchange rate of SRD 7.52 for USD 1.00. In 2022 the PEU staff was granted a 60% adjustment of the monthly (SRD) fee which at the time was about half of the amount budgeted and agreed in the loan. Due to last year's high inflation, by the end of 2022 it had even further decreased in value. Considering that the loan's accounting is being administered in US dollars, the budget for payment of PEU staff is only partially being utilized.