

MINISTRY OF PUBLIC WORKS

IDB LOAN AGREEMENT NO.: 4828/OC – SU

PROJECT: IMPROVING TRANSPORT LOGISTICS and COMPETITIVENESS in SURINAME

SPECIAL PURPOSE FINANCIAL STATEMENTS

COVERING THE PERIOD:

05 DECEMBER 2019 TO 31 DECEMBER 2021

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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 DISBURSEMENTS (US Dollars)

Period ending 31 December 2021

	31 Dec 2021	31 Dec 2020
	IDB	IDB
CASH RECEIVED		
Beginning balance	700,569	0
Activity during the period		
• Disbursements (advance)	0	700,569
• Interest received	0	0
• Other	0	0
Total Cash Received	700,569	700,569
DISBURSEMENTS		
Beginning balance	41,901	0
Activity during the period		
• Refunds	0	0
• Payments for goods & services	273,527	41,901
• Other	0	0
Total Cash Disbursements	315,428	41,901
CASH AVAILABLE AS OF 31 DECEMBER	385,141	658,668

The notes on pages 5 to 15 form an integral part of the financial statements

STATEMENT OF CUMULATIVE INVESTMENTS (US Dollars)

Period ending 31 December 2021

STATEMENT OF CUMULATIVE INVESTMENTS (In US Dollars)				
		Progr expend Yr 1	Progr expend Yr 2	Cumulative Progr
	ITEM	Dec 2019-Dec 2020	Jan 2021-Dec 2021	Expend Yr1&2
1	Component 1: Port intervention	0	0	0
1.1	Logistic Center	0	0	0
1.2	Access Control System (equipment)	0	0	0
1.3	Port Community System	0	0	0
2	Component 2: Intervention on Port's Adjacent Road Network	1,569	2,257	3,826
2.1	Primary Urban Roads	1,569	2,257	3,826
2.2	Bridge over Saramacca Canal at van 't Hogerhuysstr	0	0	0
3	Component 3: Institutional Strengthening & Administration	0	20,059	20,059
3.1	Road Assessment Management	0	0	0
3.2	Technical Training	0	20,059	20,059
3.3	Programs for the participation of women in logistics services	0	0	0
4	Component 4: Administration, Management and Audit	40,332	251,211	291,543
4.1	Program administration (PEU)	40,332	247,040	287,372
4.2	Monitoring & evaluation of the Program	0	0	0
4.3	External audit of the Program	0	4,171	4,171
	Contingencies	0	0	0
	Program Expenditures	41,901	273,527	315,428

The notes on pages 5 to 15 form an integral part of the financial statements

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD:

05 DECEMBER 2019 TO 31 DECEMBER 2021

Note 1: Background of the Program

1. General

On 05 December 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 Slangenhoutstraat (from Van't Hogerhuysstraat to Hernhutterstraat); (v) the Hernhutterstraat (from Slangenhoutstraat 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 (USD45,000,000) all financed by the IDB with currently no counterpart contribution from the Government of Suriname (GOS).

The following is the financial plan of the Program and the approved amounts corresponds with the IDB records as per OPS-1 at March 14, 2021:

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, 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 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.

Due to the complexity of the project, in 2020, the procurement to hire a Construction Engineer to cover both the Roads Specialist and the Engineering of the project activities in its whole, was launched.

For the year 2019-2021, 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)
Operations Officer	: Ms. S. Amat (March 2020 - present)
Procurement Specialist	: Ms. A. Dewansingh (March 2020 - present)
Financial Specialist	: Mrs. N. Kodabaks (August 2020-February 2021) (civil servant), Ms. Y. Sital (May 2021- present)
Roads Specialist	: Ms. M Rampiare (June- December 2020)
Environmental and Social Specialist:	Ms. S. Punwasi (August 2020-August 2021)
Focal Point Component 2	: Ms. D. Doekhie (June 2020 - June 2021) (civil servant), Ms. M. Rampiare (July 2021- present) (civil servant)
Technical Coordinator for Port component (port Specialist)	: Mr. M. Mulier (April 2021-January 2022)
Construction Engineer	: Mr. E. Abdillah (April 2021-present)

As of September 2021, the position of the Environmental and Social Specialist is vacant and will be advertised again once No Objection from the Bank has been requested.

6. Technical Partners:

According to the signed loan agreement, 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.

7. 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 include the 2020 transactions (5 December 2019 up to 31 December 2020), which are 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.

The exchange rate for the US Dollar during the audit period was as follows:

- From 05 December 2019 to 21 September 2020: SRD 7.396 for USD 1.00
- From 22 September 2020 to 06 June 2021: SRD 14.018 for USD 1.00 and
- From 07 June 2021 to 31 December 2021, it was an average of SRD 21.00 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 Disbursements”.

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 2021. 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 2020 and 2021 are those dated March 2011, which are contained in IDB-document GN-2349-9.

3.2 Selection and contracting of consultants

The procurement policies applicable in 2020 and 2021 are those dated March 2011, which are contained in IDB-document GN-2350-9.

AWARDED CONTRACTS

The following list provides an overview of awarded contracts for goods and services during the period: December 2019 until December 2021. 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	Sithi 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	Sandhya 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 Muller	\$16,093.60	April 1, 2021	Yes	4.1
SUA 2031	Construction Engineer PEU	Ewald Abdillah	\$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	Sithi 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	BDO Assurance NV	\$78,681.69	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
SUA 0897	Purchase of desktops	SIOC NV	\$50,636.20	August 10, 2021	Yes	4.1
N/A	Cleaning Services for PEU-ITLCS	PS Cleaning	\$6,734.79	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	A Company Consultora S.A./Equal Chances for Green Development	\$93,042.00	October 12, 2021	Yes	3.3
SUA 2068	Initial feasibility diagnosis for the creation of a Port Community System (PCS) in Suriname - Lead Consultant	Pascal Ollivier	\$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	Sunecon/Firm engineering	\$169,200.00	December 29, 2021	Yes	1.1
		TOTAL	849,412.78			

Note 4: Advances pending justification

Advances and justification

	2021	2020
Opening balance of advances pending justification	700,569	0
Advances received and recorded during the period	0	700,569
Advance of funds justification	0	0
Closing balance of advances pending justification	700,569	700,569

Until date only one (1) disbursement was recorded for the audit period December 2019 until December 2021. According to the Annual Financial Plan and disbursement request, an amount of USD 700,569 has been advanced by the IDB (AOF no. 1).

As per 31 December 2021, there were no pending advance requests submitted to the IDB.

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 2021 is as follows:

	31 Dec 2021 USD	31 Dec 2020 USD
Central Bank USD Account #0313100/001-152-840	376,974	650,668
Central Bank SRD Account #0313100/001-258-968	4,771	7,000
Petty cash	173	1,000
Special operations Fund	3,223	0
Net Sources of Funds	385,141	658,668

Treasury Accounts Central Bank of Suriname

For this Program Treasury Two Accounts (USD and SRD) is 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 another currency are converted by the Central Bank of Suriname upon processing of the payment request.

Note 6: Reconciliation between the Statement of Cash Flow and the Statement of Cumulative Investments (In USDollars)

	2021	2020
Per Statement of Cashflow		
Cumulative cash received as at 31 December	700,569	700,569
Per statement of Cumulative Investments		
Cumulative investments as at 31 December	315,428	41,901
Available Cash Balance as at 31 December	385,141	658,668

Note 7: Reconciliation by investment categories between the program's records and the IDB records

The IDB records as per OPS-1 of March 14, 2021 include:

- Current approved amounts of USD 45,000,000 (reference is made to note 1, point 4)
- Total disbursed funds of USD 700,569 (reference is made to note 4)
- The Project's records shows a total amount of USD 315,428 in project expenditures for the period December 2019 until December 2021. The IDB was informed that the first justifications for above mentioned period will be submitted when AOF No. 2 will be requested (2nd Disbursement Request). Hence the difference between the IDB and the Project's records per 31 December 2021 in the below table.

Category of investments	IDB	Project records	Difference
Component 1: Port Intervention	0	0	0
Component 2: intervention on Port's Adjacent Road Network	0	3,826	3826
Component 3: institutional Strengthening and Administration	0	20,059	20,059
Component 4: Administration, management and Audit	0	291,543	291,543
Contingencies	0	0	0
Total	0	315,428	315,428

The amount of USD 204 pertains to exchange rate losses due to the fact that 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.

Note 8 CONTINGENCIES AND COMMITMENTS

There are no contingent liabilities or commitments to report.

Note 9: SUBSEQUENT EVENTS

Account payables as per 31 December 2021

The account payable per above mentioned date is USD 70,735 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 contractors/consultants: P. Ollivier (USD 7,050), SIOC NV (USD 49,729) and "A Company Consultura S.A" (USD 13,956).

Changes management in the PEU

The contract with the Program Manager (PM) whom is a civil servant from the Ministry of Public Works (MPW), ends per 31 March 2022 and considering his retirement from MPW per January 2022, above mentioned contract will not be extended. The MPW will appoint another individual, with approval from the Ministry of Finance and the IDB to substitute the retired PM.

Changes management at the Ministry of Public Works

The Permanent Secretary of MPW will be on official leave as of 26 April 2022 following his resignation in September 2022. A successor has been identified and has already taken up duties per above mentioned date as Acting Permanent Secretary.

Status of the project and feasibility project duration

Considering that the First Disbursement of Funds was received in September 2020, the project has been slowly advancing in its implementation. In July 2021 the PEU was able to move into its own office space at the MPW. Per end December 2021, contracts were signed for: the Supervision of the Construction of the Logistics Center, consultancy for a needs analysis of the Port Communication System, consultancy for a Gender and Diversity Strategy and the audit contract was also signed. Furthermore, trainings were done in tendering procedures according to FIDIC rules and guidelines.

Due to the impact of the pandemic, the numerous lockdowns stipulated by the Government of Suriname during the years 2020 until the end of 2021, several processes in procurement were hampered. Subsequently, this had an impact on foreseen contracts regarding civil works that couldn't be initiated.

Based on the estimated time for the execution of the civil works (24 months) and the following defects notification period (maintenance of 12 months) it is 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.

Updated policies

According to the Program Operation Manual (POM) that was approved by the IDB per February 2021, the execution of the Program is framed in the referred Loan, in the Policies and Procedures of the IDB, as well as in the national legal dispositions and other applicable regulations.

However, the policies for the acquisition of Goods and Works and the policies for the Selection and Hiring of Consultants financed by the IDB have since been updated and are being used by the PEU as guidelines for tendering processes. The adjusted policies will be included in the updated POM in 2022.

Annex 1

SUPPLEMENTARY FINANCIAL INFORMATION

BUDGET VS. INVESTMENT CATEGORIES

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

		Approved Budget USD	Cumulative investments till 2021 USD	Variance USD	Variance %
	ITEM				
1	Component 1: Port intervention	4,460,000	0	4,460,000	100
1.1	Logistic Center	2,050,000	0	2,050,000	100
1.2	Access Control System (equipment)	210,000	0	210,000	100
1.3	Port Community System	2,200,000	0	2,200,000	100
2	Component 2: Intervention on Port's Adjacent Road Network	36,200,000	3,826	36,196,094	99.99
2.1	Primary Urban Roads	26,600,000	3,906	26,596,094	99.99
2.2	Bridge over Saramacca Canal at van 't Hogerhuysstr	9,600,000	0	9,600,000	100
3	Component 3: Institutional Strengthening & Administration	700,000	20,059	679,941	97.13
3.1	Road Assessment Management	200,000	0	200,000	100
3.2	Technical Training	400,000	20,059	379,941	94.99
3.3	Programs for the participation of women in logistics services	100,000	0	100,000	100
4	Component 4: Administration, Management and Audit	2,000,000	291,747	1,708,253	85.41
4.1	Program administration (PEU)	1,895,000	287,576	1,607,424	84.82
4.2	Monitoring & evaluation of the Program	25,000	0	25,000	100
4.3	External audit of the Program	80,000	4,171	75,829	94.79
	Contingencies	1,640,000	0	1,640,000	100
	Program Expenditures	45,000,000	315,632	44,684,288	99.30
	Exchange rate gains/losses		-204		
	Total Program Expenditures	45,000,000	315,428	44,684,572	99.30

Analysis of Low Disbursement Rate

As previously mentioned, the loan was signed on 05 December 2019 and eligibility to the loan was established by August 4th 2020. During this period three (3) main positions within the PEU were fulfilled by 15 March 2020 i.e.: Program Manager, Operations Officer and the Procurement Specialist. The IDB requested that a financial firm should be hired for the financial management of the loan. This procurement process was launched, but no contract could be concluded as the financial proposal received from a potential firm, surpassed the allocation for financial management of the loan. A civil

servant from the financial department within Public Works was proposed to fulfill this position for the next 6 months, providing the PEU sufficient time to launch the procurement process for a financial specialist.

Pursuant to the first Advance of Funds (AOF 1), the Government of Suriname had to fulfill the obligations as stated in article 4.01 – Conditions Precedent to First Disbursement of Resources of the Loan:

- Legal opinion from the Attorney General.
- Designation of one or more officials to represent the Borrower or Executing Agency for purposes of requesting disbursements of the Loan.
- Provide the Bank with information regarding the bank account into which disbursements of the Loan are to be deposited. Separate accounts shall be required for disbursements in Local currency, Dollars, and Principal Currency.
- The Executing Agency shall have an adequate financial information system and internal control structure for the purposes indicated in the Loan Agreement in place.

Taking all the above into consideration, several impediments have led to a low disbursement of the first AOF and can be explained as follows:

- The first AOF was received in September 2020, nine (9) months into the implementation period of the Program. The PEU submitted its first disbursement request based on a prognosis of the first eight (8) months, January to August 2020. The amounts for the first disbursement were mostly from Component 4 as the other components require several procurement processes which could not be launched at the time.
- The contracts of the PEU consultants were denominated in US Dollars, to be paid monthly in local currency (SRD) against the CBvS exchange rate on the date of payment. However, in September 2020, all PEU's were informed through their respective Ministries that the Ministry of Finance would apply an exchange rate of SRD 7,52 for 1 USD. The same month the PEU consultants received payment for the first time covering the period March 2020 to September 2020. From the bank statements received it was evident that the fees of the PEU consultants were diminished by almost 2/3. Furthermore, all new contracts must be denominated in local currency (SRD) against the exchange rate of SRD 7.52/USD 1.00. This has certainly contributed as well to a low disbursement rate.
- From March 2020 until June 2021, the PEU did not have their own office facilities. Though office rental was foreseen in the POM and an official procurement to rent an office for the PEU was launched, the Ministry of Finance did not approve renting of the office. Suitable office space was not readily available at the Ministry of Public Works (MPW) and the PEU requested renovations of some offices in the MPW building to be paid from the loan, which was honored by the IDB. During this period the PEU members made use of personal office space. As of July 2021, the PEU had possession over their own office facilities and they were able to launch procurement processes accordingly, and safeguarding the processes required for procurements.
- The COVID pandemic has also had an impact on the Program's implementation due to subsequent lockdowns and closure of the national borders issued by the Suriname Government.