



SURINAME

**AGRICULTURAL COMPETITIVENESS PROGRAM
(SU-L1020)**

**MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
(LVV)**



**INSTITUTIONAL EVALUATION
FINAL REPORT**

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REVISED FINAL REPORT

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ACRONNYMS

AOP	Annual Operational Plan
CC	Control Capacity
CE	Execution Capacity
CLAD	Central Land Audit Department
CPO	Programming and Organization Capacity
ERP	Enterprise Resource Planning
FP	Financial Plan
GOS	Government of Suriname
GRP	Government Resource Planning System
ICAS	Institutional Capacity Assessment System
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IFAC	International Federation of Accountants
IFMIS	Integrated Financial Management Information System
KPI	Key Performance Indicator
LVV	Ministry of Agriculture, Animal Husbandry and Fisheries (Dutch)
MAAHF	Ministry of Agriculture, Animal Husbandry and Fisheries
PEA	Project Executing Agency
PEP	Program Execution Plan
PEU	Project Executing Unit
PGAS	Environmental and Social Management Plan
POM	Project Operations Manual
PP	Procurement Plan
PS	Permanent Secretary
PSC	Program Steering Committee
SABS	Goods and Services Management System
SAF	Financial Management System
SAP	Personnel Management System
SCE	External Control System

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ACRONNYMS CONT.

SOA	Administrative Organization System
SPA	Activities Programming System
SRD	Surinamese Dollar
SWOT	Strengths, Weaknesses, Opportunities, Threats
TSA	Treasury Single Account
US\$	Dollar of the United States of America

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I. INTRODUCTION

A. Objective

- 1.1 The general objective of the report is to present the results of the institutional evaluation of the Ministry of Agriculture, Animal Husbandry and Fisheries (MAAHF or LVV, for its acronym in Dutch) of Suriname, which was undertaken through a qualitative application of the methodology “Institutional Capacity Assessment System” (ICAS), developed by the Inter-American Development Bank (IDB). Based on the overall characteristics of the public sector in Suriname including the availability of public and institutional information, the assessment seeks to identify and analyze, in an objective manner, the strengths and weaknesses of the Ministry, taking into consideration the reach and scope of the expected incremental responsibilities directly associated to the implementation of the investment loan “Agricultural Competitiveness Program” (SU-L1020), for which the Government of Suriname (GOS) has designated LVV as Project Executing Agency (PEA).
- 1.2 The specific objectives of the report include, among others: (a) describing the results of the institutional evaluation of LVV; (b) presenting recommendations on specific areas that can be subject to institutional strengthening based on the results of the assessment, as well as priority areas identified by the Ministry; (c) providing recommendations aimed at ensuring the effective discharge of its technical and administrative responsibilities as PEA of the Investment Loan SU-L1020, including specific recommendations for the design of the Program implementation structure; and (d) proposing institutional strengthening actions that can be funded as part of the Program, and that can ultimately contribute to the permanent governance, organizational, administrative, technical and financial capacity of the Ministry, beyond the execution of SL-1020.

B. Scope of the Report

- 1.3 The report is the result of the institutional assessment which was carried out based on the meetings held by the consultant with different departments of LVV, which took

place in two missions to Paramaribo, Suriname during the weeks of February 8 and April 4, 2016, as well as the institutional and financial information provided by LVV to the consultant. The report also incorporates inputs provided by the Ministry of Finance, as well as information and feedback received from the members of the IDB Fiduciary Team (financial and procurement) during both missions.

- 1.4 The present report seeks to present, in a justified and complete manner, the verbal responses to concrete ICAS questions, topics and areas of discussion gathered during the interviews with LVV's officials, in addition to the respective interpretation and analysis by the consultant of all the supporting information and documentation provided by the Institution in both, physical and digital formats. Thereby, the results and conclusions reflect, in an objective manner, the institutional characteristics and capacities of LVV, as a direct input to its participation in the execution of the Program, and in compliance with: (a) the guidelines for the application of the ICAS methodology; and (b) the technical inputs and analysis of the consultant.

II. THE PROGRAM

A. Objectives

- 2.1 The general objective of the Program is to contribute to increasing the competitiveness of the agricultural sector of Suriname, through strengthening the capacity of animal health, plant health and food safety, and agricultural innovation services.
- 2.2 The specific objectives of the Program are to increase the overall productivity of the agricultural sector; increase the capacity and level of agro-exports; reduce the level of losses attributed to animal and plant pests and diseases; reduce the quantity and value of agricultural export rejections; and reduce the exposure of the population to food borne diseases.

B. Components

- 2.3 In this context, the Program has two main investment components including:
 - (a) Component 1: "Animal and Plant Health and Food Safety". This component includes three areas:
 - (i) "Animal Health", which will fund the following activities: (1) establishment of a disease surveillance system; (2) improvement of animal quarantine facilities; (3) formulation of protocols; (4) staff training; and (5) provision of equipment and inputs for the veterinary laboratory.

- (ii) “Plant Health”, which will fund the following activities: (1) reorganization of the plant health service; (2) establishment of a pest surveillance system and a traceability system; (3) improvement of plant quarantine facilities; (4) establishment of integrated border controls; (5) formulation of protocols; (6) staff training; and (7) provision of equipment and inputs for the plant health laboratory.
- (iii) “Food Safety”, which will fund the following activities: (1) establishment of a surveillance, inspection and monitoring system; (2) establishment of a monitoring system for agricultural inputs; (3) improvement of the good agricultural practices program; (4) formulation of protocols; (5) staff training; (6) provision of equipment and inputs for the residue laboratory; and (7) assessment of the institutional architecture of the agricultural health and food safety system.
- (b) Component 2: “Agricultural Innovation”, which will fund strategic adaptive agricultural research projects, with emphasis on validation and technology transfer. Such innovation projects will be identified and selected through a prioritization exercise, and will be implemented in collaboration with national and international research and technology transfer centers. The projects will detail technology transfer mechanisms and will result in concrete technology-based products for the sector.

C. Cost and Financing

- 2.4 The Program has an estimated cost of US\$15.0 million to be fully financed by the investment loan from the IDB.

III. THE MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES

A. Institutional and Legal Background

- 3.1 The Ministry of Agriculture, Animal Husbandry and Fisheries has its initial roots with the establishment by the GOS of the Agricultural Research Station on December 4, 1903, in response to an emerging and growing number of the Surinamese population dedicated to farming activities, along with the needs of such population for technical support to address the risks and exposure of their crops to a number of diseases and pests. This in addition to increasing needs for soil research and extension support, among others. LVV officially became a Sub-Directorate/Department (Ministry) in 2000.
- 3.2 Resolution 2 (No. 174) placed in the Official Gazette of the Government of Suriname on December 2, 2010—which amended the Decree on Job Description Accounts 1991—provides the description of the responsibilities of all ministries of the Central

Administration of the GOS, including Article 14, which describes the functions and attributions of LLV, as described below.

B. Mandate and Responsibilities

3.3 LVV is charged with the mandate for ensuring food security and food safety of agricultural products for the Surinamese society, and promoting and facilitating the sustainable development of the agricultural sector.

3.4 Its responsibilities include:

- (a) Developing national policy on agriculture, animal husbandry, fisheries and beekeeping.
- (b) Monitoring the proper use of land and water by the agricultural sector.
- (c) Conducting research and education in the sub-sectors listed under (a) above.
- (d) Determining the need for and distribution of goods and services to/from the agricultural sector.
- (e) As necessary, providing support in various aspects of the agricultural value chain with respect to production, storage, processing and marketing of agricultural products.
- (f) *Undertaking prevention and control measures with respect to animal and plant diseases and pests.*
- (g) Establishing and pursuing quality standards for the agricultural sector.
- (h) In collaboration with other ministries, designing investment and credit policies aimed at supporting the sustainable growth of the agricultural sector.
- (i) Promoting, coordinating, regulating and monitoring agricultural cooperatives and other sectoral organizations, in collaboration as needed, with other ministries.
- (j) Monitoring compliance with pertinent national legislation by agricultural sector stakeholders of the sub-sectors described in (a) above, including aquaculture and agro-industry.
- (k) Promoting agricultural production aimed at the country's food security, and enhancing Surinamese agricultural export capacity.

- (l) Providing for an effective management of national fishing capacity, along with the rational exploitation of fishery resources, including the control over compliance with national legislation for the protection of fishery resources.
- 3.5 Such responsibilities are aimed at consolidating a solid capacity of the Ministry for policy development, seeking to contribute to the sustainability of the agricultural sector in Suriname, enhancing its execution capacity to promote local food production, and ensuring that agricultural products meet high quality standards in accordance to national, regional and international market guidelines

C. Organization

- 3.6 As can be seen in Figure III-1, the highest level of political authority in LVV rests in the Minister of Agriculture, Land Husbandry and Fisheries, who is ultimately responsible for driving the strategic and policy development framework, and leading the overall government agenda for the agricultural sector in Suriname. Under delegation from the Minister, the Permanent Secretary is responsible for managing and implementing the planning, technical, administrative and project management functions, among others, along with the allocation of the necessary organizational, personnel and financial resources necessary for the attainment of the Ministry's strategic goals and correspondingly, broad sector objectives.
- 3.7 Under the Permanent Secretary (PS), LVV presents a functional structure whereby all advisory (i.e. non-line) functions as well as line technical and administrative responsibilities are precisely below the Office of the PS.
- 3.8 The advisory departments include:
- (a) *Internal Audit Department.* Responsible for the internal audit functions in the Ministry with respect to the functioning of internal controls, risk management, administrative procedures, regulatory compliance, financial processes and reporting, among others.
 - (b) *Legal Affairs Department.* Responsible for providing legal advice and guidance to the Ministry; ensuring compliance with the legal framework surrounding the institutional, technical and administrative responsibilities of LVV as a public institution of the Central Administration of Suriname; protecting the Ministry's rights and interests; contract management; and litigation.
 - (c) *Public Relations Department.* Responsible for planning, coordinating and executing the Ministry's information and communication strategy as it relates to both, internal and external communications, while creating a favorable image of the Ministry and gaining public support, and facilitating the effective flow of information within the Ministry.

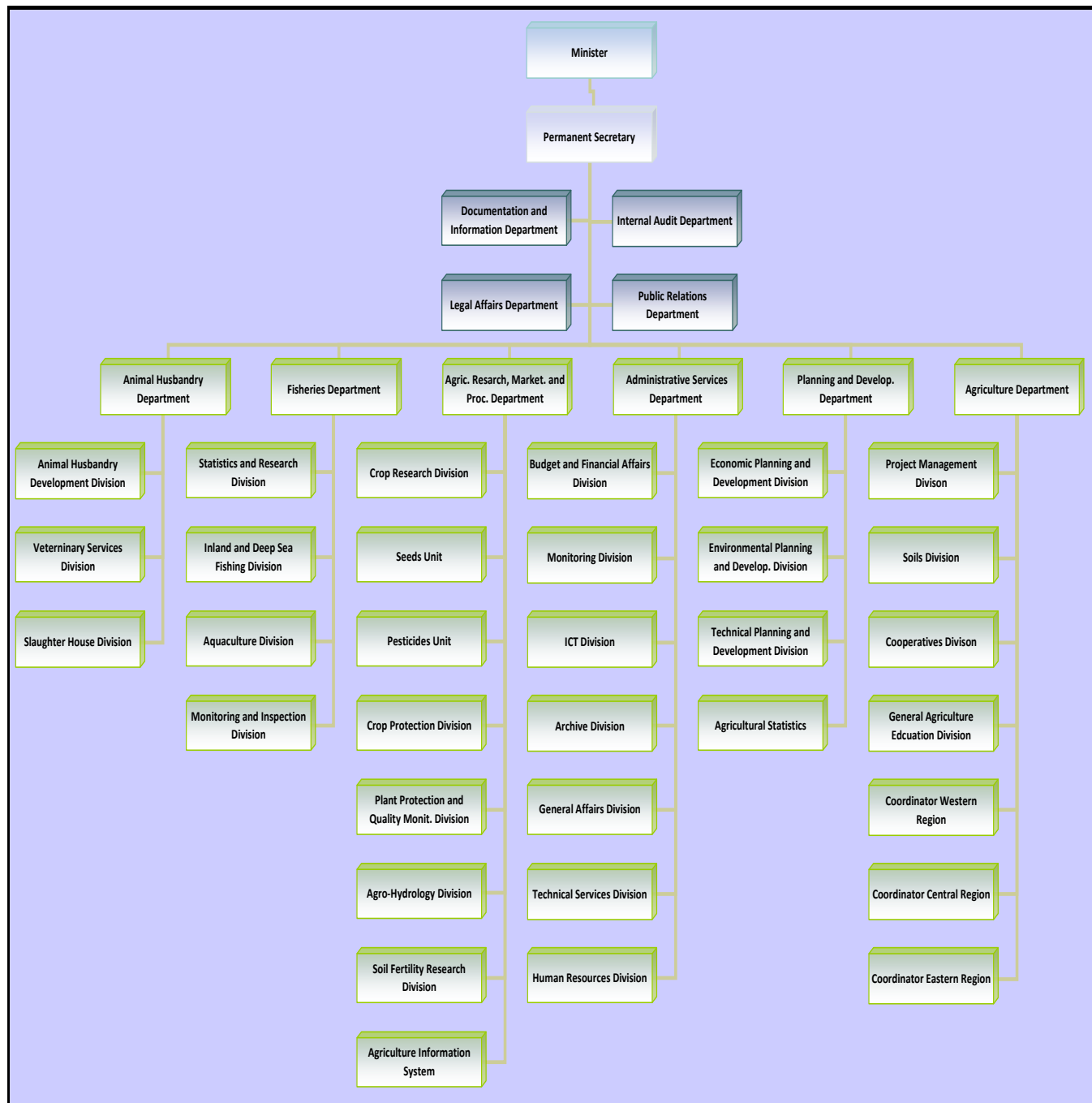
- (d) *Documentation and Information Department.* Serves as a repository of sectoral, institutional, legal and technical information of the Ministry and the agricultural sector in general, and provides for access and consultation by the public.

3.9 The line departments include:

- (a) *Animal Husbandry Department.* Responsible for promoting, preventing and controlling animal diseases, by implementing policies and actions aimed at reducing sanitary risks from animals and animal products. In addition to animal health, it is responsible for veterinary services and control of the slaughterhouse activities.
- (b) *Fisheries Department.* Responsible for overseeing the activities related to capture fisheries (artisan, inland, waterway and deep sea fishing), including the enforcement of applicable legislation. It also carries out research in fishing and aquaculture with the aim to attaining the sustainability and growth of the fishing industry.
- (c) *Agricultural Research, Marketing and Processing Department.* Responsible for conducting research and development activities aimed at improving the productivity of the agricultural sector, enhancing food security and the safety of production. Conducts applied research in various areas including, among others, plant health crops, seeds, pesticides, soil fertility and agro-hydrology, floriculture and other. It also conducts monitoring and inspection activities as it relates to plant health and crop protection.
- (d) *Agriculture Department.* Responsible for overall project implementation and management across the country; provision of education and extension services; provision of support to agricultural cooperatives and other producer groups throughout the value chain; and promotion of sustainable use of soil and water resources. It conducts its activities in the entire territory through offices in the Western, Central and Eastern regions.
- (e) *Administrative Services Department.* Responsible for the following functions: (i) financial management; (ii) personnel administration; (iii) corporate and technical services; (iv) administration and general affairs; (v) filing and archive management; and (vi) management information systems.
- (f) *Planning and Development Department.* Responsible for sector planning; institutional strategic and operations planning; and environmental and technical planning. It is also charged with the corresponding technical monitoring and evaluation responsibilities of the Ministry, related to the effectiveness in the attainment of concrete sector and institutional goals, objectives and targets. It is

responsible for maintaining the system of agricultural statistics of Suriname.

FIGURE NO. III-1
MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
ORGANIZATIONAL STRUCTURE



SOURCE: Ministry of Agriculture, Animal Husbandry and Fisheries.

3.10 As indicated before, such functional institutional structure provides for an adequate separation of vertical core/technical responsibilities, from the planning and

administrative/support responsibilities, as well as the horizontal advisory and control responsibilities under the Office of the PS, with a clear definition of functions at the division/unit level.

D. Personnel

- 3.11 As of the date of the present assessment, LVV had a total of 1,354 staff members in its payroll, most corresponding to permanent personnel of the GOS. As can be observed in Table No. III-1, a total of 1,066 employees (78.7%) form part of the four technical departments (i.e. Animal Husbandry; Fisheries; Agricultural Research, Marketing and Processing; and Agriculture), and 288 staff members (21.3%) to the senior officials' offices, advisory departments and technical departments.

TABLE NO. III-1
MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
PERSONNEL STRUCTURE

DEPARTMENT	NUMBER OF STAFF
I. OFFICE OF THE MINISTER, OFFICE OF THE PS, SENIOR MANAGEMENT	49
II. ADVISORY DEPARTMENTS	32
A. Internal Audit Department	4
B. Legal, Public Relations, Documentation and Information	28
III. TECHNICAL DEPARTMENTS	1,066
A. Animal Husbandry Department	95
- Animal Husbandry Division	16
- Veterinary Services Division	54
- Other	25
B. Fisheries Department	73
C. Agricultural Research, Marketing and Processing Department	153
- Research Marketing and Processing Division	141
- Plant Protection and Quality Monitoring Division	12
D. Agriculture Department	745
- Agriculture Division	53
- Cooperatives Division	7
- Western Region	166
- Central Region	392
- Eastern Region	127
IV. SUPPORT DEPARTMENTS	207
A. Administrative Services Department	177
- General Administrative Policy	9
- Budget and Financial Affairs Division	18
- Monitoring Division	35
- Information and Communication Technology Division	4
- Archive Division	4
- General Affairs Division	42
- Technical Services Division	37
- Human Resources Division	28
B. Planning and Development Department	30
TOTAL	1,354

SOURCE: Ministry of Agriculture, Animal Husbandry and Fisheries.

- 3.12 Of the total number of staff, 896 (66.2%) correspond to permanent employees, 330 (23.6%) to contractual employees, and 138 (10.2%) to temporary employees.
- 3.13 The Agriculture Department comprises a total of 745 employees, accounting for more than 50% of total staff of LLV as of April 2016. This is consistent with the scope of the activities of the Department with respect to project management, extension services, soil use monitoring, support to local producer groups, and other. As indicated above, it discharges its responsibilities through a network of local LLV offices under the umbrella for three main areas including the Western, Central and Eastern Regions.

- 3.14 The Animal Husbandry Department is responsible for all aspects related to animal health in the Ministry. Out of the 95 staff members of the Department, 54 correspond to the Veterinary Services Division, and 41 are mainly assigned to cattle breeding and livestock development.
- 3.15 The Agricultural Research, Marketing and Processing Department is responsible for plant health activities in the Ministry. Notwithstanding, out of 153 staff members, 141 discharge their responsibilities in the areas of agricultural research, marketing and processing, and only 12 correspond strictly to the Plant Protection and Quality Monitoring Division.
- 3.16 A total of 177 staff members (13%) are responsible for general administration, financial management, personnel administration, technical services and other in the Ministry. However, it must be noted that each technical division has additional administrative staff which directly support the operations of such departments and coordinate their activities with the Administrative Services Department. With respect to Planning, the Department has a total of 30 staff members, mainly responsible of strategic and operations planning.

E. Institutional Budget

- 3.17 LVV's budget for 2016 reached SRD127.7 million which, when converted to dollars of the United States at the average January-October exchange rate of SRD5.87/US\$, it is equivalent to US\$21.7 million (see Table No. III-2).¹
- 3.18 Current expenditures total US\$8.5 million, equivalent to 39.0% of total budgeted expenses for the year; capital expenditures are minor with only US\$0.1 million (0.6%); and investment projects/programs with US\$13.1 million (60.4%).
- 3.19 As is characteristic of institutions of the Central Administration, salaries and benefits jointly represent the largest single budget category, accounting for 90.5% of current expenses and 35.2% of total expenses programmed for 2016. With respect to investment projects, infrastructure works account for 68.8%, representing mainly maintenance works of irrigation and other agricultural infrastructure, and to a lesser extent new building works and renovations. With respect to institutional strengthening, expenses are minimal and, as indicated before, they reflect a considerable restriction in overall spending in the past years, along with the lack of concrete institutional policies to instrument a process of continuous personnel training and enhancement.

¹ It must be noted that during the first 10 months of 2016, the SRD depreciated by 47.5% against the US\$. The exchange rate was SRD4.40/US\$ on January 1, 2016 and SRD7.70/US\$ on October 31, 2016. If the January 2016 exchange rate was used for the conversion of the 2016 LVV budget to US\$ equivalent, the amount would be US\$31.6 million

TABLE NO. III-2
MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
INSTITUTIONAL BUDGET 2016
(in US\$)

Budget Lines	Amount	Percentage
I. CURRENT EXPENDITURES	8,475,298	39.0%
A. Wages and Salaries	7,048,552	32.4%
B. Social Benefits	617,547	2.8%
C. Goods and Services	809,199	3.7%
II. CAPITAL EXPENDITURES	127,768	0.6%
A. Inventories	42,589	0.2%
B. Transportation Equipment	85,179	0.4%
III. INVESTMENT PROGRAMS	13,143,782	60.4%
A. <u>Infrastructure Works</u>	<u>9,045,997</u>	<u>41.6%</u>
1. Land Reclamation and Extraction	17,036	0.1%
2. Technical Maintenance	5,962,521	27.4%
3. Institutional Design and Architecture	1,873,935	8.6%
4. Reactivation of Works	340,716	1.6%
5. Constructions	851,789	3.9%
B. <u>Institutional Strengthening</u>	<u>170,358</u>	<u>0.8%</u>
1. Knowledge Management	170,358	0.8%
C. <u>Research and Development</u>	<u>2,499,830</u>	<u>11.5%</u>
1. Private Sector Development	170,358	0.8%
2. Agricultural Census	3,407	0.0%
3. Forestry and Agricultural Sector	511,073	2.4%
4. Livestock	596,252	2.7%
5. Fishing	340,716	1.6%
6. Agricultural Infrastructure and Export Promotion	878,024	4.0%
D. <u>Grants and Contributions</u>	<u>1,427,598</u>	<u>6.6%</u>
TOTAL	21,746,848	100.0%

SOURCE: Ministry of Agriculture, Animal Husbandry and Fisheries.

- 3.20 With respect to research and development, it accounts for 11.5% of total expenditures for the year with the areas of agricultural export promotion, forestry, agriculture, livestock and fishing accounting for most of such expenditures. The areas of plant health, animal health and food safety are immersed in such budget categories.
- 3.21 Overall, in the past years the LVV's budget has not shown growth in real terms and, with the recent trends in the devaluation of the Surinamese currency, it shows a negative nominal growth when converted to United States dollars.

IV. INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM

A. Objective and Scope

- 4.1 The Institutional Capacity Assessment System (ICAS) is a methodology applied to the evaluation of public organizations or executing agencies of project initiatives funded with resources from the IDB, and mainly comprises an assessment of internal management, administration and control capabilities and procedures. Through the application of a series of questionnaires as part of an interactive process between the evaluator and pertinent officials of the executing agency, along with the analysis of the institutional and financial information provided by the entity, the evaluator assesses the various internal resources of the institution including human resources, infrastructure, equipment, materials and information, among others, as well as institutional norms, procedures and control systems.
- 4.2 The assessment and results of the evaluation constitute the main input to determine the capacity of the institution to comply with fiduciary, administrative, internal control and external audit responsibilities required by the IDB from the executing agencies. In addition, the assessment provides indicators on the levels of development and risk implicit in the institutions and their direct implications on the execution of the projects.

B. Components of ICAS

- 4.3 ICAS comprises seven components grouped in three areas described below.
1. Programming and Organization Capacity (CPO)
- 4.4 Represents the institutional capacity to undertake the planning and programming processes, along with the corresponding allocation of the resources to implement the activities necessary for the attainment of institutional objectives. It includes two systems:
- (a) Activities Programming System (SPA). Provides an assessment of the planning capacity of the institution along with its ability to translate it into strategic and operational plans, as well as in concrete goals and activities to be executed by the organization towards the attainment of institutional objectives in the short, medium and long-term. Includes the institutional capacity to effectively link such plans with the programming process towards the allocation of human, technical, financial and other resources, as well as the capacity and effectiveness of the institution in monitoring the implementation of its strategic plans towards the accomplishment of its institutional objectives and mandate.
 - (b) Administrative Organization System (SOA). Provides an assessment of the characteristics of the organizational and decision making structure, including the

distribution of resources to meet the needs of the institution to undertake its programming, execution, administration and control activities, and towards the accomplishment of the institutional objectives.

2. Execution Capacity (CE)

4.5 Represents the capacity of the organization to implement its planned/programmed activities and reach the desired results in accordance with the strategic plan and institutional objectives. It includes three systems:

- (a) Personnel Management System (SAP). Provides an assessment of the existence of norms and procedures related to the search, selection, hiring, induction, development, and evaluation of the human resources of the institution, as well as the incentives, remuneration and retirement structures, among others.
- (b) Goods and Services Management System (SABS). Provides an assessment of the existence of technical and administrative norms and procedures applicable to the administration and control of the goods and services of the institution, from the moment of their request to their final disposition. In this respect, it comprises the request, authorization, estimates, procurement, contracting, and verification of inventories, administration, control, safeguarding, and write-off processes.
- (c) Financial Management System (SAF). Provides an assessment of the existence of norms, procedures and systems for the administration of the financial resources of the institution, and includes, among others, budgeting, accounting, treasury and asset management systems. It also assesses the effectiveness of their operation as well as the overall level of integration of systems and recording mechanisms.

3. Control Capacity (CC)

4.6 Represents the capacity of the institution to generate and show efficiency and transparency in the administration of its resources, its ability to provide precise and reliable information on such administration, and its capacity to provide a timely accountability on the results for its fiscal periods. It includes two systems:

- (a) Internal Control System (SCI). Provides an assessment of the presence of an administration focused on the compliance with internal norms aimed at ensuring operating efficiency, effectiveness and transparency, the capacity of the institution to generate timely and reliable information on its administration, and its capacity to comply with norms, regulations and legislation related to the management of the State's resources.

- (b) External Control System (SCE). Provides an assessment of the institution's procedures in the procurement of external/independent audits to examine the operations and activities of the institution in each fiscal period, with the objective of establishing the efficiency of the administrative and internal control systems, as well as the reliability of the accounting and operating records and financial statements.

V. RESULTS OF THE APPLICATION OF ICAS TO THE MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES

A. Summary of Results

- 5.1 The results of the present qualitative application of ICAS allow to determining that LVV is in the condition to participate in the implementation of the investment loan SU-L1020, and assume incremental responsibilities directly associated to the administration of the Program. Notwithstanding, a number of factors and limitations identified in the present report show the presence of medium levels of development and corresponding medium levels of risk, which point to the need for the design and execution of institutional strengthening actions/investments aimed at building and enhancing the organizational and fiduciary capacity of the Ministry. In addition, the results of the assessment point to the design of a Program execution mechanism and structure based on the partial use and adoption of national systems.

B. Results of Individual Components

1. Activities Programming System (SPA)
- 5.2 The Planning and Development Department under the Office of the PS is responsible for the overall strategic and operational planning functions in LVV, as well as the monitoring and evaluation functions. The Department currently has a staff of 30 employees distributed in four internal divisions under the Department Head, including Economic Planning and Development, Environmental Planning and Development, Technical Planning and Development, and Agricultural Information System.
- 5.3 From a procedural standpoint, the Ministry has not developed/implemented internal procedures to guide the planning process. Thereby, its planning responsibilities take place based on the guidelines provided by the Planning Office under the Cabinet of the Vice-President of Suriname.
- 5.4 Strategic Planning. Strategic planning for the public sector in the country covers a medium to long-term period of five years. Indeed, the "National Development Plan 2012-2016: Suriname in Transformation" serves as the framework document which guides the overall social and economic development objectives, including the sector

specific objectives for such period, as well as the corresponding policy development actions. These include: (a) ensuring food security for the Surinamese population, through an increase in agricultural production, and the development of sustainable production means in both, the coastal plain and inland; and (b) ensuring food safety throughout the entire agricultural value chain, while advancing on the sustainability of the sector through the expansion of national and export markets under high quality and safety standards. The National Development Plan specifically delegates the responsibility to LLV for developing, facilitating, directing and monitoring policy implementation to meet such strategic goals, in collaboration with other stakeholders and ministries.²

- 5.5 The document “Policy 2010-2015 of the Ministry of Agriculture, Animal Husbandry and Fisheries” (or “Beleidsnota LVV 2010”) represents the strategic plan of the Ministry, directly consistent with the framework National Development Plan 2010-2016. The document presents concrete goals and objectives based on seven strategic pillars for agricultural sector development: (a) to guarantee the food security of the population of Suriname; (b) to *secure agricultural health* and food security; (c) to develop a sustainable agricultural sector; (d) to transform the agricultural sector into a leader in food production and supply in the Caribbean Region; (e) to increase the contribution of the agricultural sector to the national economy; (f) to create the spatial conditions for sustainable development of the agricultural sector; and (g) to manage the preconditions and risks regarding the implementation of agricultural policy. The document delineates the responsibilities and interactions at the Ministry level aimed at the attainment of such overarching objectives and targets.
- 5.6 Operational Planning. The Planning and Development Department is responsible for the preparation of the Ministry’ “Annual Operational Plan” (AOP), which is directly tied to the annual budget preparation, following the guidelines provided by the Ministry of Finance. The AOP is built on a set of overarching goals directly consistent with the national strategic framework for agricultural sector development and includes the following objectives, from which the specific activities are derived for the year:
- (a) Promoting improved varieties, mechanization and farming techniques to increase production and job creation.
 - (b) Ensuring food security for the entire Surinamese population.³
 - (c) Promoting the sustainability of agricultural production, and the use of environmentally friendly technologies.

² Including Regional Development, Foreign Affairs, Land Planning and Forest Management, Justice and Police, Natural Resources and other.

³ Including the development of the rice sector and supporting its competitiveness.

- (d) Enhancing technical the capacity of the agricultural workforce, and supporting its governance and organizational structures.
 - (e) Supporting the development of agribusiness sector.
 - (f) Providing for necessary planning mechanisms for the overall agricultural sector with the aim of attaining the overarching goals of sustainable agricultural production, food security and *food safety*.
 - (g) Creating the spatial conditions for the sustainable development of the livestock sector.
 - (h) Enhancing food security for the Surinamese population through the support to the development of the fisheries sector (production and supply).
- 5.7 The AOP includes concrete activities to be undertaken during the fiscal year, along with the expected “qualitative” outcomes for the year, while taking into consideration the results and accomplishments of the previous years (based on the 2010-2016 framework). Activities are grouped under each of the concrete programs described in the previous paragraph and provided the corresponding budget allocation.
- 5.8 Monitoring and Evaluation. As previously indicated, the Planning and Development Department is responsible for the monitoring and evaluation activities of the Ministry and the agricultural sector as a whole. It is responsible for producing the quarterly and annual progress reports on the AOP and Strategic Plan, and submitting them to the Minister of Agriculture, Animal Husbandry and Fisheries, the Ministry of Finance and the Planning Office of the Cabinet of the Vice-President. In addition, the Ministry prepares an Annual Report describing the scope and reach of its activities and accomplishments during the fiscal year, vis-à-vis. the national, strategic and operational goals.
- 5.9 *Limitations.* In spite of the present of such institutional and sector planning instruments and mechanisms, a number of factors have been identified which, if effectively addressed would enhance the overall reach, scope and performance of the planning, monitoring and evaluation system in LVV:
- (a) Limited resources to identify and implement a framework of measurable Key Performance Indicators (KPIs) for short, medium and long-term planning and monitoring purposes.
 - (b) Limitations in the reach of the monitoring and evaluation activities, precisely reflecting the lack of quantitative KPIs, along with limitations in the internal structure so as to allow for a full an effective delegation of the planning functions at the departmental level, including the formulation of AOPs, along

with the provision of performance measurements and result indicators.

- (c) With respect to the previous point, the lack of a specific Monitoring and Evaluation Unit in the Department, with such functions only partially allocated to specific planning staff.
- (d) In spite of the integration of the planning and budget preparation activities, it is the budget that ultimately defines the overall reach and scope of the AOP and, thereby, limits the capacity of the Ministry to provide for a management by objectives environment.
- (e) Limited ownership at the technical level throughout the Ministry for performance assessment, reporting and self evaluation with respect to programs and departmental performance.
- (f) Lack of procedures and instruments to conduct in-depth value for money assessments which would allow to measuring the effectiveness by the Ministry in the allocation and use of resources for its investment, operations and administrative activities.
- (g) Absence of internal procedures, flow charts and process maps to guide the overall strategic and operational planning cycle in the Ministry, including the performance and evaluation stages.

2. Administrative Organization System (SOA)

- 5.10 As described in Section 3 of the present report, LVV presents a functional structure characteristic of all ministries of the Central Administration of the GOS, whereby the Minister is charged with providing the political direction of the Institution, while the PS heads the overall civil service/administrative functions. Under this structure, all internal organizational, administrative and technical responsibilities fall under the Office of the PS.
- 5.11 From a procedural standpoint, LVV has not prepared/implemented an organizational manual describing, among others, the overall organizational structure of the Ministry; the main functions and responsibilities of all the internal departments (advisory, technical, support and other), divisions and units; as well the reporting and decision making structures of the Ministry. In this respect, for the establishment of its organizational structure, LVV follows the guidelines provided by the Ministry of Internal Affairs, which is responsible for establishing the norms and parameters of the governance and organizational framework of all ministries of the GOS. Ultimately, the organizational structure is submitted for approval to the Board of Ministers chaired by the Vice-President of the Republic of Suriname.

- 5.12 From an organizational and personnel standpoint, LVV has a “Compendium of Job Descriptions”, which provides, for each position, information on the job title, the objective, list of responsibilities, communication and reporting channels and capacities (internal and external), education level requirements, work experience and skills, among others. All job descriptions are prepared and approved by the Ministry of Internal Affairs in accordance with the organizational structure of LVV, the specific request from the Ministry, and the availability of the items.
- 5.13 From an institutional perspective, the actual structure and procedures that prevail in the GOS, prevent or do not provide the incentives to its ministries to conduct in-depth and far reaching assessments of their governance and overall organizational environment at all levels. As shown in LVV’s organizational chart (Figure No. III-1), there is a clear vertical delineation and allocation of responsibilities from the PS, to departmental heads, to division and unit managers. Notwithstanding, in practice, this has derived in a deep vertical and hierarchical environment, with a centralized decision making process, along with only limited space and efforts for delegation of authority.
- 5.14 Indeed, under the present structure, the Ministry does not have the means to conduct a continuous assessment of the organizational and governance environment, which precludes the Institution from embarking in a process of quality control and improvement related to institutional development. In particular, with the aim of enhancing the internal flows of information, strengthening the decision-making channels, and encouraging a participative work environment. Currently, the Planning and Development Department does not have resources to conduct such activities under the delegation from the PS.
- 5.15 Notwithstanding and, in spite of the presence of such limitations, it must be noted that the structure provides for the presence of the necessary advisory and administrative support to the technical departments in the discharge of their responsibilities. Advisory functions are well defined as it relates to the independence of the internal audit function, as well as the advisory/support role by the legal and communications departments. At the support level, there is: (a) a strict delineation of all administrative, financial management, personnel administration and general services in one Department, with the necessary segregation of such responsibilities in internal divisions/units; and (b) the concentration of planning, monitoring and evaluation responsibilities in one department.
- 5.16 At the technical level, the structure is characterized by complexities under each of the four departments, with numerous units and areas under each of them, along with complexities in the management of activities at the central, regional and local levels, under a framework of partial decentralization of functions.
- 5.17 Finally, it must be noted that the Ministry is increasingly facing challenges in the recruitment and retention of personnel, especially at the technical level, amid the salary

levels prevailing in the Central Administration of the GOS, as compared to market conditions. In addition, even though the LVV has shown over the years adequate levels of employee stability, political/exogenous factors are increasingly introducing an environment of rotation of public servants across positions and institutions, which can potentially affect the overall stability, morale and performance of LVV's staff members.

3. Personnel Management System (SAP)

- 5.18 The Human Resources Division of the Administrative Services Department under the Office of the PS is responsible for all personnel management functions in LVV including: (a) selection and recruitment; (b) training and development; (c) employee relations and benefits; (d) performance management; (e) compensation; and (f) employee relations and grievance. The Division has a total of 28 staff members who discharge their responsibilities in any of such areas, and with a scope of work covering personnel administration for all employees of the Ministry regardless of their contractual status (i.e. permanent, contract or temporary).
- 5.19 LVV has not developed/implemented an internal policies and procedures manual for human resources management. Nonetheless, in compliance with the norms established by the Ministry of Internal Affairs, the Ministry has fully adopted the "Personnel Law" of 1962, which provides the framework for personnel management for ministries and other institutions of the Central Administration of the GOS. In particular, it provides the legal framework regarding: (a) basis of service and movements (appointment, recruitment and reassignment) and determination and changes of salary; (b) rights of government officials (payment of remuneration, transfers, medical benefits, pension, holiday and vacation leave, other); (c) special awards and disciplinary sanctions; (d) suspension and termination; (e) remedies; and (f) other provisions.
- 5.20 In this context, the following aspects and characteristics have been observed in LVV as part of the present assessment as it relates to SAP:
- (a) All personnel selection and recruitment activities are performed by the Human Resources Division, following the search and selection norms contained in the Personnel Law of Suriname, and in direct consultation with the Ministry of Internal Affairs.
 - (b) The Ministry has not implemented a formal processes for employee orientation/induction and, thereby, relies fully on on-the-job training
 - (c) Due to severe budgetary limitations, no professional development programs (internal or external) are currently in place, with only limited options for personnel to access education programs offered by the Ministry of Internal Affairs.

- (d) Performance assessment does not take place in a periodic, schematic and structured manner at LVV. End-of-year employee self and supervisor-driven assessments have not been implemented, situation consistent with a lack of a system of performance-based compensation. Performance evaluation takes place only upon in cases of requested rotations and, in limited cases, with respect to salary adjustment requests.
- (e) The Ministry is in full compliance with national legislation related to employee/employer contributions to: (i) the General Pension Scheme and Retirement Pension Plan through the Ministry of Social Affairs and Housing; and (ii) the State Health Fund under the Ministry of Health, for medical benefits. In addition, it fully complies with the income tax deductions as established by the Ministry of Finance under the current tax code.

5.21 In general terms, it can be established that under the limitations in the resources available to the Human Resources Division, the personnel management function in the Ministry in practice represents a strictly administrative responsibility, lacking a scope of broader actions--beyond recruitment and payroll--, which are key to employee expectations, motivation and performance (i.e. professional enhancement, evaluation-based incentives, advancement and other).

4. Goods and Services Administration System (SABS)

5.22 Procurement. The Purchase Unit of the General Affairs Division of the Administrative Services Department is responsible for the procurement of goods, services and works in LVV. Currently the Unit has 15 staff members, of which 9 discharge their responsibilities in the Unit at the central level, and 6 are assigned to each of the six advisory, technical and support departments of the Ministry.

5.23 LVV has not adopted an internal norms and procedures manual for procurement administration. It discharges such responsibilities in compliance with the stipulations contained in the "Procurement Rules of Suriname" (UWS 1996), updated in 2011, and the "Tender Rules of Suriname" (AWS 1996) of the Ministry of Public Works. Such legal framework provides guidelines and references as it relates to, among others: (a) definitions and methods of procurement; (b) procedures for public procurement (publication, specifications, registration, tender, evaluations, and awards); (b) procedures for selective tendering (publication, registration, invitation and award); (c) procedures for limited tendering (invitation, dispatch, registration, selection and award); and (d) procurement under simplified procedure (publication, registration, agreement and award).

5.24 In practice, the Ministry has three procurement categories which, based on their amount determine the level of approval. In particular: (a) SRD1 – SRD3,999: Internal purchase with approval from the PS and Head of Administrative Department (or Head of

the Budget and Financial Affairs Unit); (b) SRD4,000-SRD39,999: decision by the Council of Ministers; and (c) SRD40,000 or higher: public tendering.

- 5.25 In addition to internal procedures, the Ministry also lacks concrete process flow charts and checklists of the procurement administration process, which introduces a level of risk in the control environment, with most processes solely driven by the experience of the procurement staff, but with no specific measures for succession and/or instructions in cases of their absence.
- 5.26 Notwithstanding, as part of the mapping of procurement processes undertaken in the present assessment, the following aspects were observed: (a) the definition of the responsibilities of the requestor with respect to the justification of needs, along with the provision of technical specifications; (b) the responsibility of the Budget and Financial Affairs Division to certify the availability of funds based on budget and monthly allocation of funds, as per the information contained in the Integrated Financial Management Information System (IFMIS) of the Ministry of Finance; (d) the signatories of the financial certification and purchase orders; (e) the number of copies for each document to be printed and recipients; (f) certification of receipt of goods/services by the requestor and warehouse/store keeper; (g) invoicing; (h) certification and payment. In addition, specific, non-written procedures were specified with respect to the involvement of the Council of Ministers, as well as the appointment of the internal evaluation committee for public tenders.
- 5.27 With respect to the latter, it must however be noted that an Evaluation Committee is appointed and discharges its responsibilities through a basic scoring system of plus (+)/minus (-), and is chaired by a Deputy Director of Agriculture (i.e. Agriculture Department Head), with all members of the Committee constituted by internal/technical staff below such position, thereby creating implicit risks related to concentration of power in the final decisions and corresponding contract allocations by LVV.
- 5.28 In regards to the presence of supporting documentation and based on a sample of administrative transactions, it was verified that each procurement and corresponding accounting transaction has a file which shows the complete process and internal controls applicable from the point of requisition to the ultimate payment to the supplier or contractor. This includes: (a) the requisition; (b) budget certification; (c) requests for quotations; (d) quotes; (e) tender documents and evaluations; (e) purchase orders; (f) invoices; (g) receipts for delivery; and (i) payment vouchers.
- 5.29 *Weaknesses and limitations.* The following factors adversely affect the results of SABS with respect to procurement administration, and which have a direct impact in the overall control environment:
- (a) The current lack of updated and effective process control checklists for routing,

provision of supporting documents, and authorization/signatories, applicable to all procurement and payment processes and steps.

- (b) The absence of systems mapping and critical path process engineering to identify and effectively address any possible sources of delays in the procurement administration processes, which can ultimately have an adverse impact on overall project performance.
- (c) The lack of an annual procurement plan to guide the overall procurement administration and process for goods, services and works, and in direct conjunction with the AOP and budget.
- (d) The need to formalize the composition and proceedings of the evaluation commissions, taking into consideration concrete internal controls related to the segregation of authority, balance of power, and independency in their composition.
- (e) Limited information on the decision making processes that form part of non-competitive bidding.

5.30 Asset Management. With respect to *inventory* management, the General Affairs Division of the Administrative Services Department is responsible for the receipt and storage of office materials and other goods procured by the Ministry. For purposes of inventory control, it deploys the software platform StockWare at the central storage facility in Paramaribo, with the Stores Clerk responsible for its updating. At the regional level, such controls are mainly manual and kept in books and spreadsheets. No specific written procedures have been adopted by the Ministry with respect to inventory control and management, including the definition of minimum and maximum points to trigger replenishment. Purchases are executed based on the bundling of monthly requests by the various departments and expensed at the moment of payment.

5.31 With respect to fixed assets management, the responsibilities of LVV are limited, as under national norms, all fixed assets including buildings, vehicles, tractors, motorcycles and other equipment are under the jurisdiction of the Ministry of Public Works, which accounts for their purchase, use and ultimate disposal, and for the contracting of insurance protection. With respect to furniture each department is responsible for the safeguard and codification of its assets, with mainly manual systems operating under guidelines provided by internal audit. With respect to computer and office equipment, its inventory and control is the responsibility of the Information and Communication Technology (ICT) Department, with formal, but manual codification systems.

5.32 Finally, with respect to maintenance, LVV is responsible for the regular maintenance of vehicles, field equipment, and office equipment, following dealer specifications. However, due to budgetary limitations, compliance with maintenance plans is partial

and preventive maintenance not performed.

5. Financial Management System (SAF)

- 5.33 The Budget and Financial Affairs Division of the Administrative Services Department under the PS, is responsible for the overall financial administration activities in LVV including budget, accounting and treasury management. The Department has a total of 17 staff members distributed in three main areas: (a) Verification, which is responsible for ensuring that all documentation is present to support all payment transactions; (b) Credit Control, which is responsible for providing the necessary certification that resources are available to effectively cover and clear a particular expense request; and (c) Budgetary Affairs, responsible for budget preparation and execution.
- 5.34 From a procedural standpoint, LVV has not prepared/implemented an internal procedures manual for integrated financial administration. In this regard, it follows the policies and norms contained in the “Accountability Act” of December 2, 1952 which delineates: (a) the attributes of the Ministry of Finance; (b) revenue sources and administration; (c) expenditures administration; (d) accountability of funds (revenues and expenditures) and reporting; (e) responsibilities of authorizing officers, accounting officers and other; and (f) other.
- 5.35 Under the guidelines and support from the Ministry of Finance, LVV has implemented and is deploying the platform Integrated Financial Management Information System (IFMIS) for its overall budget, accounting and treasury administration activities under five main modules: (a) purchasing and requisition; (b) public expenditure management (budget and credit); (c) payment management; (d) accounts receivable; and (e) accounts payable. IFMIS represents an Enterprise Resource Planning System (ERP)/Government Resource Planning System (GRP) which seeks to enhance the overall administration and financial management capabilities of the organization, including the control environment, precisely through systems integration. IFMIS represents an online solution which, when fully operative, allows for real time access to budget, accounting and treasury information, as well as for the preparation of revenue and expenditure reports, among others.
- 5.36 IFMIS contains LVV’s specific chart of accounts based on its operating, technical and administrative characteristics, including those specific to the institutions of the Central Administration of the GOS. In particular the chart of accounts allows to identify sources and uses of funds based on: (a) contribution of the Government for operational costs; (b) other sources of funding—including donor financing—for operational and investment/“policy” costs; and (c) LVV generated revenues. This based on programs and expense objects.
- 5.37 Currently LVV is in the process of transition to the new IFMIS platform with training taking place within the various ministries along with the necessary fine tuning.

- 5.38 Budget Administration. The Budgetary Affairs Section of the Budget and Financial Affairs Division is responsible for the preparation of the annual budget as well as the control of the budget execution. For this purpose, it coordinates its activities with the Planning and Development Department, which prepares and consolidates the AOP.
- 5.39 Budget preparation follows the stipulations of the “Budget Law” of 1953, as well as the guidelines and formats provided by the Ministry of Finance. As previously indicated, the institutional budget is divided into two broad categories including Title I: “Operating Expenses” and Title II: “Policy Expenditures” (capital expenses).
- 5.40 In practice, the Planning and Development Department guides the various departments of the Ministry in the preparation of their AOP, along with the preparation of revenue and expenditure estimates, and based on the guidelines provided by the Ministry of Finance in its annual budget call. However, budgets are prepared and consolidated outside the IFMIS platform, with the use of Excel worksheets and through the transfer of files between the Planning and Finance Departments, with *no systems integration*. The institutional budget is consolidated by the Budget Affairs section and sent to the Ministry of Finance in hard and soft copies, for review and consideration. The Ministry of Finance provides the adjustments and, upon its approval, it is entered in the IFMIS system. Under this environment, adjustments to departmental budgets are made centrally without the participation of each of the departments, which undermines the overall value of the planning and prioritization process, along with the corresponding budgetary ownership at the departmental, division and unit levels.
- 5.41 With respect to budget execution, all revenue and expense transactions are entered and recorded in the IFMIS platform. The Ministry prepares monthly budget execution and variance reports, which are provided to Central Budget Department of the Ministry of Finance. However, it must be noted that physical reports are currently prepared in Excel with the information extracted from the IFMIS platform, as the latter is currently not providing that such capability. In addition, a payroll module is not yet part of the system and information is entered manually in IFMIS.
- 5.42 The following aspects are observed in the Ministry’s budget administration function: (a) there is partial level of integration between the programming and budget activities; (b) the approved institutional budget is ultimately distributed and assigned to the departments by the Budget Affairs section, and not based on an in-depth prioritization of programs and activities by each of the departments; (c) budget allocation decisions are centralized with no control and/or direct access by the departments to balances and up to date reports on their levels of spending, variances and availability of funds, with access to the IFMIS limited to the Budget and Financial Affairs Division;⁴ (d) budget

⁴ Only district offices have a partial direct management of their budget; however, with all payments ultimately executed centrally.

execution is a reflection of the availability of funds/cash flow allocated by the Ministry of Finance on a monthly basis and thereby, subject to centralized/external decisions; and (e) there is a highly significant variance in the ultimate allocation of expenditures to various programs and activities, versus the content and structure of the approved budget. *Ultimately, these aspects also limit the capacity of the Planning and Development Department to conduct objective assessments of institutional, financial and departmental performance.*

- 5.43 Accounting and Treasury Management. Consistent with the norms of the GOS, LVV has adopted accounting standards issued by the International Federation of Accountants (IFAC), which are consistent with internationally accepted standards for cash-based accounting systems.
- 5.44 The Ministry accounts for all internally-generated revenues collected in the course of its operations and include, among others, issuance of fishing licenses, sale of seeds and plants, execution of plant and animal health controls, verifications of imports and exports of agricultural products (meats, dairy, vegetables, fruits), and other. The Ministry has implemented the necessary mechanisms to ensure that all revenues are collected and deposited within a period of two to three days in the Ministry's account in the account at the Central Bank of Suriname, and ultimately transferred to the Treasury Single Account (TSA)--i.e. the general fund--of the Ministry of Finance. All receipts are numbered and correlated and transactions recorded in IFMIS upon end of day verification and consolidation. No internal procedures are present in this matter; notwithstanding, general accepted practices recommend a period no longer than 24 hours (or next business day) to complete bank deposits.
- 5.45 Bank reconciliations for the Central Bank of Suriname accounts are performed monthly upon the delivery of the physical statements by the Bank.
- 5.46 One of the limitations in the present cash-based accounting system represents the parallel control of commitments which must be performed outside IFMIS, and requires the use of alternative Office-based systems so as to follow the overall budget and payment cycles beyond the current/fiscal year.
- 5.47 With respect to financial reporting and, as previously indicated, the Division prepares monthly revenue and expenditure reports, which are submitted to the Ministry of Finance for review and consideration. However, it must be noted the IFMIS platform presents concrete limitations with respect to required formats and templates, which determines that financial reports are prepared in Excel, from information obtained in IFMIS.

6. Internal Control System (SCI)

- 5.48 Code of Conduct. LVV has not implemented an internal code of ethics or conduct. However, as all ministries of the GOS, it has adopted the norms and guidelines contained in the “Personnel Law” of 1962 and, specifically: (a) Chapter Third: “Rights of and Obligations of Public Servants”, with respect to commitment to taking oath, confidentiality requirements, acceptance of rewards, and other; (b) Chapter Fourth: “Special Awards and Disciplinary Sanctions”, with respect to special allowances, and disciplinary punishment (imposition, enforcement and review); and (c) Chapter Fifth: “Suspension and Termination”. Thereby, this legal framework in general provides the norms for expected behavior from the public officials, along with the terms for the administration and authority for the enforcement actions. Nonetheless, in practice, no clear indications were provided during the assessment as per the actual and past scope of applicability of such norms in LVV.
- 5.49 Risk Management. A risk management framework integrating the planning, governance, organizational and overall internal administrative and financial processes is absent in the Ministry. Risk assessments conducted in the past have been in the best case scenario limited to the identification of strengths, weaknesses, opportunities, threats (i.e. the SWOT exercise). Currently no such efforts are present.
- 5.50 Internal Audit. There is not a specific legislation to norm the establishment of the internal control function the ministries of the Central Administration of the GOG. In spite of this situation, most ministries have established internal audit units, as is the case with LVV. As indicated in Section 3 of the present report, the Ministry has an Internal Audit Department which reports to the Office of the PS, and has assumed its functions in reference to the Accountability Act, with respect to, among others, ensuring the compliance by the Ministry with applicable laws, regulations and contracts, and to ensuring the reliability and integrity of financial information and reports.
- 5.51 The Internal Audit Department which reports to the Office of the PS currently has four staff members including the Head Auditor and three senior auditors. The Division discharges its activities mainly in the Ministry, but has the authority to conduct internal audit activities in the autonomous/parastatal agencies linked to LVV.
- 5.52 As indicated above, in practice no national norms are available for the internal audit function. In this respect, the Head Internal Auditor has prepared internal guidelines that contribute to leading the activities of the Department. Such document has however not been officially reviewed/approved by senior authorities of the Ministry.
- 5.53 Some of the activities of the Department include: (a) review of the monthly revenue and expenditure reports prepared by the Budget and Financial Affairs Division, which are sent to the Ministry of Finance; (b) sample review of expenditure/payment transactions with respect to compliance with national procurement rules, including the

norms issued by the Ministry of Public Works; (c) sample review of payment transactions including review of records and controls; (d) fixed assets inventory (which is currently not performed by the Budget and Financial Affairs Division under the cash-based accounting system, as well as the custody of fixed assets under the responsibility of the Ministry of Public Works; and (e) review of monthly revenue collections which are deposited in the Central Bank of Suriname and ultimately transferred to the TSA.

- 5.54 The following aspects must be taken into consideration: (a) the Internal Audit Division lacks an annual budget appropriation and must therefore rely on allocations by the PS to discharge its responsibilities; (b) there is no clear link between the functions and recommendations of the Department and the actual response capacity and resulting corrective actions (if any) of the departments that are subject to the audit; (c) internal management and governance structures are complex and pose challenges for the internal audit function; and (d) solid lines of communication are not formalized with respect to the activities of the Internal Audit Department.
- 5.55 Even though the consultant did not have access to the Audit Department's charter, audit plan and audit reports, a number of aspects have been identified related to the findings and observations of the present assessment with respect to the internal control environment in the Ministry, and the implications on the internal audit functions. *First*, the presence of specific risks associated with the financial management functions allocated to the various departments and, in particular, in regards to the controls and consolidation procedures at the central level. *Second*, the yet limited level of progress in the implementation of the IFMIS platform, which leads to financial reporting to take place through the deployment of stand alone Excel-based applications/worksheets; this in addition to the limited number of licenses/authorizations issued by the Ministry of Finance to LVV for access to IFMIS. *Third*, the lack of formal/written internal processes and procedures which can lead to ambiguities in the management and decision making structures, including those related to the internal control systems.
- 5.56 Finally, with respect to risk-based audit, the Department is increasingly focusing its performance audit activities in areas of highest perceived risk and impact (including financial risk) such as, among others, collection, management and control of internally generated funds. Nonetheless, its scope of activities is limited by the size of the Unit and budgetary constraints.
- 5.57 Other Aspects. As described in previous ICAS components, it must be noted that the assessment has verified the presence of (non-written) controls aimed at ensuring that all procurement and financial management transactions (budget, accounting and treasury) are fully justified and count on all supporting documentation and authorizations throughout the administrative process

7. External Control System (SCE)

- 5.58 The Central Land Audit Department (CLAD) of the Government of Suriname is an autonomous/parastatal agency that reports to the Ministry of Finance and is charged for the external audit review of all agencies of the GOS; in particular, with respect to the financial statements and the internal control environment that surrounds their preparation.
- 5.59 It has been indicated that the external audit of LVV begins within a period of three to six months from the closing of the financial year, based on CLAD's annual audit plan for the entire public sector. The PS delegates to the Head of the Department Administrative Services Department and, correspondingly, the Deputy Director Budget and Financial Affairs Division, to act as counterparts in the coordination and provision of the necessary information to CLAD during and after the audit period.
- 5.60 Areas reviewed include controls of the payment system, statements of revenue and expenditures, sampling of inventories, identification and review of "high" figures, and sample-based reviews on procurement transactions.
- 5.61 The results of the external audit are submitted to the PS and the Deputy Director of Budget and Financial Affairs.
- 5.62 As of the date of the present assessment, LVV had the 2013 and 2014 external audit reports completed, and 2015 was under preparation by CLAD. Nonetheless, for the purpose of the present assessment, only the 2011 and 2012 external audit reports were made available to the consultant. Even though a number of elements have been assessed from such reports, the fact that they are over five-years old, necessary elements are absent for the consultant to draw a recent and solid opinion of the reach, scope and results of the external audit function in LVV with respect to among others, financial reporting and internal control environment

VI. CONCLUSIONS AND RECOMMENDATIONS

A. Institutional Development and Risk

- 6.1 The following table summarizes the results of the institutional evaluation of LVV. In most fiduciary areas, the Ministry presents medium development levels and corresponding medium levels of risk, especially in those components to which the ICAS assigns the higher weights with respect to the fiduciary assessment.

TABLE NO. VI-1
MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
SUMMARY OF THE RESULTS OF THE INSTITUTIONAL CAPACITY ASSESSMENT

ICAS COMPONENT	FAVORABLE FACTORS	ADVERSE FACTORS	LEVEL OF DEVELOPMENT	LEVEL OF RISK	
				INSTITUTIONAL	PROGRAM IMPLEMENTATION
1. Activities Programming System (SPA)	✓ Institutional department with responsibilities for planning and development	✓ Absence of internal written procedures for planning, monitoring and evaluation	Medium	Medium	Medium
	✓ Presence of a strategic policy and strategic planning framework	✓ Absence of process maps, flow charts and checklists to guide and control the planning and monitoring functions			
	✓ Presence of a short-term planning framework (AOP)	✓ Lack of key performance indicators			
	✓ Concrete efforts for monitoring and reporting	✓ Limited monitoring and evaluation capacity			
		✓ Limited integration between the AOP and the final/approved institutional budget			
		✓ Lack of institutional capacity and resources to conduct value for money assessments			
2. Administrative Organization System (SOA)	✓ Organizational structure adopted under national guidelines for the Central Administration of the GOS	✓ Absence of internal written procedures for governance and organizational management	Medium	Medium	Low
	✓ Organizational chart provides for a clear definition of technical, advisory and support/administrative functions	✓ Absence of institutional guidelines to provide for the periodic assessment of the governance environment			
	✓ Presence of solid compendium of job descriptions	✓ Complexities in the institutional structure at the division and unit levels and below			
		✓ Increasing challenges to provide for employee stability			

cont.

TABLE NO. VI-1, CONT.
MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
SUMMARY OF THE RESULTS OF THE INSTITUTIONAL CAPACITY ASSESSMENT

ICAS COMPONENT	FAVORABLE FACTORS	ADVERSE FACTORS	LEVEL OF DEVELOPMENT	LEVEL OF RISK	
				INSTITUTIONAL	PROGRAM IMPLEMENTATION
3. Personnel Management System (SAP)	✓ Institutional division with clearly established responsibilities for human resources administration	✓ Lack of an internal norms and procedures manual for personnel management	Medium	Medium	Low
	✓ Compliance with national legislation with respect to personnel management in the Central Administration of the GOS	✓ Lack of formal procedures and actions with respect to employee induction and orientation			
	✓ Full compliance with national legislation with respect to health and retirement deductions and contributions as well as income tax deductions	✓ Absence of employee training and professional development programs			
		✓ Lack of an employee performance assessment system			
		✓ Consequently, lack of a system that ties performance with promotion opportunities and compensation			
		✓ Increasing challenges to prevent personnel turn over due to salary factors as well as weaknesses in the incentive structures			
4.A. Goods and Services Management System (SABS) - Procurement Administration	✓ Institutional unit with clearly established responsibilities for procurement administration	✓ Lack of an internal norms and procedures manual for procurement (goods, services and works)	Medium	Medium	Medium
	✓ Adoption of the legal framework for procurement in Suriname including the procurement and tender rules	✓ Lack of process maps and workflows, checklists, routing mechanisms, and description of authorizing levels (signatories)			
	✓ Presence of controls throughout the procurement process with respect to requisitions, authorizations, budget supports and other	✓ Lack of a procurement plan to guide the annual contract and purchases management			
		✓ Concentration of authority in the Evaluation Committee, and limited scope of the technical assessments			
		✓ Absence of measurement systems to assess the internal delivery capacity of the Unit with respect to time targets, as well as of external instances (i.e. Council of Ministers)			
4.B. Goods and Services Management System (SABS) - Asset Management	✓ Presence of a technology-based solution for inventory management (mainly office materials), however only at the central level	✓ Lack of internal norms and procedures for asset management	Low	High	Medium
		✓ Absence of a formal registry of fixed assets under the Ministry's responsibility			
		✓ Given the lack of an accrual accounting system, absence of internal norms and procedures for contract management along with the corresponding payment system			

cont.

TABLE NO.VI-1, CONT.
MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES
SUMMARY OF THE RESULTS OF THE INSTITUTIONAL CAPACITY ASSESSMENT

ICAS COMPONENT	FAVORABLE FACTORS	ADVERSE FACTORS	LEVEL OF DEVELOPMENT	LEVEL OF RISK	
				INSTITUTIONAL	PROGRAM IMPLEMENTATION
5. Financial Management System (SAF)	✓ Institutional division with clearly established responsibilities for budget, accounting and treasury management	✓ Lack of internal norms and procedures manual for integrated financial management, checklists, routing and process flow charts	Medium	Medium	Medium
	✓ Adoption of national legislation for public financial administration	✓ Partial integration between the planning and budget systems			
	✓ Adoption and deployment of the IFMIS platform for integrated financial administration under the guidelines of the Ministry of Finance	✓ Utilization of parallel applications for financial reporting			
	✓ Presence of supporting controls for the overall payment system (authorizations, supporting documentation)	✓ Centralization in the decision making process with respect to ultimate budget allocation, and limitations in the ownership of budget execution at the departmental, division and unit levels			
6. Internal Control System (SCI)	✓ Presence of the internal audit function with broad audit responsibilities related to financial reporting and internal control environment	✓ Lack of written internal norms and procedures and process flows for all planning, organizational and fiduciary activities	Medium	Medium	Medium
	✓ Presence of supporting controls for the procurement and payment functions	✓ Partial integration of overall financial management systems including financial reporting under a single platform			
		✓ Absence of an institution-wide risk management framework			
		✓ Lack of a structured and formal institutional environment for the provision of responses for the implementation of recommendations that emanate from Internal Audit			
7. External Control System (SCE)	External audit reports for 2013-2015 were not made available by LVV for the present assessment				

6.2 These results point to the need for the implementation of a Program execution structure which can precisely mitigate the risk levels encountered in the planning, organizational, administrative, procurement and financial management systems, along with the corresponding weaknesses in the internal control environment. Notwithstanding, such structure should also take into consideration the presence of specific favorable institutional aspects which would indeed contribute to the partial adoption of country systems, as well as to institutional strengthening actions to build/consolidate a solid and permanent fiduciary capacity of the Ministry in the medium term.

B. Institutional Strengthening

6.3 The results of the present qualitative application of ICAS show that LVV can participate in the implementation of the Program SU-L1020. However, as was observed throughout

the report, the presence of medium levels of development and risk in various areas, point to concrete spaces for institutional strengthening and capacity building which, if effectively addressed, can enhance the Ministry's fiduciary capacity for project execution and administration, as well as its permanent governance, organizational, administrative and control environment. Notwithstanding, such recommendations can be addressed during Program implementation and would not have incidence on Program fiduciary administration based on the execution structure and mechanism proposed below.

- 6.4 *Planning, monitoring and evaluation.* Based on the ICAS framework, it is observed that the planning, programming and monitoring activities within the Ministry take place based solely on the guidance of the Planning and Development Department, which lacks concrete internal written norms and procedures, and relies solely on the general guidelines provided by the Ministry of Internal Affairs. Indeed, the lack of formally approved norms and procedures limits the capacity of the Department to effectively streamline the planning and monitoring functions across the Ministry. In this respect, it becomes a priority to prepare an institutional norms and procedures manual to guide the specific activities of the Department with respect to the planning, monitoring and evaluation functions, with an organization-wide reach and including all applicable mapping of process controls and mechanisms, along with the decentralization/delegation of responsibilities.
- 6.5 In addition, the following aspects require the attention of LVV towards the strengthening of its overall planning responsibilities and performance. *First*, the implementation of a platform/system which under one umbrella, would allow for the consolidation of the individual work plans of each department along with the integration with the Ministry's budget system. *Second*, providing for the implementation of concrete KPI's as part of the strategic and operations planning activities, which would ultimately drive the monitoring and evaluation processes in the Institution, while providing the means for the establishment of a management by objectives environment. *Third*, adopting concrete technical capacities to conduct in-depth value for money assessments and, in particular, to measure institutional effectiveness. *Fourth*, promoting a stronger participatory approach to budget integration and ultimate allocation of Institutional resources to priority programs and areas, while consolidating the necessary ownership for technical and administrative responsibilities.
- 6.6 *Organizational and personnel management.* From an organizational management perspective, it becomes imperative for LVV to prepare and adopt an organizational procedures manual which should be the result of an in-depth assessment of: (a) the current organizational structure/chart; (b) the concrete functions, responsibilities and scope of work of each department, division and unit of the Ministry; (c) the decision making processes and hierarchical structures; and (d) the internal delegation of authority norms and mechanisms. Such manual should not only present/describe the

actual institutional structure of LVV, but provide for the overall modernization of the governance environment, taking into consideration, among others, decentralization mechanisms, along with the promotion of a more participatory and enhancing work environment as well as technical and administrative ownership.

- 6.7 With respect to human resources administration, the preparation and adoption of an internal procedures manual in accordance to the characteristics of the Ministry and in compliance with the Labor Law of Suriname is a priority. In addition, it becomes imperative for the Ministry to address concrete budgetary limitations that adversely affect overall employee morale, motivation and ultimate performance. Specifically, through the allocation of institutional resources to initiate and maintain concrete programs for employee training and professional development which today are absent in the Institution. In addition, these actions should be complemented with the implementation of a performance management system, consistent with current human resources management legislation, and as integral part of the proposed internal personnel management procedures manual.
- 6.8 Goods and services management. With respect to procurement, one of the most pressing aspects represents the strengthening of the overall control environment through the following concrete actions: (a) preparation and adoption of an internal procedures manual for procurement administration, specifically tailored to the governance and administrative structure of the Ministry, and in accordance with the guidelines of the Ministry of Finance; (b) conducting systems mapping and critical path process engineering of the complete procurement activities so as to improve overall delivery performance; (c) establishing targets for processing at each stage, along with the deliverables and authorizations; and (d) preparation of checklists for routing, provision of supporting documents, and authorization/signatories.
- 6.9 Regarding asset management, the Ministry needs to implement formal internal norms and procedures to account and safeguard the fixed asset base under its jurisdiction/responsibility, regardless of its ultimate ownership under the Ministry of Public Works and the lack of an accrual accounting system. This becomes a high priority amid the incremental needs for accountability, not only with respect to the overall administrative actions, but with respect to project management capacities which ultimately result incremental responsibilities for asset administration, safeguard and transfer.
- 6.10 *Financial management*. As of today, financial administration in the Ministry takes place based on the general guidelines contained in the Accountability Act, but lacks internal norms and procedures needed for the operation of an integrated system of public budget, accounting and treasury administration. Indeed, the preparation and implementation of a manual for financial administration becomes a priority, along with the necessary inputs with respect to process mapping and supporting controls for the payment, revenue collection and reporting systems, among others.

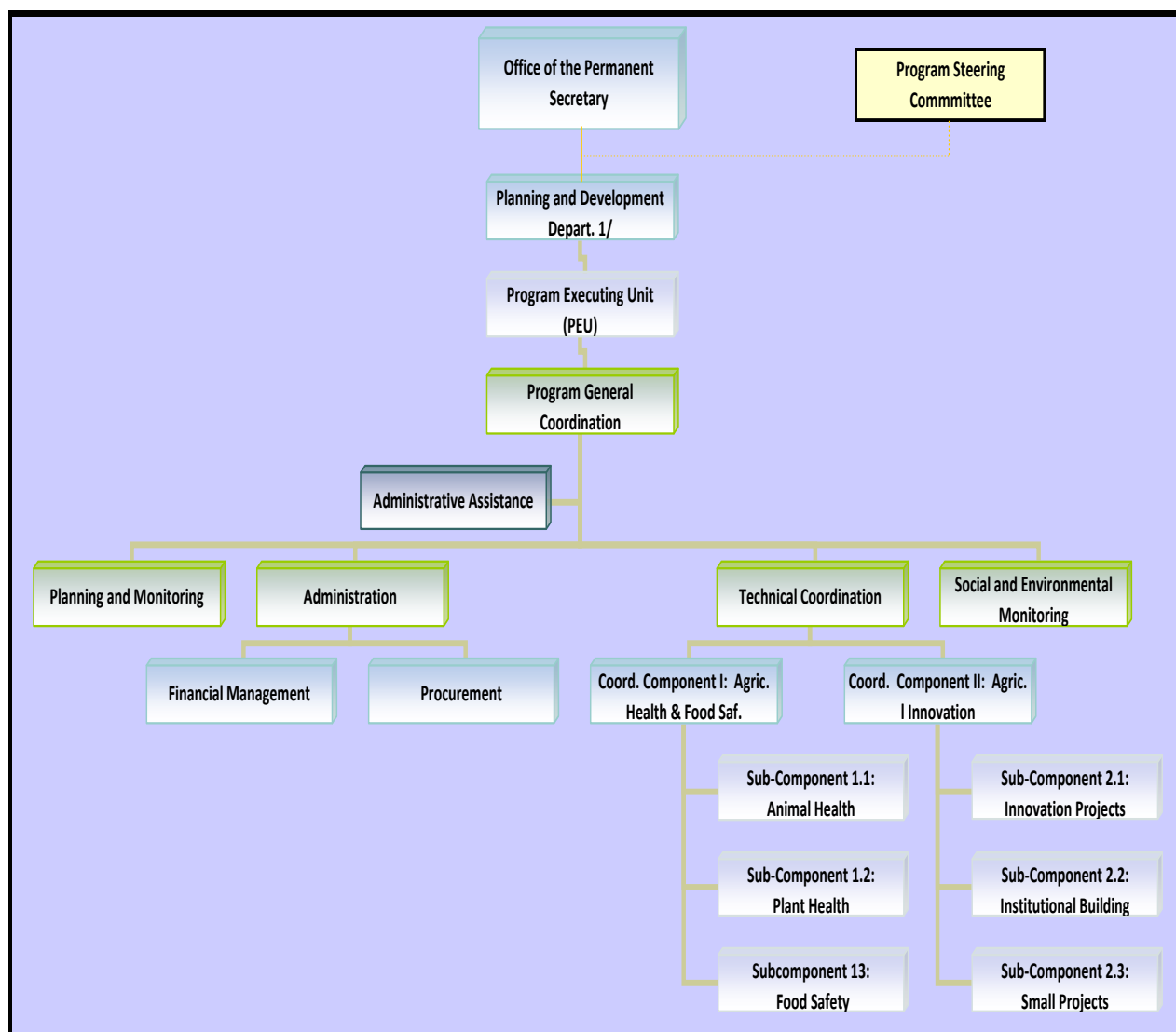
- 6.11 With respect to budget administration, concrete support is required to lead a solid process of integration of the budget preparation and budget execution activities with the overall programming and the planning and monitoring systems as indicated above. In addition, it becomes imperative for the various departments to participate in the final allocation of funds to priority operating and investment/policy activities based on the approved annual budget, and provide the means for the decision making at the departmental level regarding the ultimate use and control of their budgetary resources. These actions should be conducive to, among others, reducing the variances between the approved budgets and the final/actual allocation of resources, and improving the capacity of the Ministry to allow for accountability and performance management and evaluation at the departmental/program level.
- 6.12 With respect to accounting and treasury management, the implementation of written procedures and process controls for revenue collection and administration should enhance the performance of the internal control environment for financial administration, and should, as a minimum, be based on generally accepted financial management practices under public sector standards with respect to methods of collection, deposits, time targets, and ultimate transfers and reconciliation to/with the TSA.
- 6.13 Also, in spite of the presence of cash-based accounting practices, the accounting for commitments (payables) should be established so as to effectively follow up on the short-term and immediate obligations of the Ministry which ultimately lead to payment transactions.
- 6.14 Finally, actual controls must be effectively documented with respect to the parallel use of the IFMIS platform for accounting and budget administration purposes and Office-based Excel application for financial reporting.
- 6.15 *Internal and external control systems.* The adoption of a risk management system as part of the overall planning, administration and control activities of the Ministry, with reach to the technical and fiduciary functions, and as means to addressing inherent adverse potential impacts, can effectively enhance the overall institutional performance, transparency and control in the Ministry.
- 6.16 In addition, the implementation of the internal procedures manual for organizational and personnel management, goods and services administration and financial management--as per previous paragraphs--, along with the necessary process controls, should significantly enhance the overall performance of the governance and internal control environment, while allowing for further transparency and effectiveness in the discharge of the responsibilities by the various departments and units of the Ministry.

C. Program Execution Mechanism

1. Program Executing Unit

6.17 The qualitative levels of development and risk identified in the present assessment point to a Program governance and execution structure based on the establishment of a Program Execution Unit (PEU) under the Planning and Development Department (specifically under the Office of the Deputy Director of Policy and Planning), and with the direct oversight from the Office of the Permanent Secretary (see Figure No. VI-1).

**FIGURE NO. VI-1
AGRICULTURAL COMPETITIVENESS PROGRAM
PROGRAM EXECUTION STRUCTURE**



6.18 The proposed governance structure seeks for the presence of a clear delineation of Program management responsibilities in the PEU, under a Program Coordination

dependency reporting directly to the Head of the Planning and Development Department of LVV. In particular, the structure establishes four main areas: (a) planning, monitoring and evaluation; (b) administration, including financial management and procurement; (c) technical coordination at the component and sub-component levels; and (d) social and environmental monitoring.

6.19 *Responsibilities.* Such structure provides the means for the PEU to assume its responsibilities as the central pillar for the management, administration and execution of the Program, and thereby responsible for the overall planning, fiduciary, administrative, financial management and technical functions of Program implementation, including those related to intra and inter-institutional coordination. In particular:

(a) Coordination, planning and monitoring:

- (i) Ensuring the effective compliance with the “Conditions Prior to First Disbursement” established in the Loan Contract between the IDB and the GOS.
- (ii) Defining and establishing the inter-institutional coordination mechanisms with other public organizations related and/or beneficiaries of the Program.
- (iii) Promoting and disseminating the Program among beneficiaries, public entities, and other stakeholders.
- (iv) In close coordination with the various technical and administrative personnel of LVV, undertake the strategic and operations planning activities, including the development of the Annual Operations Plan (AOP), the Procurement Plan (PP), the Financial Plan (FP), and other pertinent documentation, in compliance with the requirements of LVV, the Ministry of Finance and the Bank.
- (v) Monitoring the activities of the Program in compliance with its global strategic objectives and those of its individual components, as well as the targets established in the AOP.
- (vi) Preparing the periodic physical and financial progress reports to be submitted to LVV, Ministry of Finance and the Bank.
- (vii) Presenting to the Bank the required data, reports and other documentation of the Program as a whole and its individual components, as established in the Loan Contract.

(b) Financial Administration:

- (i) Managing, in an effective and transparent manner, the financial resources of the Program.
- (ii) Preparing the “Chart of Accounts” of the Program, and submitting it for consideration and non-objection of the Bank.
- (iii) Maintaining the *payment and budgetary records* of the Program in the IFMIS platform, following the guidelines of the Ministry of Finance, and implementing a parallel ERP platform con maintain the *accounting, budgetary and treasury records of the Program (including the general ledger) as well as the preparation of financial reports*.
- (iv) Preparing the Program’s Financial Plan, including the investment and disbursement plans in accordance to the Program Execution Plan (PEP), the Procurement Plan (PP), and the Annual Operational Plan (AOP).
- (v) Following applicable national and internal procedures, executing *through the SAT* the payments, transfers and disbursement of resources to cover eligible expenses to contractors, goods and services providers, consultants and other.
- (vi) Preparing and submitting, for consideration of the IDB, the bi-annual budget execution reports and financial statements in formats agreed with the Bank and classified by component, subcomponent and product/activity.
- (vii) Preparing and submitting to the Bank, the expense reports and supporting documentation, along with the requests for advances of funds.
- (viii) Contracting the annual independent external audits, following IDB norms and procedures.

(c) Technical and administrative:

- (i) Managing the direct investment and institutional strengthening and technical activities in LVV, within the framework of responsibilities for each of the two components of the initiative.
- (ii) Preparing terms of reference, public bidding documents and technical specifications, among others, as part of the bidding, selection and contracting of works and procurement of goods, services other than

consulting, and consultancy services that form part of the Program, fully in accordance with procurement norms and procedures of the IDB, and the use of Standard Bidding Documents agreed between the IDB and the Government of Suriname, when appropriate.

- (iii) Supervising the work of consultants, contractors, goods and service providers, and project partners.
- (iv) Supervising and supporting the implementation of education and public awareness campaigns at the LVV and national levels, ensuring stakeholder participation, involvement and understanding in/of the Program.
- (v) Ensuring the compliance with quality control norms and procedures in each of the technical components of animal plant health, animal health food safety, and innovation.
- (vi) Guaranteeing the effective implementation of the monitoring activities of the Program including the methodologies for performance evaluation.

(d) Social and Environmental:

Supporting LVV and other participating institutions, beneficiaries and stakeholders, in ensuring a solid and adequate environmental and social management of the Program, following national regulations and standards, in accordance with the agreed Environmental and Social Management Plan (PGAS) of the Program.

6.20 *Structure and personnel.* The proposed Program implementation structure take into consideration, among others, the following aspects.: (a) the scope and reach of the Program which will increase the annual investment budget of LVV by approximately 40% if prorated each year; (b) the lack of previous experience of the Ministry in the implementation of IDB-funded investment programs/loans; (c) the considerable expected increase in the number and value of procurement activities/transactions directly associated each technical component of the Program; (d) the increase in responsibilities directly related to the technical and financial administration of the Program, including planning, monitoring and reporting; (e) the additional technical responsibilities associated to environmental and social monitoring of the Program; and (f) limitations in the number and availability of personnel of LVV that can assume incremental Program implementation responsibilities beyond their current institutional engagements.

6.21 In this respect, it is recommended that the PEU is staffed with a team of core consultants funded with the Program's administrative budget, and who must discharge

their responsibilities in direct coordination with planning, administrative, financial and technical personnel assigned by the Ministry. Figure VI-2 shows the proposed personnel structure for the PEU including:

- (a) Program Coordinator, responsible for providing the strategic, organizational, financial and technical direction of the PEU, and serve as the main focal point of the Program with LVV and other public and private institutions. To be contracted for the entire Program execution period.⁵
- (b) Coordinator of Plant Health, responsible for the technical execution of all activities included in Subcomponent 1.2 of the Program, and related to, among others, the support to national plant health service, the establishment the pest surveillance and traceability systems, the strengthening of quarantine facilities and plant health laboratory capacities, and institutional building. To be contracted for the entire Program execution period.⁶
- (c) Coordinator of Animal Health, responsible for the technical execution of all activities included in Subcomponent 1.1 of the Program, and related to, among others, the implementation of the surveillance system, improvement of quarantine capacities and installation of operation of the veterinary laboratory, among others. To be contracted for the entire Program execution period.⁷
- (d) Coordinator of Food Safety, responsible for the technical execution of all activities included in Subcomponent 1.3 of the Program, and related to, among others, the establishment of surveillance, inspection and monitoring systems, the promotion of good agricultural practices, the formulation of protocols, the strengthening of residue laboratory, and institutional building. To be contracted for the entire Program execution period.⁸

⁵ The Program Coordinator must be a professional with no less than five years of experience in project administration and with solid knowledge of technical, governance and institutional aspects related to the fields of agricultural health and food safety in Suriname or the region; preferably, with past experience/exposure to externally-funded development projects in the country.

⁶ The Coordinator of Plant Health must be a professional with no less than five years of professional experience in plant protection and quarantine in Suriname or the Region, and preferably with direct experience with various program areas of quarantine, biological control, pest treatment/administration, and phytosanitary measures, among others.

⁷ The Coordinator of Animal Health must be a professional with no less than five years of experience in veterinary public health, epidemiology, and infectious diseases management and preferably, with direct experience in disease prevention and developmental programs in Suriname or the Region.

⁸ The Coordinator of Food Safety must be a professional with no less than five years of experience in food safety and quality management systems, with solid knowledge of pertinent national regulations and procedures and international best practices in the field, among others.

- (e) Coordinator of Agricultural Innovation (Component II), responsible for the management of the overall implementation of innovation projects (Sub-Component 2.1), as well as those under the competitive window for climate change adaptation (Sub-Component 2.3) in direct coordination with partner and beneficiary organizations, as well as managing the institutional strengthening processes (Sub-Component 2.2). To be contracted for the entire Program execution period.⁹
- (f) Monitoring and Evaluation Specialist, responsible for leading the strategic and operational planning activities of the Program, as well as the monitoring the progress in the implementation of the components and sub-components, with respect to the attainment of its overarching objectives of the Program as well as of the individual investment plans. To be contracted for the entire Program execution period.¹⁰
- (g) Financial Specialist, responsible for the overall financial administration of the Program (i.e. accounting, budget administration, treasury, and asset management), and for ensuring the presence of the necessary control environment for effective and transparent financial reporting in compliance with IDB and national regulations. To be contracted for the entire Program execution period.¹¹
- (h) Accountant, responsible for providing the necessary assistance to the Financial Specialist in addition to contributing to, among others, the management of the payment administration processes and controls of the Program. To be contracted during the second half of the year 2 of Program implementation.¹²
- (i) Procurement Specialist, responsible for leading the management processes for

⁹ The Coordination of Agricultural Innovation must be a professional with no less than five years of experience in project management in the agricultural sector, along with technical design, monitoring and evaluation capacities, including solid knowledge of good agricultural practices and food chain management under a multi-stakeholder environment.

¹⁰ The Monitoring and Evaluation Specialist must be a professional with no less than three years of experience in the field of project planning and programming, and technical and financial monitoring in agricultural sector projects in Suriname or the Region and preferably, with exposure to externally-funded initiatives.

¹¹ The Financial Specialist must be a professional with no less than five years of experience in financial administration of development projects, with solid knowledge of budgetary, accounting and treasury procedures for program management and reporting.

¹² The Accountant must be a professional with no less than three years of experience in the public accounting field with solid knowledge of integrated financial administration and reporting in sector development projects.

the contracting of works, and purchases of goods and services, consultancies and other contemplated in the two investment components of the Program as well as its administration, and ensuring the compliance with IDB procurement policies and applicable GOS requirements. To be contracted for the entire Program execution period.¹³

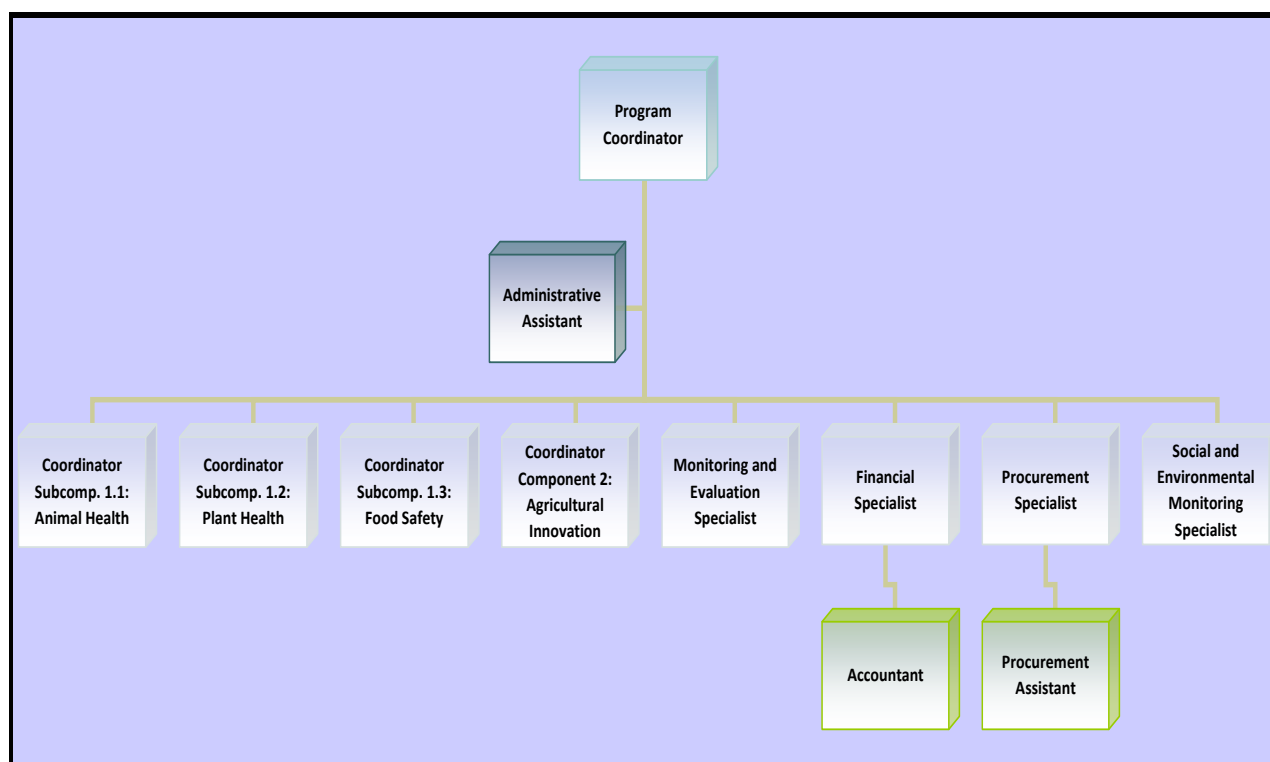
- (j) Procurement Assistant, responsible for providing the necessary support to the Procurement Specialist in addition to proving for the effective coordination with the technical dependencies of the PEU and LVV which initiate the requisition processes. To be contracted during the second half of the year 2 of Program implementation.¹⁴
- (k) Social and Environmental Monitoring Specialist, responsible for the implementation and monitoring of all investment activities of the Program within the guidelines contained in the PGAS, and providing the necessary recommendations for corrective actions as necessary. To be contracted for the entire Program execution period.¹⁵
- (l) Administrative Assistant, responsible for facilitating the work of the PEU and, particularly, supporting the Program Coordinator and other members of the Unit in all administrative support matters. To be contracted for the entire Program execution period.

¹³ The Procurement Specialist must be a professional with no less than five years of experience in procurement administration in Suriname, including exposure to purchases of goods and services and contracting of works, among others. Previous exposure and experience in externally-funded development projects is desirable.

¹⁴ The Procurement Assistant must be a professional with no less than three years in procurement administration in the public or private sector in Suriname, and solid knowledge of existing public procurement procedures and regulations in the country.

¹⁵ The Social and Environmental Monitoring Specialist (i.e. the Environmental Consultant) must be a professional with no less that five years of experience/knowledge in various areas including pesticide management, disposal of hazardous materials and wastes, biological waste issues, occupational health and safety risk management, and chemical and chemical and biological exposure. He/she must also have prior experience with work at the field level with local stakeholder/social groups.

FIGURE NO. VI-2
AGRICULTURAL COMPETITIVENESS PROGRAM
STRUCTURE OF THE PROGRAM EXECUTING UNIT



6.22 In addition, given the technical characteristics and capacities of LVV, along with the reach and scope of the fiduciary and technical activities of the Program, it is recommended that

2. Program Steering Committee

6.23 The establishment of a Program Steering Committee (PSC) is recommended with the overall objective of providing a governance framework for the Program which will support LVV and the PEU throughout the execution period and, in particular:

- (a) Providing the strategic framework, guidance and direction for Program execution.
- (b) Facilitating and providing for the necessary inter-institutional coordination and collaboration, and expediting the effective participation of the various public sector actors directly involved in the Program including beneficiary organizations.
- (c) Monitoring the effective attainment of the strategic objectives of the Program, by periodically assessing the progress and results.

- (d) Assessing the implementation of the various activities of the Program vis-à-vis. the strategic and operational plans.
- (e) Informing Program management of any variations to GOS policies and priorities which may impact the strategic direction and/or implementation of the Program.
- (f) Assisting in securing the necessary GOS resources to ensure the timely implementation of programmed investment activities and, thereby, contributing to guarantee the attainment of established timelines and targets.
- (g) Learning of obstacles that may arise during Program implementation, and making decisions on corrective actions, as necessary.

6.24 It is initially recommended that the PSC is chaired by the Permanent Secretary (PS), and include key personnel from LVV, representatives from the Ministry of Finance and the Planning Office of Suriname. It may also include representatives from academic institutions and private sector.

3. Fiduciary Administration

6.25 From a procedural standpoint, it is recommended that the execution takes place with the partial adoption and use of country fiduciary systems including:

- (a) The adoption of IDB procurement policies for goods, services, works and consulting services.
- (b) The adoption of IDB financial administration policies and procedures, including financial reporting.
- (c) The parallel compliance with national financial administration and reporting procedures and requirements of the Ministry of Finance, specific to project management.
- (d) The adoption of the IFMIS platform for payments—through TSA--and budget execution, along with parallel ERP application, tailored to the requirements of the Bank with respect to Program disbursement, accounting (general ledger), and financial reporting (bi-annual and end-of-year).
- (e) The overall streamlining and coordination of the PEU's fiduciary and technical responsibilities and actions with pertinent administrative and technical departments of the Ministry.
- (f) The adoption of concrete risk management and mitigation measures directly

related to the implementation of the Project.

- 6.26 To conclude, it becomes a priority for LVV to provide with a concrete definition of the departments and units that will directly participate in the execution of the Program in direct coordination with the PEU, including the definition of the dedication of specific technical and administrative personnel and their times, who will act as institutional counterparts to the Program. Such information will allow to expanding the Program execution mechanism to be included in the Program Operational Manual (POM).

ANNEX
INSTITUTIONAL STRENGTHENING RECOMMENDATIONS

ANNEX
INSTITUTIONAL STRENGTHENING RECOMMENDATIONS MATRIX FOR THE
MINISTRY OF THE AGRICULTURE, LAND HUSBANDRY AND FISHERIES

INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENT	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
I. ACTIVITIES PROGRAMMING SYSTEM (SPA)	<ul style="list-style-type: none"> ✓ From an organizational structure perspective, supporting the concrete allocation and separation of the planning, monitoring and evaluation activities/responsibilities within the Planning and Development Department ✓ Designing the necessary norms and procedures to be contained in an "Internal Planning, Monitoring and Evaluation Manual" which should establish the foundation for the preparation and periodic updating of: (a) the long-term sector plan of the areas under the jurisdiction of the Ministry; (b) the five-year strategic plan; (c) the Annual Operational Plan (AOP); and (d) the conduction of the monitoring and evaluation activities with respect to the sector, strategic and operational planning. Document to be approved under official Ministerial Resolution ✓ Supporting the mapping and preparation of flowcharts of internal functions and responsibilities related to the planning, monitoring and evaluation processes ✓ Providing technical support in the identification and implementation of concrete Key Performance Indicators (KPIs) to strengthen the planning, monitoring and, ultimately, the evaluation functions in the Ministry with respect to institutional efficiency and effectiveness ✓ Supporting the capacity of the Planning and Development Department to more effectively streamline the planning functions throughout the Ministry at the departmental, division and unit levels ✓ Providing technical assistance to the design and implementation of a methodology for the preparation and conduction of value-for-money assessments, and streamlining such evaluation throughout the Ministry 	<ul style="list-style-type: none"> ✓ Office of the Minister of Minister of Agriculture, Land Husbandry and Fisheries ✓ Office of the Permanent Secretary ✓ Office of the Deputy Director of Development and Planning ✓ Planning and Development Department ✓ Institution-wide commitment

INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
I. ACTIVITIES PROGRAMMING SYSTEM (SPA), CONT.	<ul style="list-style-type: none"> ✓ Supporting the adoption of a platform/solution to allow for: (a) the preparation of individual work plans at the departmental level and below, (b) the consolidation at the institutional level; and (c) the full integration with the Ministry's budget system ✓ Supporting the implementation and streamlining of institutional risk assessment and management tools as direct input to the planning, monitoring and evaluations systems ✓ Providing training and professional development 	

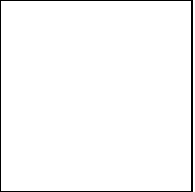
INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
II. ORGANIZATIONAL MANAGEMENT SYSTEM (SOA)	<ul style="list-style-type: none"> ✓ Supporting and in-depth analysis of the Ministry's organizational structure, including its effectiveness with respect to management effectiveness, decision making, decentralization, and delegation of authority ✓ In conjunction with the previous point, supporting actions aimed at the optimization of functions, communications, controls and overall governance structure of the Ministry ✓ Supporting the preparation of an "Internal Organizational Manual" defining the concrete functions, responsibilities and scope of work of each department, division and unit of the Ministry along with the hierarchical and decision making structure. Document to be approved under official Ministerial Resolution. 	<ul style="list-style-type: none"> ✓ Office of the Minister of Agriculture, Land Husbandry and Fisheries ✓ Office of the Permanent Secretary ✓ Human Resources Division ✓ Legal Affairs Department

INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
III. PERSONNEL ADMINISTRATION SYSTEM (SAP)	<ul style="list-style-type: none"> ✓ Supporting the preparation and implementation of an “Internal Human Resources Policies and Procedures Manual” based on the structure and characteristics of the Ministry and in accordance with national labor legislation. Document to be approved under official Ministerial Resolution ✓ Updating the “Compendium of Job Profiles and Descriptions” of the Ministry in conjunction with the implementation of the recommendations of SOA ✓ Preparing a Ministry-wide assessment of training and professional development needs and incorporating such results in a personnel training and development plan ✓ Supporting the implementation of a personnel performance management system 	<ul style="list-style-type: none"> ✓ Office of the Minister of Agriculture, Animal Husbandry and Fisheries ✓ Office of the Permanent Secretary ✓ Human Resources Division ✓ Legal Affairs Department

INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
IV. GOODS AND SERVICES ADMINISTRATION SYSTEM (SABS)	<ul style="list-style-type: none"> ✓ Supporting the preparation and adoption of an "Internal Procurement Administration Manual" for goods, services and works, reflecting the internal organizational structure of the Ministry as well as its internal processes, and consistent with pertinent norms and regulations of the Government of Suriname. Document to be approved under official Ministerial Resolution. ✓ Supporting the preparation of internal processes maps and flow charts for the procurement function of the Ministry, taking into consideration the new organizational structure, internal control requirements, critical processes, checklists, legal procedures, routing systems and other. ✓ Supporting the Implementation of a system of response and time controls for permanent monitoring of the procurement function both, internally and of external processes and approvals (Council of Ministers and other) ✓ Providing support to the design and implementation of the procurement plan along with its integration mechanisms and procedures with the Annual Operational Plan and budget ✓ Providing for the implementation of institutional norms and procedures for asset management along with a platform to account for the fixed assets under the responsibility of the Ministry 	<ul style="list-style-type: none"> ✓ Office of the Minister of Agriculture, Land Husbandry and Fisheries ✓ Office of the Permanent Secretary ✓ General Affairs Division ✓ Budget and Financial Affairs Division ✓ Legal Affairs Department ✓ Internal Audit Department

INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
V. FINANCIAL MANAGEMENT SYSTEM (SAF)	<ul style="list-style-type: none"> ✓ Supporting the preparation and implementation of an “Internal Policies and Procedures Manual for Integrated Financial Administration”, comprising the budget, accounting, treasury and asset management functions, tailored to the characteristics of the Ministry and consistent with national legislation. Document to be approved under official Ministerial Resolution ✓ Supporting to the preparation and implementation of process maps and flow charts for financial administration, taking into consideration the structure of the Ministry, internal procedures, controls, decision making responsibilities, signatories and other ✓ Strengthening the financial administration systems and procedures to effectively provide for asset management and registers of commitments/payables ✓ Providing for the implementation of a technology-based platform to integrate the budget preparation and budget execution activities with the overall programming, planning and monitoring systems of the Ministry along with the necessary interfaces with the IFMIS solution of the Ministry of Finance 	<ul style="list-style-type: none"> ✓ Office of the Minister of Agriculture, Animal Husbandry and Fisheries ✓ Office of the Permanent Secretary ✓ Budget and Financial Affairs Division ✓ General Affairs Division ✓ Legal Affairs Department ✓ Internal Audit Department

INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
VI. INTERNAL CONTROL SYSTEM (SCI)	<ul style="list-style-type: none"> ✓ Providing support to overall systems integration for planning, financial management, procurement, and administration, along with the IFMIS interface ✓ Supporting to the implementation of a risk management framework as part of the overall governance, management and control structure of the Ministry, and incorporated to the overall planning, monitoring and audit systems ✓ Providing the necessary technical support to the implementation of internal procedures manuals, process controls, checklists, systems mapping and other for the overall governance and fiduciary administration of the Ministry as per the previous ICAS components (i.e. planning, organizational management, human resources administration, integrated financial management, administration and procurement ✓ Supporting the Implementation of the necessary mechanisms for the continuous and in-depth monitoring and evaluation of the internal processes, procedures and norms related to financial management and administration, planning and overall governance of the Ministry, in concurrence with the implementation of the various internal procedures manuals. 	<ul style="list-style-type: none"> ✓ Office of the Minister of Agriculture, Animal Husbandry and Fisheries ✓ Office of the Permanent Secretary ✓ Budget and Financial Affairs Division ✓ General Affairs Division ✓ Human Resources Division ✓ Legal Affairs Department ✓ Internal Audit Department ✓ Other



INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) COMPONENTS	AREAS OF INTERVENTION/ACTIVITIES	INSTITUTIONAL DEPENDENCIES 1/
V. EXTERNAL CONTROL SYSTEM (SCE)		

1/ Internal dependencies, units or divisions charged with the leadership and/or responsibility for the proposed institutional building/strengthening actions in the Ministry of Agriculture, Animal Husbandry and Fisheries.