

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

SURINAME

LABOR MARKET ALIGNMENT WITH NEW INDUSTRIES

(SU-L1061)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Yyannú Cruz Aguayo (SCL/LMK), Project Team Leader; Cynthia Hobbs (SCL/EDU), and Manuel Urquidi (LMK/CBO), Alternate Team Leaders; María Teresa Silva Porto (LMK/CPN); Mónica Centeno-Lappas (LEG/SGO); Mariana Alfonso and Francine Vaurof (CSD/CCS); Oscar Mitnik (SPD/SDV); Carolina Echeverri, Melissa Chin, Beatriz Gonzalez, and Cecilia Siccha (SCL/LMK), Monserrat Bustelo and Agustina Suaya (SCL/GDI), Cleide da Silva and Maureen Sandhya Baynath (VPC/FMP); and Shreshta Chotelal and Lucas Hoepel (CCB/CSU).

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CONTENTS

PROJECT SUMMARY	1
I. PROJECT DESCRIPTION AND RESULTS MONITORING	2
A. Background, problem addressed, and justification.....	2
B. Objective, components, and cost	12
C. Key results indicators	14
II. FINANCING STRUCTURE AND MAIN RISKS.....	15
A. Financing instruments	15
B. Environmental and social safeguard risks.....	16
C. Fiduciary risk	16
D. Other risks and key issues	17
III. IMPLEMENTATION AND MANAGEMENT PLAN	18
A. Summary of implementation arrangements	18
B. Summary of arrangements for monitoring results	19

ANNEXES	
Annex I	Summary Development Effectiveness Matrix (DEM)
Annex II	Results Matrix
Annex III	Fiduciary Arrangements

REQUIRED ELECTRONIC LINKS (REL)	
REL#1	Pluriannual Execution Plan (PEP) / Annual Operational Plan (AOP)
REL#2	Monitoring and Evaluation Arrangements
REL#3	Environmental and Social Management Report
REL#4	Procurement Plan

OPTIONAL ELECTRONIC LINKS (OEL)	
OEL#1	Analysis of Project Cost and Economic Viability
OEL#2	Program Operations Manual
OEL#3	Climate Change Annex
OEL#4	References link
OEL#5	Training for Employment in Suriname
OEL#6	Economic Sectors Simulations
OEL#7	Mid-term Evaluation Terms of Reference
OEL#8	Environmental and Social Screening Filter

ABBREVIATIONS	
ALMPs	Active Labor Market Policies
AOP	Annual Operational Plan
EA	Executing Agency
ESPF	Environmental and Social Policy Framework
GDP	Gross Domestic Product
ICAP	Institutional Capacity Assessment Platform
ICT	Information and Communications Technology
IDB	Inter-American Development Bank
IDB-SIMS	IDB Information System on Labor Markets and Social Security
ILO	International Labour Organization
IMF	International Monetary Fund
IRR	Internal Rate of Return
IsDB	Islamic Development Bank
IT	Information Technology
LAC	Latin America and the Caribbean
LI	Labor Intermediation
LMIS	Labor Market Information System
MOFP	Ministry of Finance and Planning
MOL	Ministry of Labour, Employment Opportunity, and Youth Affairs
MYDP	Multi Year Development for 2022-2026
NPV	Net Present Value
PEP	Pluriannual Execution Plan
PES	Public Employment Service
PEU	Program Execution Unit
POM	Program Operations Manual
PP	Procurement Plan
SAO	Foundation for Labour Mobilization and Development
SDLM	Suriname's Department of Labour Mediation
SHTTC	Suriname Hospitality and Tourism Training Centre
SOFR	Secured Overnight Financing Rate
SPWE	Foundation for Productive Working Units
TFE	Training for Employment
WA	Working Arms of the MOL
WB	World Bank Group

PROJECT SUMMARY
SURINAME
LABOR MARKET ALIGNMENT WITH NEW INDUSTRIES
(SU-L1061)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility^(a)	
Republic of Suriname			Amortization Period:	25 Years
Executing Agency: Ministry of Labour, Employment Opportunity, and Youth Affairs (MOL)			Disbursement Period:	5 Years
			Grace Period:	5.5 Years ^(b)
			Interest rate:	SOFR Based
Source	Amount (US\$)	%	Credit Fee:	(c)
IDB (Ordinary Capital):	10,000,000	100	Inspection and supervision fee:	(c)
			Weighted Average Life (WAL):	15.25 Years
Total:	10,000,000	100	Currency of Approval:	Dollars of the United States of America
Project at a Glance				
Program Objective: The general objective is to promote employability for jobseekers. The specific objectives are to: (i) provide jobseekers with relevant and high-quality training for employment; and (ii) expand the use of labor market intermediation services by jobseekers and employers.				
Special Contractual Clauses prior to the first disbursement: (i) the establishment of the Program Execution Unit (PEU) and the selection of key personnel in accordance with the terms previously agreed with the Bank, including the: (a) Program Coordinator; (b) Financial Specialist; and (c) Procurement Specialist; and (ii) the approval and entry into effect of the Program Operations Manual (POM) in the terms previously agreed with the Bank (¶3.3).				
Special contractual conditions of execution. The Borrower, directly or through the Execution Agency shall have presented evidence that: (a) Prior to the initiation of the activities included in Subcomponent I.4, the social and environmental specialist of the PEU has been selected in accordance with the terms previously agreed with the Bank; and (b) Prior to the initiation of the activities included in Subcomponent II.1, the monitoring and evaluation specialist of the PEU has been selected in accordance with the terms and conditions previously agreed with the Bank (¶3.4).				
Strategic Alignment				
Challenges^(d):	SI <input checked="" type="checkbox"/>		PI <input type="checkbox"/>	EI <input type="checkbox"/>
Cross-Cutting Issues^(e):	GE <input checked="" type="checkbox"/>	and DI <input type="checkbox"/>	CC <input checked="" type="checkbox"/>	and ES <input type="checkbox"/>
				IC <input checked="" type="checkbox"/>

- (a) Under the Flexible Financing Facility (document FN-655-1), the borrower has the option to request modifications to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. In considering such requests, the Bank will consider operational and risk management considerations.
- (b) Under the flexible repayment options of the Flexible Financing Facility (FFF), changes in the grace period are possible as long the Original Weighted Average Life (WAL) and the last payment date, as documented in the loan agreement, are not exceeded.
- (c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors during its review of the Bank's lending charges, in accordance with the relevant policies.
- (d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).
- (e) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and justification

- 1.1 Suriname is a small open economy dependent on gold and crude oil exports. The performance of macro indicators is linked to commodity prices and the mining sector. A decline in prices of gold and oil in 2015 generated a recession (Gross Domestic Product - GDP contracted 4.9% in 2016), resulting in a large fiscal and external deficit, exchange rate devaluation, double-digit inflation, and increased debt. Although the economy was recovering between 2017-2019, the pandemic interrupted this recovery (GDP contracted 15.9% in 2020 and grew 0.7% in 2021)¹ and exacerbated preexisting inequalities. Before the pandemic, 26.2% of Suriname's population were poor, 36.6% were considered vulnerable,² and the poverty rate in the interior was over 50% (Khadan, 2020). During the pandemic, households with income vulnerabilities experienced severe income shocks due to higher employment loss, greater difficulties finding employment, and higher rates of unpaid leave (Arteaga et al., 2021). The Government of Suriname is working to restore prosperity for its citizens through the Multi-year Development Plan (MYDP) 2022-2026 that aims to achieve a GDP growth of 3.3% by 2025.
- 1.2 **Overview of the labor market.** In 2021, the total labor force was estimated at 235,722, representing 40% of total population (ILOSTAT, 2021). Approximately 75% of the economically active population resides in the urban and rural-coastal³ region.
- 1.3 With an unemployment rate of 10.1% in 2021, Suriname is on the Latin American and Caribbean (LAC) average (10%). The lowest rate of the past decade was 6.6% in 2013 and has been rising at an average of 0.4% per year. In 2017, 48.9% of the employed population worked in the informal sector. Of those employed workers, 46.6% were in private firms, 26.8% were government employees, 14% were self-employed, 4.3% were unpaid workers in family-owned businesses, and 3.8% had their own businesses. The most relevant sectors were services (31.3% of workers), financial (13.4%), hotels and restaurants (13.9%), industry (12.6%), construction (8.4%), and agriculture (7.4%) (IDB-SIMS, 2021).
- 1.4 The labor market is particularly precarious for women. Although women average one more year of formal education than men, in 2018 women's labor force participation was 48.1% (73.3% for men), and the female unemployment rate was 15% compared to 6% for men. Additionally, a higher proportion of women work in service and market sales (28.2% vs. 20.3% for men), and simple, routine tasks (15.5% vs. 11.7% for men), while a lower proportion are occupied in skilled agricultural and fishery (0.7% vs. 4.7% for men), and plant and machine operations and assembly (1.1% vs 14.3% for men) (Suriname Household Survey, 2018). Gender gaps were exacerbated after the pandemic, 24.6% of women between 25 and 60 years old reported having lost their job compared to 16.9% of men in the

¹ See full bibliographic references in [OEL#4](#).

² Households with monthly per capita consumption above the poverty line but below 1.25 times said line.

³ Urban Coastal: Paramaribo, Nickerie and Wanica. Rural Coastal: Coronie, Saramacca, Commewijne, Marowijne.

same age range. Furthermore, job loss could bring longer-term consequences for women than for men. After the pandemic, 7.4% of men did not expect to return to their same job compared to 14.4% of women (Arteaga et al., 2021).

- 1.5 Difficulties in obtaining jobs are caused mainly by two employability constraints that affect a significant percentage of jobseekers:⁴ (i) they are unequipped with the skills demanded by the productive sector; and (ii) they lack labor market information to efficiently find a job that matches their skills to vacancies.
- 1.6 **The first constraint is related to low educational attainment and limited training for employment (TFE).** In 2018, 64% of the population attained basic education, nevertheless, only 18% and 7% completed upper secondary or tertiary education, respectively (Suriname Household Survey, 2018). The unemployment rate for people with basic education is higher than that of people with advanced education (9.1% versus 3.6%) (WB, 2016).
- 1.7 On the skills demand side, almost 75% of employers in Suriname find it difficult to identify and recruit employees with the proper skills to fill their vacancies, and only 39% consider that higher and vocational education meets the needs of the business community, compared with 58% for Guyana, and 60% for Barbados (ILO-EESE,⁵ 2020). Moreover, 70% consider the lack of skills as a major obstacle to conduct innovation activities (IDB-IFPG, 2021).⁶ In 2020, 75.9% of surveyed firms mentioned the low quality of education and training offered by local institutions as a determinant of skills shortages; and some mentioned that the curriculum currently offered is not practical enough (ILO, 2020). Skills shortages differ among administrative and technical occupations. It takes over three times longer to fill technicians' or professionals' vacancies than elementary occupations⁷ (7.5 versus 2.3 weeks, respectively) (IDB, 2014). Between 2017-2019 the ratio of jobseekers' registrations to vacancies for administrative and lower service and commercial occupations was 3.2 and 1.5, respectively, while the ratio for technicians and machinery operators/assembly workers was 0.23 and 0.52 (Suriname's Department of Labour Mediation - SDLM). In 2017, 23% of all economically active individuals reported having ever undertaken any vocational or technical training, (compared to 31.6% for Brazil and 8% for Paraguay -Cueva et al., 2016). 75.5% of the training was entirely or partially financed by their employer (IDB-SSLC, 2016-2017).⁸ Finally, while 80% of employers were aware of government-offered TFE programs, and 32% of firms applied for at least one of these programs for their employees, only 15.7% of employers obtained this benefit in 2020 (IDB-IFPG, 2020).
- 1.8 **The second constraint involves information gaps that prevent a good match between labor supply and demand.** Jobseekers and employers require updated and accurate labor market information and affordable channels to carry out their searches. LAC workers used informal methods to search for jobs on average 77% of the time in 2015 (78% for Suriname). In Suriname, the main informal sources

⁴ Jobseekers: individuals who currently do not have a job, and those who have a job but are looking to find a different one.

⁵ Enabling Environment for Sustainable Enterprises.

⁶ Innovation, Firm Performance and Gender (IFPG) Issues in Enterprises in the Caribbean Survey.

⁷ According to the International Standard Classification of Occupations (ISCO), elementary occupations consist of simple and routine tasks which mainly require the use of hand-held tools and often some physical effort.

⁸ Suriname Survey of Living Conditions.

used when looking for a job are family or friends (24%), word of mouth (14.2%), and others (40.2%), while the main formal sources are newspapers (11.7%) and Internet (6.5%), rather than public labor intermediation services (1.4%) or private recruitment agencies (1.9%) (IDB-SSCL, 2016-2017), which have proven to be more effective (Mazza, 2017).

- 1.9 **Effective Active Labor Market Policies (ALMPs) can help address these two constraints.** ALMPs often include TFE programs, employment services such as job search support, job counseling and job placement, (Crépon & Van-Den-Berg, 2016).
- 1.10 Much literature exists on the impact of ALMPs that promote TFE. Though effects of this type of training in the short run are ambiguous, several authors find substantial positive effects on employment (Card et al., 2010, 2018; Lechner et al., 2011) and income (Schochet et al., 2008) in the long term. Additionally, some recent evidence has highlighted the importance of strengthening the partnership between these training institutions and the industry as one solution to minimize the skills gap (Ali et al., 2020; Nganda et al., 2021; Widiastuti et al., 2021).
- 1.11 ALMPs assist jobseekers to find employment through job placement services (which match jobseekers with vacancies), and counseling, among other activities. International evidence shows that labor intermediation (LI) is cost-effective (Card et al., 2018) and helps the unemployed find better paying jobs, reduce unemployment spells (Graversen and Van-Ours, 2009), increase the probability of finding employment in the formal sector (Flores-Lima, 2010 and Escudero et al., 2019), and reallocate employees to more productive jobs (Card et al., 2018).
- 1.12 Nunn (2016) mentions the following factors for a successful PES: (i) a labor market information system (LMIS) that supports policy makers and PES staff to clearly understand the relationship between supply, demand, and skills provision; (ii) profiling systems that analyze the characteristics of jobseekers and use this to channel them to particular categories of support; (iii) multi-channel service delivery, which offers opportunities to reach more employers and jobs; (iv) comprehensive ALMPs that range from employment counselling, support with job search and applications; (v) human resources system that includes recruitment and selection, job profiles, induction and ongoing training, good practices sharing, and monitoring and coaching; and (vi) monitoring and evaluation to ensure that ALMPs are cost effective and lead to job outcomes as well as supporting continued investment with evidence of success.⁹

1. ALMPs in Suriname

- 1.13 **In Suriname, ALMPs are provided by the Ministry of Labour, Employment Opportunity, and Youth Affairs (MOL).** Suriname's ALMPs include TFE and LI Services. Three training providers are considered 'Working Arms' (WA) of the MOL, while the remaining training providers are not directly annexed to the Ministry. The three WA are the Foundation for Labour Mobilization and Development (SAO) which provides vocational training in skilled manual trades, the Suriname Hospitality and Tourism Training Centre (SHTTC), and the Foundation for Productive Working Unit

⁹ This Program focuses specifically on factors (ii), (iv), (v), (vi) and (viii).

(SPWE) which focuses on entrepreneurship and employability skills. Suriname's Department of Labour Mediation (SDLM) is the operational unit of the MOL responsible for LI policies,¹⁰ however, there is no coordination between LI activities and the training providers. The SDLM is small with one senior manager and 10 staff split between three offices in Paramaribo, Saramacca and Nickerie. Before the pandemic, the ratio of jobseekers to SDLM staff was between 1001-2000, larger than the ratio of 601-1000 for Trinidad and Tobago and Barbados (IDB-WAPES-OECD, 2016). Another relevant unit for the design and implementation of ALMPs is the Labour Market Statistics Unit.

- 1.14 **TFE in Suriname.** A study conducted for the development of this program provided a map of the most relevant training providers in Suriname.¹¹ Through interviews with the institutes' directors, the study gathered in-depth information from 33 institutes, which reach approximately 24,832 students per year and offer 157 courses. The information collected from these interviews is the primary base for the following diagnosis of the TFE system.
- 1.15 **TFE in Suriname experiences some shortcomings associated with the quality and relevance¹² of the courses currently offered.** The TFE system comprises public (50.8%), private (26.6%), and mixed public-private training providers (22.6%), many of which are small or medium size institutes (50% of them have 500 or fewer students in a year). TFE is not structured under a set of clear lines of action for strategic development, or under any quality control mechanisms, although there are currently efforts made by the Government to establish a National Training Authority,¹³ as well as the implementation of the Caribbean Vocational Qualification.¹⁴ The main TFE challenges are: (i) a lack of a systematic process to analyze current skills demand, and anticipate the future demand based on a consistent relationship with the productive sector; (ii) limited inputs to deliver quality courses, including outdated curriculums, not properly trained instructors and a lack of adequate equipment; (iii) a shortage of management and monitoring; and (iv) an absence of mechanisms to ensure access and permanence of jobseekers in the courses. In order to obtain a more detailed characterization of the performance and relevance of the TFE, two indicators associated to relevance and high-quality that encompassed the factors previously mentioned were generated for each institution.¹⁵ According to these two indicators, 32.3% and 49.3% of the institutions meet the requirements of relevance and quality, respectively, however, only 8.9% of institutions meet the requirements of both indicators simultaneously.
- 1.16 **The TFE has limited capacity to close current skills gaps.** The productive sector's participation in the process to determine the training offer is un-

¹⁰ SDLM is the equivalent of PES in Suriname.

¹¹ [OEL#5](#).

¹² A TFE course is defined as relevant if the curriculum and the knowledge imparted directly respond to one or more specific skills demanded by the productive sectors, subsectors, or industries. These sectors/subsectors are defined as promising sectors due to their potential for job creation, and that are not direct emitters of greenhouse gases or, at least, have decarbonization potential.

¹³ <https://www.suriname-nta.org/>.

¹⁴ <https://cds.gov.sr/de-boodschap/implementatie-caribbean-vocational-qualification-bij-sao/>

¹⁵ Indicator 1: equals one for institutions with an active and functional relationship with the corresponding labor demand and zero otherwise. Indicator 2: equals one for institutions with high-quality instructors based on their pedagogical formation, number of industry-related years of experience, and teaching years of experience.

institutionalized and informal. Only 32.3% of the training providers have an active and functional relationship with the corresponding labor demand, which includes mechanisms that aim to adjust their training content. As an example, between 2015 and 2019, the economic sector with the highest growth was Accommodation and Food Services (67.3%); nevertheless, only 12 out of the 157 courses offered are related to accommodation and food services, with less than 4% of TFE's students enrolled in tourism-related courses in 2021.

- 1.17 **TFE institutes have limited inputs to deliver their courses effectively.** 37.8% of the training institutes operate with low or medium annual budgets,¹⁶ and when asked about their perceived preparedness of infrastructure and equipment on a scale from 1 to 10, only 25.9% ranked 8 or above. 65.3% of these institutes operate above their reported capacity (with more students than their maximum limits). Moreover, some trainers have low educational levels, lack pedagogical skills, and have limited experience. The proportion of institutions with most of the trainers with secondary degrees only and without pedagogical formation is 10.5% and 43.8%, respectively, and 47.9% of instructors have five or fewer years of experience. Furthermore, 21.5% of institutes had their last curriculum update before 2016.
- 1.18 **TFE has limited management and monitoring capacity.** Training providers lack adequate systems to provide accurate information regarding the characteristics of potential beneficiaries, enrollment, attendance and completion of courses, and employability of their graduates/other labor market information, among other necessary information to provide feedback to make any adjustments to the system. Around 42% of the institutions stated that they monitor labor insertion and labor market status in the short and medium term after the completion of the programs. Moreover, the limited monitoring mechanism might be reflected in low completion rates: in fact, on average, only 66.1% of students completed the training in 2021.
- 1.19 **TFE has limited strategies to ensure access and completion of their courses.** Most students are between 20-30 years old, are from a low or medium socioeconomic status, and completed lower secondary education or less. Some directors highlighted access barriers related to high tuition, transportation, materials costs, and the socio-economic crisis because of the pandemic.
- 1.20 **Finally,** TFE lacks a strategy to monitor the existence of gender imbalances. For example, anecdotal evidence reports gender segregation on the courses taken, whereby women tend to be enrolled in traditional low remunerated fields like kitchen or nursing assistant and are underrepresented in highly remunerated fields with high market demand like computer science, Information and Communications Technology (ICT), and engineering. . Moreover, it seems that women experience more difficulty paying for and attending the courses, even when these are subsidized.¹⁷

2. Labor intermediation services

- 1.21 **The coverage and effectiveness of public employment services is low.** Between 2017-2019, the SDLM received on average 144 jobseekers' registrations

¹⁶ Annual budgets of less than US\$25,000.

¹⁷ [OEL#5](#).

per year, which represents a coverage of 1% of the unemployed during that period, according to the Suriname Household Survey (2018) and the International Labour Organization's (ILO) estimations for 2019. The coverage for employers was low too; only 131 vacancies on average per year were advertised by the SDLM between 2017-2019, representing less than 5% of total vacancies (Nunn, 2022). Additionally, the SDLM has shown relatively low effectiveness in matching vacancies and jobseekers. Only 18% of registered jobseekers between 2017 and 2019 were placed in a job, although the ratio of jobseekers to vacancies is 1.1.

- 1.22 **The current effectiveness of the employment services provided by the MOL results from the absence of the success factors that, according to the evidence (Nunn, 2016), contribute to match jobseekers and employers effectively.** Firstly, there are several shortcomings in the management of the service model for assisting jobseekers and employers, and underutilization of technology. Secondly, the absence of a LMIS limits the capacity to make employment policy decisions based on evidence.
- 1.23 **The service model for assisting jobseekers and employers depicts several shortcomings and underutilizes technology:** (i) SDLM staff lack adequate office space and information technology (IT) equipment provision, preventing them from operating to full capacity (Socieux+, 2022). There is only one computer in Paramaribo and none in Saramacca and Nickerie. In all three offices, there is limited access to internet and office supplies, with regular power outages (Socieux+, 2022); (ii) due to lack of computers, most activities such as registration of jobseekers and vacancies take place on paper. Only Paramaribo uses an Excel sheet for registering jobseekers and vacancies but do not use any job matching software; (iii) there are no available digital or telephone channels of service delivery, limiting the expansion of services provision beyond these three offices; (iv) no complementary services to LI are provided, such as profiling, job search assistance or referral to training services, limiting the effectiveness to place the unemployed in a job; (v) although 45% of registered jobseekers were between 20-29 years of age, 56% are women, and 48% just completed lower secondary education, the SDLM does not provide services tailored to women or other vulnerable groups (IDB-WAPES-OECD, 2016), nor does it provide information about other government programs that may increase their job prospects, such as access to subsidized childcare facilities; and (vi) employers do not value SDLM services and find current vacancy registration processes cumbersome, ineffective, and outdated (Socieux+, 2022; and Nunn, 2022).
- 1.24 **The absence of a LMIS limits the ability to make employment policy decisions based on evidence.** The limited availability of reliable labor market information is a challenge for policy formulation, implementation, monitoring, and evaluation (Nunn, 2022): (i) labor market information is scattered, no LMIS compiles and harmonizes labor force surveys, vacancy surveys, administrative records from the MOL (i.e. SDLM, SAO, SHTTC and SPWE), other relevant public administrative records (education, social security), or private stakeholders (private employment agencies, firms); (ii) lack of data compilation and harmonization results in a low reliability of data since published indicators can vary by agency or institution (Nunn, 2022); (iii) there are still important gaps in data disaggregated by gender, which limit agencies' decision-making ability. The current lack of key data by gender severely disadvantages LI services capacity to design effective policies to meet the specific

needs of women; and (iv) there is no data portal that makes easily available the labor market information disaggregated by gender to all relevant stakeholders, allowing to download databases and visualize key trends.

- 1.25 **Complementarity with other Bank operations.** The Bank recently responded to the pandemic by providing support to safety nets for vulnerable populations in Suriname (5447-OC/SU),¹⁸ and by supporting the reopening of schools with upgraded sanitary facilities and supplies within the Second Basic Education Improvement Program, Phase II (3603/OC-SU).¹⁹ The recently signed Consolidating Access to Inclusive Quality Education in Suriname program (4984/OC-SU)²⁰ aims to increase the quality of teaching practices and the relevance and content in lower secondary education and complements the current operation by promoting the employability of jobseekers in the medium to long-term. Finally, the current operation complements the Bank's support to the country of increasing the private sector's added value in the economy, promoting innovation, and improving the business climate in the country, through the Foreign Investment and Export Promotion Program (4801/OC-SU).²¹
- 1.26 **Coordination with other international institutions.** The Bank is currently collaborating with Socieux+,²² who recently conducted a series of assessments to identify activities for capacity building of the SDLM. The proposed activities include more efficient information channels for potential employers, job fairs, and collaboration with private employment agencies, etc. The Bank will also coordinate with the ILO Decent Work Team which is working with the MOL for Economic Diversification and social progress, strengthening the rights and compliance agenda and increased tripartite capacity to advance the Decent Work Agenda and social dialogue. As part of this program, the Ministry has already modernized labor legislation and is developing a labor market policy; the aim is to strengthen the Labor Inspection of the MOL to enhance social security and protection. The ILO is also supporting the MOL with implementing the Caribbean Vocational Qualification system. The Bank will also coordinate with the Islamic Development Bank (IsDB) who has funded the establishment of a National Training Authority and a National Vocational Qualification framework to increase the employment rate of graduates of secondary and tertiary technical and vocational education.
- 1.27 **Bank's experience in the sector and lessons learned.** The Bank has experience in designing and supervising activities related to improving employability through strengthening of TFE systems and LI services, including the Program to Support Job Placement (2660/OC-PR), and the Program to Support Employment I and II (2365/BL-BO; 3822/BL-BO), among others. Additionally, IDB has developed a framework for identifying elements that facilitate successful TFE (IDB Technical Note IDB-TN-1328 2017), which has guided IDB's work on TFE programs

¹⁸ Loan of US\$30 million approved in November 2021 with eligibility in August 2022 and a disbursement level of 0.0% to date.

¹⁹ Loan of US\$20 million approved in December 2015 with eligibility in May 2016 and a disbursement level of 85.19% to date.

²⁰ Loan of US\$30 million approved in February 2020 with eligibility in August 2022 and a disbursement level of 0.0% to date.

²¹ Loan of US\$10 million approved in June 2019 with eligibility in November 2021 and a disbursement level of 0.65% to date.

²² Socieux+ is a Technical Cooperation facility set up and co-funded by the European Union.

(4692/OC-DR, 15890/OC-CH). Among the most relevant lessons learned from the IDB's operational work are: (i) a strong collaboration is crucial between training institutions and the private sector to identify and update the skills required by employers (4692/OC-DR, 3787/OC-BH, 2739/OC-BA, 3547/OC-PE, 4645/OC-JA); (ii) instructors should receive continuous training (3539/OC-CH; 3773/OC-UR; 4692/OC-DR), feedback and monitoring. These lessons learned are incorporated in Component I of the program by: (i) strengthening the relationship between the TFE providers and the productive sector; and (ii) training and/or retraining the instructors utilizing appropriate pedagogical and technical techniques. Moreover, the implementation of other programs in Suriname, such as 3603/OC-SU and 4112/OC-SU, have provided lessons regarding the importance of ensuring program appropriation by the line ministry, and strengthening the technical and operational capacity of government counterparts in terms of program implementation, monitoring, evaluating, and generating reports. These lessons informed the activities dedicated to improving the MOL's institutional capacity for managing ALMPs with efficiency and transparency. In addition, the lessons regarding program appropriation show that strong communication and collaboration between the Program Execution Unit (PEU) and the technical staff at the ministry are required to build internal capacity and ensure the sustainability of the program's activities. In line with the lessons learned, the Program execution structure includes the establishment of a PEU under the Office to the Deputy Director of the Labor Market Sub-Directorate of the MOL. The PEU will comprise external consultants to conduct the overall coordination of the Program, fiduciary responsibilities (financial management and procurement), planning, monitoring and evaluation, and social monitoring. This team of consultants will be fully funded with the Loan's administrative resources. In addition, the Executing Agency (EA) will allocate a minimum of two full-time staff members to the Program to provide technical coordination of the two investment components of the Program, as well as additional part-time technical staff members. The activities of the PEU will be streamlined as part of the Labor Markets Department and other technical/policy departments, as well as the administrative and financial departments and units of the Ministry so as to facilitate a permanent process of knowledge and experience transfer in Program management, while generating ownership and sustainability for the investment components of the Program.

- 1.28 Additionally, the Bank can provide technical support based on our analytical work on methodologies to anticipate skills demand, improve TFE institutions, and explore emerging skills demand in LAC (Gonzalez-Velosa and Rucci, 2017; Amaral et al., 2017; and Amaral et al., 2019). Moreover, IDB-WAPES-OECD (2016) provides a comprehensive review of best PES practices internationally, which has been used to design this program. This knowledge is being tailored to Suriname's context with resources from a Technical Cooperation ATN/OC-18991-SU.²³
- 1.29 **Justification.** As stated in Suriname's MYDP 2022-2026, the Government aims to generate inclusive development with better employment opportunities and entrepreneurship. The Plan also mentions the Government's intent to move away from mining and towards the service and industry sectors. Some of the Plan's specific goals are the development of local content policy, the establishment of a

²³ US\$200,000 Operational Support Technical Cooperation.

minimum hourly wage, establishing a vacancy database, and offering decentralized training. Achieving these goals may be boosted with a TFE system that provides relevant and high-quality²⁴ training aligned with the productive sector, and a PES unit with efficient coverage and modern infrastructure and services. Within this context, the Government of Suriname has requested the Bank a specific investment loan aligned with the institutional vision of the MOL (§2.1).

- 1.30 **Promising sectors and industries in Suriname.**²⁵ Preliminary simulation exercises that were carried out for the development of this program²⁶ highlight the importance of developing and implementing TFE programs in the agriculture and tourism sectors. Tourism is experiencing an increase in private investments, as more accommodation services are expected to be needed. Investment scenarios show that trade, transport, hotels, and restaurant sectors would benefit from a productivity investment with a projected growth in 2030 up to 1.6% higher than in the absence of the investment (Cicowiez, 2022). Moreover, according to the MYDP, Commercial Services (which include tourism) is one of the sectors expected to lead the country's economic growth in the next four years, with a projected growth of 13% between 2022 to 2026.
- 1.31 Important economic opportunities were also identified in the agriculture sector. The MYDP points out the importance of increasing the production of rice (currently one of Suriname's main agricultural export products and its price is expected to increase by almost 6% by 2035). Likewise, the MYDP envisions the expansion of fisheries in response to the perspective of global higher demand. Also, investment scenarios show that agriculture would benefit from a productivity investment with a projected growth in 2030 up to 1.4% higher than in the absence of the investment. Faster agricultural growth stimulates additional growth in the non-agricultural sectors, both by increasing final demand for non-agricultural products and by lowering input prices and fostering upstream processing.²⁷ Both sectors are tightly linked to Suriname's decarbonization commitments as stated in its updated NDC ([National Determined Contribution](#)), submitted by Suriname under the Paris Agreement) and to the adaptation priorities set forth in the [2019-2029 National Adaptation Plan](#).
- 1.32 **Vertical logic.** Building from the diagnosis of the limitations that the Surinamese face to obtain better employment opportunities, the Bank has identified the most critical areas to improve the TFE system, the SDLM, and the MOL's LMIS. First, for a TFE system to be relevant, it is fundamental that its skills generation strategy is aligned with the current and future demands of the productive sector. Such an undertaking requires coordination between the productive sector and training institutions. TFE must also be high-quality, so the necessary next step is to provide

²⁴ High-quality: instructors have passed an assessment of their pedagogical and technical skills. Such assessment will be designed by a specialized consultant firm and implemented by the training for employment institution that provides the course.

²⁵ Promising sectors: sectors that would benefit the most in terms of economic growth through the funding and development of TFE programs. The selection of these sectors is based on both qualitative information, through interviews with industry representatives and other relevant actors in the economy, and quantitative data, by simulating policy scenarios of the impacts of public investments destined for different sectors in the Surinamese economy. Moreover, the program will prioritize sectors contemplated in the Surinamese MYDP with expected growth potential.

²⁶ [OEL#6](#).

²⁷ [OEL#6](#).

TFE institutions with the inputs to generate those specific skills, the most important being updated curriculum, instructors with adequate technical and pedagogical skills, and the essential materials. To generate elements for adjustments in the system, a registry and monitoring system should be able to track beneficiaries (and potential beneficiaries), that is, the attendance, graduation, and labor market variables along the process. Finally, to increase participation of individuals that will benefit from these TFE programs, it is necessary to reduce entry barriers such as opportunity costs (i.e., loss of wages, or other income sources), lack of resources to pay for the courses or the materials, transportation costs, childcare, and other domestic responsibilities. Each of these interventions will equip jobseekers²⁸ with the skills demanded by the productive sector.

- 1.33 Second, as a key function, the SDLM needs to be able to match the demand and supply of skills so that current and future jobseekers and the productive sector effectively benefit from it. Currently, the SDLM requires IT and office equipment, and a way to provide its clients with digital and non-digital avenues to obtain its services. The Program will support jobseekers through the redesign and expansion of the SDLM services, more specifically, the design and implementation of job-search tools, interview preparation workshops, and a referral system to training programs. For potential employers, the Program will support the development and implementation of recruitment services, specifically, systems for pre-selection of candidates, and marketing and campaigns. Finally, the MOL, and specifically the SDLM, will benefit from having a database that stores its information including labor force and vacancy information, administrative records, etc). This database should communicate with the registry and monitoring system of TFE beneficiaries mentioned above. Each of these interventions will increase the labor market information necessary to efficiently find a job that matches jobseeker skills to vacancies.
- 1.34 **Strategic Alignment.** The program is consistent with the Second Update to the Institutional Strategy (UIS) 2020-2023 (AB-3190-2) and aligned with the development challenge of Social Inclusion & Equality by providing inclusive services (access and quality) in labor policies, and with the cross-cutting issues of: (i) Gender Equality by increasing the employability of women through the promotion of access of women to relevant and high-quality training for employment (1.39 and 1.41), and promoting the access of women to employment services with a gender perspective (1.43 and 1.44); (ii) Institutional Capacity and Rule of Law by providing the MOL with tools and processes that will enhance the efficiency of two of its core functions; and (iii) Climate Change as it promotes training and employment opportunities in the climate change mitigation and adaptations sector, specifically in areas related to forest management, sustainable fisheries, ecotourism, etc. According to the [joint MDB approach to climate finance](#), 3.02% of total IDB funding for this operation results in climate change adaptation and mitigation through promoting training and employment opportunities for green jobs. These resources contribute to the IDB's climate finance goal of 30% of annual approvals in 2022.²⁹ The program contributes to the level 2 indicators of the Corporate Results Framework (CRF) 2020-2023 (GN-2727-12) through indicator 2.7 beneficiaries of employment support initiatives, indicator, 2.16 women beneficiaries of economic empowerment initiatives, and

²⁸ To be equipped: the jobseeker has the necessary abilities to perform a task or set of tasks that the employer needs.

²⁹ [OEL#3](#).

indicator 2.26 agencies with strengthened digital technology and managerial capacity. The program is consistent with: (i) the IDB's Labor Sector Framework Document (SFD) (GN-2741-12) by contributing to assisting the region's unemployed, underemployed, and hard to employ people to find decent jobs; and (ii) the Gender and Diversity SFD's (GN-2800-8) by designing effective LI for groups facing difficulties in finding jobs (women). The program is included in the Annex III of the 2022 Operational Program Report (GN-3087-2).

- 1.35 The program is aligned with the IDB Group Country Strategy with Suriname 2021-2025 (GN-3065) through the specific area of "improving education and labor market outcomes" within the "Private Sector Competitiveness" strategic area; and promotes the IDB's subregional initiative of smart and resilient investments for the Caribbean through its social pillar of providing support to define sustainable development pathways for their transformation in a smart and resilient manner.

B. Objective, components, and cost

- 1.36 **Objectives.** The general objective is to promote employability for jobseekers. The specific objectives are to: (i) provide jobseekers with relevant and high-quality training for employment; and (ii) expand the use of labor market intermediation services by jobseekers and employers.

- 1.37 **Component I. Improve the quality and relevance of the Training for Employment (TFE) system (US\$6 million).** Aims to provide jobseekers with high-quality and demand-driven training programs through four lines of action: (I.1) the strengthening of TFE capacity to align the training supply with the productive sector needs; (I.2) the improvement of the quality and relevance of TFE by providing adequate inputs for the delivery of the courses; (I.3) the improvement of the management and monitoring capacity of the training providers by developing a unified registry and follow-up system of beneficiaries and potential beneficiaries disaggregated by gender; and (I.4) the promotion to access training opportunities by eliminating some of the barriers that potential beneficiaries face, such as the cost of tuition and materials. Investments in this component will seek to specifically prioritize the development of skills for environmentally sustainable industries or for the greening production processes in the promising sectors. Subcomponents I.1. and I.2 will include assessments on how to provide technical-vocational education and job training programs that develop skills for green jobs.

- 1.38 **Subcomponent I.1. Alignment of training supply with the productive sector needs.** It will finance: (i) consultancies for the design and implementation of a system to collect information about current and future demand of specific skills using an array of tools, including: employer surveys, skills councils or workshops, macroeconomic prospective analysis, and use of administrative data, among others; and (ii) a consultancy to develop a standardized report based on the information gathered from the previous point in order to identify and alert on the necessity to make adjustments to the courses offering.

- 1.39 **Subcomponent I.2. Improvement of the quality and relevance of training for employment.** It will finance: (i) consultancies to generate a training offer deficit analysis, to provide a baseline for the improvements; (ii) consultancies to provide an update of the current curriculums; (iii) consultancies to design a gender assessment

to identify gender imbalances and the barriers that women face to access relevant training courses; (iv) consultancies for the design and execution of a gender action plan that offers concrete actions to close the gender imbalances highlighted in the gender assessment; (v) non-consulting services for retraining instructors based on high-quality pedagogical and technical modules; and (vi) acquisition of the equipment required to accomplish an effective training delivery process.

- 1.40 **Subcomponent I.3. Improvement of the management and monitoring processes of the TFE.** It will finance: (i) consultancies for the design and implementation of a unified registry of applicants, where candidates will provide their socioeconomic, demographic, and labor market status; and (ii) consultancies for the design and implementation of monitoring and follow-up systems where training providers will capture information of the beneficiaries on their enrollment, assistance, completion, and labor market status on the short to medium term after the finalization of their training.
- 1.41 **Subcomponent I.4. Promote access to TFE for all beneficiaries (jobseekers).** It will finance: (i) direct transfers for tuition payment; (ii) purchases of all the necessary materials (including uniforms) needed for the beneficiaries for each type of training, by public entities; and (iii) direct transfers of stipends to beneficiaries with a gender perspective, as needed.³⁰
- 1.42 **Component II. Improve the coverage and effectiveness of employment services (US\$3 million).** Seeks to increase the coverage and effectiveness of employment policies through two lines of action: (II.1) the technological modernization of the employment services by implementing a digital transformation; and (II.2) the development of a LMIS, including the visualization and production of statistics disaggregated by gender. The technological infrastructure that will be purchased for SDLM and for the development of a LMIS will have the highest rating standards for energy efficiency.
- 1.43 **Subcomponent II.1. Strengthening and digital transformation of the SDLM³¹.** It will finance: (i) purchase of IT and office equipment for SDLM offices; (ii) a consultancy to define employment counsellor profiles and minimum competencies, and staff training with a gender perspective following the gender action plan accordingly; (iii) consulting services to design and implement the new LI services multichannel strategy (with digital³² and non-digital channels), including its framework, support systems architecture, and systems development;³³ (iv) consulting services to redesign and expand services to jobseekers, more specifically, the design and implementation of job-search tools, interview preparation workshops, and a referral system to training programs; and (v) the development and implementation of recruitment services for employers, specifically, systems for pre-

³⁰ Which may include meals and transportation, and childcare costs.

³¹ Measures will be taken to address cybersecurity issues for this and the development of the LMIS, including high cybersecurity standards, controls to protect sensitive information collected for the databases, and compliance with the laws related to data protection.

³² Digital services will be defined on basis of the diagnostic of the framework and will consider the best technologies available that correlate to MOL's needs.

³³ The framework used will be an enterprise architecture that will consider streamlining processes as well as implementing digital and non-digital channels of services. It will also include a data generation blueprint. For more information see Urquidi et al. (2021).

selection of candidates, and marketing and communications campaigns with a gender perspective following the gender action plan. The sustainability of the program will be ensured for each of the activities in this subcomponent.

- 1.44 **Subcomponent II.2. Development of a LMIS.** It will finance: (i) purchases to develop the technological infrastructure that will enable its operation; (ii) consultancies to establish a unified and consistent database that stores all information on the SDLM (including labor force and vacancy surveys), and staff training for the use of this database; and (iii) consultancies and purchases to design and implement a portal with dashboards that facilitate data visualization and analysis disaggregated by gender. All the activities under this subcomponent will be defined and implemented taking into consideration the sustainability of the Program.
- 1.45 **Administration, Evaluation and Audit (US\$1 million).** It will finance the costs associated with administration, evaluation, and audits, including: (i) the establishment of a fully staffed PEU under the Labor Markets Director (¶3.1); (ii) the midterm and final reports and an evaluation; and (iii) annual audits of financial statements.
- 1.46 **Beneficiaries.** The program activities will benefit: (i) jobseekers, by providing access to high-quality training for employment, leading them to better job prospects; and (ii) SDLM users, both jobseekers and employers, by improving the coverage and the effectiveness of employment services, increasing the likelihood of job placement and vacancies filled, respectively. Based on the analysis of cost and economic viability ([OEL#1](#)), we estimate that the direct beneficiaries of the Program would be: (i) 2,525 jobseekers who benefit from relevant and high-quality training for employment courses (1,005 women); and (ii) 1,496 jobseekers served by the SDLM (898 women). The above are the overall beneficiaries during the life of the project.

C. Key results indicators

- 1.47 **Expected outcomes.** The program's expected outcomes associated to the general objective are to contribute to an increase in the percentage of: (i) jobseekers who graduate³⁴ from relevant and high-quality TFE courses that obtain employment; and (ii) jobseekers served by the SDLM that obtain employment. The expected outcomes under specific objective I are an increase in: (i) the percentage of instructors that pass an assessment of their pedagogical and technical skills;³⁵ (ii) the number of jobseekers who graduate from relevant and high-quality training for employment courses; and (iii) the number of female jobseekers who graduate from relevant and high-quality training for employment courses. The expected outcomes associated with specific objective II are an increase in: (i) the number of jobseekers served by the SDLM; (ii) the number of female jobseekers served by the SDLM;³⁶ and (iii) the number of vacancies registered by employers in the SDLM.
- 1.48 **Economic analysis.** An ex-ante Cost Benefit Analysis of the program was conducted to study its economic feasibility. For an evaluation horizon of 10 years,

³⁴ Graduate: passes a final exam with a minimal pre-determined mark.

³⁵ Such assessment will be designed by a specialized consultant firm and implemented by the TFE institution that provides the course. The definition of pass will be included in the Program Operations Manual.

³⁶ As mentioned in ¶1.23, 56% of registered jobseekers are women, the baseline is already above 50%. The program aims at increasing it to 60% from year 3.

the Net Present Value (NPV) calculated with a discount rate of 12%, which is IDB standard for economic evaluations of projects, amounts to US\$678,700, with an Internal Rate of Return (IRR) of 15.2%. In a sensitivity analysis, the parameters were changed to generate favorable and conservative scenarios, which yielded returns in the range of 13.3% to 18.3%.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **Instrument.** This project will be implemented as a specific investment loan of US\$10 million to be financed with resources from the Bank's Ordinary Capital (OC) under the Flexible Financing Facility (FFF). To achieve the goals of this program, the Bank and the Government of Suriname agreed that a specific investment loan is the most suitable instrument due to its fixed scope, logical interdependence of the components, and physical and technical individuality. The execution activities along with the timeline and costs to be supported by the project are in the Project Operations Manual ([POM](#)). The execution is planned for 5 years,³⁷ with a disbursement schedule shown in Table 2.

Table 1. Summary of Program costs (in US\$)

Component / Subcomponent	Total	%
Component I. Improve the quality and relevance of the Training for Employment (TFE) system	6,000,000	60%
I.1 Alignment of training supply with the productive sector needs	550,000	
I.2 Improvement of the quality and relevance of TFE	1,450,000	
I.3 Improvement of management and monitoring processes of the TFE	400,000	
I.4 Promote access to TFE for all beneficiaries (jobseekers)	3,600,000	
Component II. Improve the coverage and effectiveness of employment services	3,000,000	30%
II.1 Strengthening and digital transformation of the SDLM	2,120,000	
II.2 Development of a LMIS	880,000	
Program administration, Evaluation and Audit	1,000,000	10%
Program administration	805,000	
Monitoring, Evaluation and Audit	195,000	
TOTAL	10,000,000	100%

Costs by activity are indicative and may be subject to changes.

Table 2. Disbursement Schedule (US\$)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB (OC)	590,733	1,892,414	2,485,483	3,026,470	2,004,899	10,000,000
Percentage	6%	19%	25%	30%	20%	100%

Sums rounded to the nearest decimal.

³⁷ In accordance with the Pluriannual Execution Plan (PEP) and considering the institutional capacity assessment and the identified risks (¶2.3-2.4), the Bank will offer training and technical assistance to support the PEU during project execution to achieve the expected outputs within this disbursement period.

B. Environmental and social safeguard risks

- 2.2 In accordance with the Environmental and Social Policy Framework (ESPF), the operation was classified as Category “C” as it is expected to cause minimal or no negative environmental or social impacts.

C. Fiduciary risk

- 2.3 The Institutional Capacity Assessment (ICAP) and risk management exercise have identified four fiduciary risks associated with internal processes of the EA. Three are medium-high risks, as follows. First, due to significant increase in the level of administrative and financial management responsibilities expected from the Program, as well as the Ministry’s lack of previous experience in the direct implementation of externally funded investment projects, there may be delays in financial reporting and limitations in the quality of financial information of the Program, generating delays in the submission of reports to the Bank. To mitigate this risk, the actions are: (a) contracting of financial management personnel/consultants for the PEU including a Financial Specialist for the duration of the execution period; (b) incorporation in the [POM](#) of concrete integrated financial management procedures for the execution and administration of the Loan, including those related to internal controls and administrative efficiency; and (c) adoption of the necessary Enterprise Resources Planning (ERP) platform for the PEU. Second, because of weaknesses in the overall administrative, financial, and internal control systems of the MOL, fiduciary related processes of the Program may be affected and lead to delays in rendering of accounts and cost justifications, generating delays in Program execution and disbursements. To mitigate this risk, the [POM](#) will establish strict norms and procedures regarding financial management and internal control following the IDB norms, and in compliance with national regulation. It will contain, among others, financial management and external audit guidelines, the allocation of responsibilities at the MOL and PEU levels, process controls, time targets, documental support, and other. Third, due to complexities and extensive processing times in the public payment system in Suriname, there may be delays in the execution of the Program’s investment components generating delays in disbursement projections. To mitigate this risk, (a) administrative, internal control and efficiency processes will be introduced in the [POM](#); (b) specific and special procedures will be agreed upon between the IDB, the MOL and the Ministry of Finance and Planning (MOFP) to guarantee an efficient payment process for the Program, while supported by all the necessary internal controls; and (c) payments will be executed directly through the Program’s Special Account(s) following MOFP guidelines for externally funded investment programs. Finally, a high risk was identified because of weaknesses in procurement administration at the national and institutional levels, as well as limitations in the scope, capacity, and experience of the procurement function in the EA, whereby the Program may lack the necessary institutional backbone to support and execute the procurement plan, and thereby lead to delays in implementation. To mitigate this risk, there will be: (a) allocation of Program’s administrative resources to hire a Procurement Specialist for the PEU; (b) introduction in the [POM](#) of the necessary administrative and internal control processes for procurement management, including target processing times for each procurement modality; and (c) implementation of the necessary institutional

arrangements to ensure the timely preparation of terms of reference, technical specifications and other by the PEU with the support and participation of pertinent personnel of the MOL and other Government agencies.

D. Other risks and key issues

- 2.4 In addition to the afore-mentioned four fiduciary risks, the risk assessment identified three medium-high risks. First, due to scarce human resources in the MOL, there could be limitations to accompany, undertake, and sustain Program implementation and operations, generating delays in disbursements in the first year of operations. To mitigate this risk, there is: (a) commitment by the MOL for the allocation of personnel from the Labor Markets Department, including the PES, with partial/shared dedication to the Program; (b) allocation of coordination, technical, fiduciary, planning, monitoring and evaluation, and other consultants to the PEU, fully funded by the Program; and (c) personnel training. Second, due to the presence of weaknesses and limitations in overall connectivity and ICT environment in the Government and the EA, the execution of the investment components may lack the necessary infrastructure and technological backbone, generating delays in products 1.1, 1.6, 2.3 and 2.5 of the Program. To mitigate this risk, there will be: (a) close collaboration between the MOL, MOFP, and E-Government Committee of the Cabinet of the President to ensure the presence of the necessary institutional arrangements and technical capacities to support Program implementation, including agreed upon consultation by the MOL with the E-Government Committee on all decisions regarding ICT solutions; (b) definition by the Permanent Secretary (PS) of the internal departments responsible for the hosting and administration of technology solutions and applications of the Program; and (c) investment actions of the Program in ICT solutions, equipment and infrastructure. Finally, because of weaknesses in the ability to attract and retain key personnel of the Ministry, Program implementation may be delayed with the absence or turnover of the necessary counterpart staff of the Institution and consultants for the PEU, generating delays in disbursements in the first year of operations. To mitigate this risk, there will be: (a) provision of specialized technical training aimed at Ministry personnel in different areas, ICT, and other; (b) implementation of change management strategy to foster a positive and productive working environment and growth; and (c) provision of training to PEU personnel/consultants by the IDB (fiduciary, project management, other).
- 2.5 **Sustainability.** This program supports significant investments in training and technology that if not managed properly, can become quickly obsolete. Thus, the program emphasizes the investment in capacity building within the MOL (rather than one-time consultancies) to minimize the resources needed to update skills content and system development once the program has concluded. For example, Component I will finance the development of a system to collect skills demands, including a mechanism to identify the need of skills demanded by the private sector. Despite this effort, the system will rely on information provided by employers, so it will be important to build trust with the private sector to ensure their continuous commitment with their essential role to provide relevant training. In Component II, emphasis is made on change management and capacity-building of MOL personnel through the development of an HR strategy that standardizes profiles and skills and the development of training packages that will remain available after the program is closed. Finally, technological systems may quickly become obsolete, which would

create cost overruns and adversely affect the sustainability of investments made in Components I and II. To address this, the technical specifications used to select providers will emphasize digital solutions that can be easily updated.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and EA.** The Borrower is the Republic of Suriname, and the EA is the MOL. The ICAP conducted during Program preparation shows that the MOL has no previous experience in the technical, administrative, and financial management of investment programs funded by the Bank or other multilateral organizations. In this respect, the Program will fund the establishment of a fully-staffed Program Execution Unit under the Labor Markets Director, for the five-year implementation period: (a) Program Coordinator to provide management and oversight of the Program and overall coordination with the Ministry; (b) Financial Specialist to conduct the financial administration (budget, accounting and treasury) of the Program including the management of the payment system, internal control and financial reporting; (c) Procurement Specialist to coordinate the purchase of goods and services of the Program, following the Procurement Plan (PP) and in compliance with IDB procurement policies; (d) Monitoring and Evaluation specialist to provide for annual planning and programming of activities, along with continuous monitoring and reporting on the physical and financial implementation of the Program under the framework of the Pluriannual Program Execution Plan (PEP), the Annual Operational Plan (AOP), the PP, and other instruments; and (e) Social and environmental specialist to provide advice on the potential social and environmental risks, and their mitigation strategies. The PEU will also include the services of a part-time consultant to lead the social management and awareness aspects of the Program. The overall governance structure, the responsibilities of the PEU, and the collaboration between the MOL, MOFP and E-Government Committee will be established in the POM.
- 3.2 **Program Operations Manual (POM).** A POM ([OEL#2](#)) will establish the general and specific procedures to be followed in the execution of the program. Specifically, it will provide the operational guidelines, fiduciary arrangements, procurement procedures, auditing mechanisms, monitoring and evaluation arrangements, and the institutional and technical framework involved in its implementation.
- 3.3 **Special Contractual Clauses prior to the first disbursement:** (i) the establishment of the PEU and the selection of key personnel in accordance with the terms previously agreed with the Bank, including the: (a) Program Coordinator; (b) Financial Specialist; and (c) Procurement Specialist; and (ii) the approval and entry into effect of the POM in the terms previously agreed with the Bank. Such conditions will address the institutional support required by the EA to effectively implement the Program, while at the same time building the necessary institutional capacity, as well as the provision of the guidelines, norms and procedures for the Execution of the Loan.
- 3.4 **Special contractual conditions of execution.** The Borrower, directly or through the Execution Agency shall have presented evidence that: (a) Prior to the

initiation of the activities included in Subcomponent I.4, the social and environmental specialist of the PEU has been selected in accordance with the terms previously agreed with the Bank; and (b) Prior to the initiation of the activities included in Subcomponent II.1, the monitoring and evaluation specialist of the PEU has been selected in accordance with the terms and conditions previously agreed with the Bank.

- 3.5 **Procurement Plan (PP).** The PP ([REL#4](#)), covering five years of program execution starting on the date of eligibility of the program, will be agreed by the MOL and the Bank. The procurement processes will follow the Policies for the Procurement of Goods and Works financed by IDB (GN-2349-15), and the Policies for the Selection and Contracting of Consultants financed by the IDB (GN-2350-15). The PP will be updated annually or whenever necessary or as required by the Bank in the procurement plan execution and monitoring system determined by the Bank.
- 3.6 **Disbursements.** The MOFP will be using Reimbursement and Advance of Funds as their preferred method to receive loan resources. Other modalities may be considered, as appropriate, in keeping with the provisions of the Financial Management Guidelines for IDB financed Projects (OP-273-12) or the guidelines in effect at the time of program execution, and the Fiduciary Agreements and Requirements (Annex III).
- 3.7 **Audit.** The EA will submit to the Bank the program's annual financial audit within 120 days after the close of the fiscal year. The audit will be conducted by a Bank-eligible independent audit firm. The scope and related considerations will be governed by the Financial Management Guidelines (OP-273-12) and the Guide for Financial Reports and Management of External Audits. Annual financial audit costs will be financed with program resources. A final financial audit report of the program should be submitted within 120 days after the date of the last disbursement.

B. Summary of arrangements for monitoring results

- 3.8 **Monitoring.** The MOL, as the EA, will be responsible for implementing the Monitoring and Evaluation Arrangements ([REL#2](#)). The mechanism to report the progress of program implementation and execution for this operation will be the Progress Monitoring Report (PMR). In addition to the PEP, AOP, and PP, the EA must present semi-annual progress reports within 60 days after the end of each semester.
- 3.9 **Evaluation.** A mid-term evaluation will be conducted when the program reaches 50% of funds committed, and a final independent evaluation shall be submitted within 90 days after the date on which 90% of the loan proceeds have been disbursed. Both reports will document progress in the achievement of the agreed outcomes and outputs and the lessons learned in the context of the factors that affect the performance of the program. In addition, to assess the program's contribution to the general objective of promoting the employability of jobseekers, a "before and after" analysis will be conducted. To establish the attribution of the observed results to the specific objectives (i) and (ii), the quantitative before and after analysis will be complemented with a review of the theory of change supported by relevant evidence of the effectiveness of similar interventions in comparable contexts ([REL#2](#)).

Development Effectiveness Matrix		
Summary		SU-L1061
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries of employment support initiatives (#) -Women beneficiaries of economic empowerment initiatives (#) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3065	1.2 “Improving education and labor market outcomes”
Country Program Results Matrix	GN-3087-2	The intervention is included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.7
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.2
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		8.8
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		4.8
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium High
Environmental & social risk classification		C
IV. IDB’s Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)		
Non-Fiduciary		
The IDB’s involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	ATN/OC-18991-SU - "Support to the Design of Active Labor Market Policies in Suriname", classification: operational support.

Evaluability Assessment Note:

The general objective of this US\$10 million program is to promote employability for jobseekers in Suriname. The specific objectives are to: (i) provide jobseekers with relevant and high-quality training for employment (TFE); and (ii) expand the use of labor market intermediation services by jobseekers and employers. A significant percentage of jobseekers in Suriname are unequipped with the skills demanded by the productive sector and they lack labor market information to efficiently find a job that matches their skills to vacancies. In 2018, 64% of the population attained basic education, but only 18% and 7% completed upper secondary or tertiary education, respectively. The unemployment rate for people with basic education is higher than that of people with advanced education (9.1% versus 3.6%). On the skills demand side, almost 75% of employers find it difficult to identify and recruit employees with the proper skills to fill their vacancies, and only 39% consider that higher and vocational education meets the needs of the business community. TFE in Suriname suffers from shortcomings associated to quality and relevance, with only 8.9% of TFE-providing institutions meeting requirements under both criteria. Regarding public labor intermediation services, they are used by only 1.4% of jobseekers. The coverage and effectiveness of public employment services is low, with a coverage of around 1% of jobseekers per year (between 2017 and 2019); only 18% of registered jobseekers were placed in a job during that period. The program proposes reasonable actions and outputs for strengthening both (some) TFE institutions, and the public labor market intermediation system.

The economic analysis is appropriate, with reasonable and standard assumptions and sensitivity analyses. Using a discount rate of 12%, the estimated net present value of the program is US\$678,700 and the internal rate of return is 15.2%.

The evaluation plan is appropriate. It proposes to carry out a reflexive before and after evaluation as well as a process evaluation. This exercise will guarantee the proper monitoring of the expected outcomes in the results matrix but will not allow the empirical attribution of the results obtained.

Results Matrix

Program Objective	The specific objectives are to: (i) provide jobseekers with relevant and high-quality training for employment; and (ii) expand the use of labor market intermediation services by jobseekers and employers. The achievement of these objectives will contribute to the general objective of promoting employability for jobseekers.
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General Development Objective

Indicators	Unit of measurement	Baseline value	Baseline year	Expected year for achievement	Target	Means of verification	Comments
General development objective: promote employability for jobseekers							
Jobseekers who graduate ¹ from relevant ² and high-quality ³ training for employment (TFE) courses that obtain employment	Percentage	TBD ⁴	2022	2027	50	Note 1: Official reports of the Ministry of Labour (MOL).	See REL#2 .
Jobseekers served by Suriname's Department of Labour Mediation (SDLM) that obtain employment	Percentage	18 ⁵	Annual average 2017-2019 ⁶	2027	23	Note 1.	See REL#2 .

¹ Graduate: jobseeker who takes at least one relevant and high-quality TFE course and passes the final exam (which will be designed specifically for each course with program resources) with a minimum pre-determined mark.

² Relevant: it directly aims at generating the skills demanded by the productive sectors. A list of these programs will be defined in coordination between the private sector, the MOL, and the TFE institutions during the execution of the Program.

³ High-quality: defined by two variables: (i) the instructors have passed an assessment of their pedagogical and technical skills (such assessment will be designed by a specialized consultant firm and implemented by the TFE institution that provides the course); and (ii) the curriculum used has been validated jointly by the appropriate representatives of the MOL and the TFE institution that provides the course.

⁴ The baseline value will be estimated within the first semester of the first year of the program, by carrying out a survey on labor market status after graduation of a representative sample of trainees of the institutions that will participate in the program, and previously defined as relevant and high-quality based on the results of Upskills (2022). The institutions that participate in the program are those that will house at least one course developed within the activities of the program.

⁵ The percentage was calculated using the simple annual average of jobseekers that obtained employment (through the services of the SDLM) during the reference period, over the simple average of jobseekers registered in the SDLM in the same reference period.

⁶ Due to very limited and inconsistent data on the administrative records of the SDLM between 2017-2021, especially after the pandemic, it was agreed that the annual average between 2017-2019 was the more appropriate baseline.

Specific Development Objectives

Indicators	Unit of measurement	Baseline value	Baseline year	End of Project ⁷	Means of verification	Comments
Specific development objective 1: provide jobseekers with relevant and high-quality training for employment						
Instructors that pass an assessment of their pedagogical and technical skills ⁸	Percentage	0	2022	80	Note 2: Official reports of the MOL based on the information provided the by TFE entities participating in the program.	See REL#2 .
Jobseekers who graduate from relevant and high-quality TFE courses	Number	300 ⁹	2022	626	Note 2.	See REL#2 .
Female jobseekers who graduate from relevant and high-quality TFE courses	Number	120	2022	250	Note 2.	See REL#2 .
Specific development objective 2: expand the use of labor market intermediation services by jobseekers and employers						
Jobseekers served by the SDLM ¹⁰	Number	145	Annual Average 2017-2019	623	Note 1.	See REL#2 .
Female jobseekers served by the SDLM	Percentage	56	Annual Average 2017-2019	60	Note 1.	See REL#2 .
Vacancies registered by employers in the SDLM	Number	131	Annual Average 2017-2019	368	Note 1.	See REL#2 .

⁷ The values presented in this column refer to the value in the last full year of execution of the program. For further information on the expected beneficiaries per year, please see Tables 1 and 2 of ([OEL#1](#)).

⁸ Such assessment will be designed by a specialized consultant firm and implemented by the TFE institution that provides the course (an assessment consists of a series of evaluations to measure instructor quality). The definition of pass will be included in the POM.

⁹ The baseline value corresponds to an estimate according to the results of Upskills (2022) and will be updated within the first year of the start of the program. Once the baseline is updated, the target will be updated to represent "baseline*2.08".

¹⁰ Served by the SDLM refers to receiving any labor intermediation service, including training referral, but not the provision of the training directly.

Outputs

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of Program	Means of verification	Comments
Component I: Improve the quality and relevance of the Training for Employment (TFE) system											
System to collect information about current and future demands of specific skills implementation ¹¹	Number	0	2022	1	1	1	1	1	1	Note 1.	
Curriculums ¹² updated ¹³	Number	0	2022	0	2	4	6	8	20	Note 2.	Note 3: Two of these curriculums will be for programs related to climate sustainability.
Action plan to promote access of women to TFE implementation ¹⁴	Number	0	2022	0	0	1	1	1	1	Note 2.	
Instructors trained ¹⁵	Number	0	2022	0	6	9	13	14	42	Note 2.	

¹¹ Implementation is considered when the indicators have been defined; their evolution is regularly measured and documented in such a way as to generate information for decision making. During all years of implementation, expenses will be incurred to cover the operation of the system.

¹² Curriculum refers to the lessons and academic content taught in a specific course.

¹³ Updated means that the lessons and academic content will be adapted so that they are aligned with what the objectives of the course are.

¹⁴ Implementation means that the concrete actions in the plan have timelines and budgets that are being executed. During all years of implementation, expenses will be incurred to cover the operation of the action plan.

¹⁵ Instructors that pass an assessment of their pedagogical and technical skills as considered trained. Such assessment will be designed by a specialized consultant firm and implemented by the TFE institution that provides the course (an assessment consists of a series of evaluations to measure instructor quality). The definition of pass will be included in the Program Operations Manual.

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of Program	Means of verification	Comments
Relevant and high-quality TFE courses formulated and ready to be taught ¹⁶	Number	0	2022	0	2	4	6	8	20	Note 2.	Note 3.
Application registry and monitoring system implementation ¹⁷	Number	0	2022	0	1	1	1	1	1	Note 2.	
Beneficiaries that receive financial aid ¹⁸	Number	0	2022	0	0	379	904	1,242	2,525	Note 2.	

¹⁶ A course is defined as “ready to be taught” when the curriculum has been updated (see footnotes 15 and 16 for the definitions) and instructors have been successfully trained (see footnote 18 for the definition).

¹⁷ Implementation is considered when the socio-economic and labor market variables of potential beneficiaries and actual beneficiaries have been defined and collected; and the enrollment, attendance, graduation, and evolution of their labor market information is regularly updated and documented. During all years of implementation, expenses will be incurred to cover the operation of the system.

¹⁸ A beneficiary is the person who received at least one financial aid or in-kind support (including tuition, materials and/or stipends).

Indicators	Unit of measurement	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of Program	Means of verification	Comments
Component II: Improve the coverage and effectiveness of employment services											
Labor intermediation services office with all staff trained and with adequate office equipment ¹⁹ for the provision of services	Number	0	2022	0	0	1	1	1	1	Note 1.	
Multichannel labor intermediation services strategy implementation ²⁰	Number	0	2022	0	0	0	1	1	1	Note 1.	
Jobseeker Portal implementation ²¹	Number	0	2022	0	0	1	1	1	1	Note 1.	
Employer engagement service implementation ²²	Number	0	2022	0	0	1	1	1	1	Note 1.	
Labor Market Information System implementation ²³	Number	0	2022	0	0	1	1	1	1	Note 1.	Information will be disaggregated by gender.

¹⁹ An employee is defined as trained and with adequate office equipment when complying with a minimum attendance of 80% of the training hours and receiving the minimum office equipment required for the provision of the services (to be defined in the Annual Operational Plan, AOP).

²⁰ Implementation means that strategy has timelines and budgets that are being executed. During all years of implementation, expenses will be incurred to cover the operation of the multichannel strategy.

²¹ Implementation is defined as an existing web-based platform in which jobseekers can search for employment services, vacancies, etc., and provide information, such as resumes, interests, etc. During all years of implementation, expenses will be incurred to cover the operation of the portal.

²² Implementation means that the recruitment services for employers are ready to be used by potential employers, specifically, systems for pre-selection of candidates, and marketing and communications campaigns to encourage employers to register their vacancies into the system. During all years of implementation, expenses will be incurred to cover the operation of the employer engagement service.

²³ Implementation is considered when the indicators have been defined; their evolution is regularly measured and documented in such a way as to generate information for decision making includes Labor Market Information (LMI) Databases integration, new processes, and Portal with Dashboards. During all years of implementation, expenses will be incurred to cover the operation of the LMIS.

Country: Suriname

Division: LMK

Operation No.: SU-L1061

Year: 2022

Fiduciary Agreements and Requirements

Executing Agency (EA): Ministry of Labour, Employment Opportunity, and Youth Affairs ("MOL")

Operation Name: Labor Market Alignment with New Industries

I. Fiduciary Context of Executing Agency

1. Use of country system in the operation¹

<input type="checkbox"/> Budget	<input type="checkbox"/> Reports	<input type="checkbox"/> Information System	<input type="checkbox"/> National Competitive Bidding (NCB)
<input type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input type="checkbox"/> Shopping	<input type="checkbox"/> Others
<input type="checkbox"/> Accounting	<input type="checkbox"/> External Control	<input type="checkbox"/> Individual Consultants	<input type="checkbox"/> Others

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Particularities of the fiduciary execution	The loan will be executed by the Ministry of Labour, Employment Opportunity, and Youth Affairs ("MOL")
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3. Fiduciary Capacity

Fiduciary Capacity of the EA	The ICAP along with the risk management exercise has identified a number of fiduciary risks directly associated with the implementation of the Program including: (a) the lack of experience and exposure of the Ministry to externally funded investment programs; (b) the presence of weaknesses in the overall administrative, procurement, financial and internal control systems; (c) the absence of a well-defined and staffed procurement function in the Ministry; and (d) complexities and delays in the public payment system in the Government of Suriname.
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4. Fiduciary risks and risk response

Risk Taxonomy	Risk	Risk level	Risk response
Internal processes	Due to significant increase in the level of administrative and financial management responsibilities expected from the Program, as well as the Ministry's lack of previous experience in the direct	Medium-High	(a) Contracting of financial management personnel/consultants for the PEU including a Financial Specialist and Program Accountant for the duration of the execution period; (b) incorporation in the POM concrete integrated financial

¹ Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of the Bank's validation.

Risk Taxonomy	Risk	Risk level	Risk response
	implementation of externally funded investment projects, there can be delays in financial reporting and limitations in the quality of financial information of the Program.		management procedures for the execution and administration of the Loan, including those related to internal controls and administrative efficiency; (c) adoption of the necessary Enterprise Resources Planning (ERP) platform for the PEU.
Internal processes	Because of weaknesses in the overall administrative, financial and internal control systems of the MOL, fiduciary related processes of the Program may be affected and lead to delays in rendering of accounts, cost justifications, generating delays in Program execution and disbursements.	Medium-High	The POM will establish strict norms and procedures regarding financial management and internal control following the IDB norms, and in compliance with national regulation. It will contain, among others, financial management and external audit guidelines, the allocation of responsibilities at the MOL and PEU levels, process controls, time targets, documental support, and other.
Internal processes	Due to complexities and extensive processing times in the public payment system in Suriname, the execution of the Program's investment components may be subject to considerable delays.	Medium-High	(a) Administrative, internal control and efficiency processes to be introduced in the POM; (b) specific and special procedures will be agreed upon between the IDB, the MOL and the MOFP to guarantee an efficient payment process for the Program, while supported by all the necessary internal controls; (c) payments to be executed directly through the Program's Special Account(s) following MOFP guidelines for externally funded investment programs.
Internal processes	Because of weaknesses in procurement administration at the national and institutional levels, as well as limitations in the scope, capacity, and experience of the procurement function in the EA, Program may lack the necessary institutional backbone to support and execute the procurement plan, and thereby lead to delays in implementation.	High	(a) Allocation of Program's administrative resources for a Procurement Specialist and Procurement Officer who will form part of the PEU; (b) introduction in the POM of the necessary administrative and internal control processes for procurement management, including target processing times for each procurement modality; (c) implementation of the necessary institutional arrangements to ensure the timely preparation of terms of reference, technical specifications and other by the PEU with the support and participation of pertinent personnel of the MOL and other GOS agencies.

5. Policies and Guides applicable to operation: Policies for the procurement of Goods and Works financed by the Inter-American Development Bank, GN-2349-15 and Policies for the selection and contracting of consultants financed by the Inter-American Development Bank, GN-2350-15

II. Aspects to be considered in the Special Conditions of the Loan Agreement

Exchange Rate: For purposes of Article 4.10 of the General Conditions, the Parties agree that the applicable exchange rate shall be that indicated in paragraph (b)(i) of said Article. For purposes of determining the equivalency of expenditures incurred in Local Currency chargeable to the Additional Resources or of the reimbursement of expenditures chargeable to the Loan, the agreed exchange rate shall be the Select Option on/in which the Borrower, the Executing Agency, or any other person or legal entity in whom the power to incur expenditures has been vested makes the related payments to the contractor, supplier, or beneficiary.
Type of Audit: Throughout the loan disbursement period, the EA will submit to the Bank annual audited financial statements within 120 days after the close of the fiscal year, March 31st. The audit will be conducted by a Bank-eligible independent audit firm. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP-27312) and the Guide for Financial Reports and Management of External Audit. Audit costs will be financed with project resources.

III. Agreements and Requirements for Procurement Execution

<input checked="" type="checkbox"/>	Bidding Documents	For procurement of Works, Goods and Services Different of Consulting executed in accordance with the Procurement Policies (document GN-2349-15), subject to ICB, the Bank's Standard Bidding Documents (SBDs) or those agreed between EA and the Bank will be used for the particular procurement. Likewise, the selection and contracting of Consulting Services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants (document GN-2350-15) and the Standard Request for Proposals (SRP) issued by the Bank or agreed between the EA and the Bank will be used for the particular selection. The revision of the technical specifications, as well as the terms of reference of the procurements during the preparation of selection processes, is the responsibility of the sectorial specialist of the project. This technical review can be ex-ante and is independent of the procurement review method.			
<input checked="" type="checkbox"/>	Procurement supervision	The method of supervision shall be ex-ante supervision.			
		Executing Agency	Works	Goods/Services	Consulting Services
<input checked="" type="checkbox"/>	Records and Archives	All records and files will be maintained by the PEU, in accordance with accepted best practices, and be kept for up to three years beyond the end of the operation's execution period.			

Main Acquisitions

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Goods				
Physical space equipment for PES Units (office equipment and furniture)	International Competitive Bidding (ICB)		2023	140,000.00
IT equipment and services for PES Offices (Computers, printers, projectors, etc)	International Competitive Bidding (ICB)		2023	400,000.00
Equipment for dual training technical institutes;	International Competitive Bidding (ICB)		2023	200,000.00
Equipment for Training institutes in Sector 1	International Competitive Bidding (ICB)		2024	200,000.00
Equipment for Training institutes in Sector 2	International Competitive Bidding (ICB)		2024	160,000.00
Equipment for Training institutes in Sector 3	International Competitive Bidding (ICB)		2024	160,000.00
Non-consulting services				
Office Supplies	Price comparison with 3 quotations		2023	15,000.00
Personnel Training for LMIS implementation	Price comparison with 3 quotations		2023	80,000.00
Personnel training courses (based on skill gap analysis)	National Competitive Bidding		2023	70,000.00
Workshops with key labor market stakeholders	Price comparison with 3 quotations		2023	45,000.00
Hardware (Servers, Hosting and desk equipment)	Price comparison with 3 quotations		2023	10,000.00
Training Plan Execution – Phase II	Price comparison with 3 quotations		2024	90,000.00

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Training Plan Execution – Phase III	Price comparison with 3 quotations		2025	90,000.00
Surveys Design and Implementation to fill labor market information gaps (i.e. native groups in the interior)	International Competitive Bidding (ICB)		2023	400,000.00
Employer surveys on skills requirements (Labor Pressure Quest, Focus Groups)	National Competitive Bidding		2023	80,000.00
Training in Data Management	Price comparison with 3 quotations		2024	30,000.00
Training Plan Execution – Phase I	Price comparison with 3 quotations		2023	90,000.00
Office expenses	Price comparison with 3 quotations		2023	15,000.00
Consulting Firms				
Final Audit	Least-Cost Selection (LCS)		2027	15,000.00
Training support for Labor Market Information System usage	Quality- and Cost-Based Selection (QCBS)		2023	200,000.00
Change management and long-term sustainability strategy Design and implementation	Quality- and Cost-Based Selection (QCBS)		2013	90,000.00
LIS technical support Design and implementation	Quality-Based Selection (QBS)		2023	190,000.00
Training Plan for intermediation services - Implementation	Quality- and Cost-Based Selection (QCBS)		2024	50,000.00
Personnel inhouse training	Quality- and Cost-Based Selection (QCBS)		2023	50,000.00
Women Training Program Design	Quality- and Cost-Based Selection (QCBS)		2023	100,000.00

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Training Plan formulation	Quality- and Cost-Based Selection (QCBS)		2023	30,000.00
Application System	Quality- and Cost-Based Selection (QCBS)		2023	50,000.00
Consulting firm to design multichannel LIS Framework	Quality-Based Selection (QBS)		2023	15,000.00
Consulting firm to design multichannel LIS systems architecture	Quality-Based Selection (QBS)		2023	127,000.00
Digital Labor Intermediation Platform Blueprint and implementation - Software Firm: Part A	Quality-Based Selection (QBS)		2023	200,000.00
Communication strategy design and implementation - For PES and LMIS	Quality- and Cost-Based Selection (QCBS)		2023	70,000.00
Design and implementation of profiling service	Quality- and Cost-Based Selection (QCBS)		2023	60,000.00
Design and implementation of the job search assistance	Quality- and Cost-Based Selection (QCBS)		2023	60,000.00
Design and implementation of the training referral system	Quality- and Cost-Based Selection (QCBS)		2023	45,000.00
Communication strategy design and implementation - For Jobseekers Services	Quality- and Cost-Based Selection (QCBS)		2023	20,000.00
Design and implementation of services for employers	Quality- and Cost-Based Selection (QCBS)		2023	60,000.00
Communication strategy design and implementation - For Employers Services (emphasis on new industries)	Quality- and Cost-Based Selection (QCBS)		2023	50,000.00

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Consulting firm to design the Road Map for the new multichannel LIS implementation	Quality- and Cost-Based Selection (QCBS)		2023	30,000.00
System Implementation (Data Bases Integration, software purchase or development, user interfaces, and management dashboards)	Quality- and Cost-Based Selection (QCBS)		2023	150,000.00
Annual Audits	Least-Cost Selection (LCS)		2023	20,000.00
Individuals				
Final Evaluation	Selection of individual consultant (3 CV)		2027	30,000.00
Intermediary Evaluation	Selection of individual consultant (3 CV)		2025	20,000.00
Market analysts	Selection of individual consultant (3 CV)		2023	200,000.00
Technical Teams	Selection of individual consultant (3 CV)		2023	350,000.00
Implementation of service delivery channels (Job counselors, specific advisors, contact center, job portal, etc.)	Selection of individual consultant (3 CV)		2023	200,000.00
Unbiased recruitment workshops for employers	Selection of individual consultant (3 CV)		2023	20,000.00
Labor market information reports and studies	Selection of individual consultant (3 CV)		2023	60,000.00
Operation Manuals, guidelines, and protocols	Selection of individual consultant (3 CV)		2023	40,000.00

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Operation Manuals, guidelines, and protocols	Selection of individual consultant (3 CV)		2023	80,000.00
Special consultancies	Selection of individual consultant (3 CV)		2023	10,000.00
Prospective analyses	Selection of individual consultant (by open invitation)		2023	45,000.00
Sector 1 - training offer research and analysis	Selection of individual consultant (by open invitation)		2023	60,000.00
Sector 2 - training offer research and analysis	Selection of individual consultant (by open invitation)		2023	60,000.00
Sector 3 - training offer research and analysis	Selection of individual consultant (by open invitation)		2023	60,000.00
Sector 1 - training offer revision	Selection of individual consultant (by open invitation)		2023	50,000.00
Sector 2 - training offer revision	Selection of individual consultant (by open invitation)		2023	50,000.00
Sector 3 - training offer revision	Selection of individual consultant (by open invitation)		2023	50,000.00
Training Plan for intermediation services - Design	Selection of individual consultant (by open invitation)		2023	10,000.00

Description of the procurement	Selection Method	New Procedures/Tools	Estimated Date	Estimated Amount US\$
Review and mapping of existing vulnerable families support programs (childcare, training, entrepreneurship, etc)	Selection of individual consultant (by open invitation)		2023	20,000.00
Project Manager	Selection of individual consultant (3 CV)		2023	150,000.00
Project Officers	Selection of individual consultant (by open invitation)		2023	415,000.00
Project Assistants	Selection of individual consultant (by open invitation)		2023	215,000.00
Monitoring and evaluation officer	Selection of individual consultant (by open invitation)		2023	110,000.00

To access, see [Procurement Plan](#).

IV. Agreements and Requirements for Financial Management

<input checked="" type="checkbox"/>	Programming and Budget	The EA will prepare and implement an operational plan, which will include the budget plan, procurement plan and financial plan, consistent with a 12 –month financial plan that will be required. The Borrower has committed to allocate, for each fiscal year of program execution, adequate fiscal space to guarantee the unrestricted execution of the program.
<input checked="" type="checkbox"/>	Treasury and Disbursement Management	<p>The disbursement mechanism shall be Manual and will follow the methods stated in the OP-273-12 and the Disbursement Handbook. The currency to manage the operation is the US\$. The operation will generally work with a financial period of 6 months due to the planning cycle for the project. The Preferential Disbursement Method will be advance of funds, but other types of disbursements will be available.</p> <p>The operation is expected to justify 80% of accumulated balances pending of justification before requesting another advance of funds.</p>
<input checked="" type="checkbox"/>	Accounting, information	Specific accounting norms: IFRS (International Financing Reporting

	systems and reporting	<p>Standards). Accounting reports: The Executing Agency will utilize the off the shelf accounting and financial management software QuickBooks currently used for the accounting and financial reporting of many programs in the country.</p> <p>Financial Statements of the program will be prepared based on IDB rules given that the PFM reform is still in process. The Financial Specialist should maintain under his/her responsibility auxiliary records and systems (e.g. QuickBooks or similar).</p>
<input checked="" type="checkbox"/>	External control: external financial audit and project reports	<p>The Borrower and the Executing Agency, as agreed with the Bank, will hire the services of an audit firm through a bidding process. The audit's scope and related considerations will be governed by the Financial Management Guidelines (document OP273-12) and the Guide for Financial Reports and Management of External Audit. The annual financial audits/ assurance reports should be submitted within 120 days of the end of a fiscal year and within 120 days after the date of last disbursement.</p>
<input checked="" type="checkbox"/>	Project Financial Supervision	<p>Financial, Accounting and Institutional Inspection visits or meetings will be performed to: (i) Review of the Reconciliation and supporting documentation for disbursements; (ii) Compliance with financial and procurement procedures; (iii) Review of compliance with the lending criteria; and (iv) Follow up on audit findings and recommendations. The Review of Disbursements will be ex post.</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/22

Suriname. Loan ____/OC-SU to the Republic of Suriname
Labor Market Alignment with New Industries

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Suriname, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the project "Labor Market Alignment with New Industries". Such financing will be for the amount of up to US\$10,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2022)