



**MINISTRY OF HEALTH IN SURINAME
THE HEALTH SERVICE IMPROVEMENT PROJECT
No.4593/OC-SU
FINANCIAL REPORT
FOR THE PERIOD OCTOBER 1, 2019 – DECEMBER 31, 2020**

Submitted to:

Ministry of Health in Suriname
Project Implementation Unit
The Health Services Improvement Project (HSIP)
Attn.: Ms. Diana Koswal,
Henck Arron straat

Submitted by:

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Ministry of Health in Suriname
The Health Services Improvement Project (HSIP)

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To the Ministry of Health in Suriname
Project Implementation Unit
The Health Services Improvement Project (HSIP)

Paramaribo, April 29 2021

Dear Ms. Koswal,

We have audited the accompanying financial statements of The Health Services Improvement Project, HSIP, which comprises of the following:

- Statements of cash flows for the period October 1, 2019 to December 31, 2020
- Statement of cumulative disbursement as at December 31, 2020;
- Notes to the financial statements of the program, with the accompanying explanatory notes.

These notes include a summary of the accounting policies which have been applied.

Project management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and the specific instructions of the Inter-American Development Bank.

It is our responsibility to express an opinion on the financial statements based on our audit. The audited financial statements are included on page 3 and 4 of this report.

The independent auditor's report is included under the heading "Other information" of this report on the pages 17 until 20.

Paramaribo, April 29, 2021

Crowe Burgos Accountants N.V.

Romeo K. Burgos MSc CA RA
Managing Partner

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE PERIOD OCTOBER 1, 2019 TO DECEMBER 31, 2020 (Expressed in US Dollars)

	Notes	Total
CASH RECEIVED		
Accumulated cash at beginning of period		-
Activity during the period:		
Disbursements (Advances, reimbursements and direct payments)	7.	<u>1,570,170</u>
Total cash received		1,570,170
DISBURSEMENTS MADE		
Cumulative cash disbursed at beginning of period		-
Activity during the period:		
Payments for goods and services	5.	358,068
Bank charges		509
Currency differences		<u>227</u>
Total cash disbursements		358,804
Available cash balance, December 31	3.	<u>1,211,366</u>

The accompanying notes on pages 5 to 16 form an integral part of the financial statements.

STATEMENT OF CUMULATIVE DISBURSEMENTS AS AT DECEMBER 31, 2020

(Expressed in US Dollars)

IDB Nr	Category of disbursement	Movement during the period Oct 2019- Dec 2020	Total
1	Institutional strengthening of the MoH for evidence-based policymaking	-	-
2	Expansion of the Chronic Care Model	-	-
3	Increase access to priority services for communicable diseases in at risk population	66,068	66,068
4	Project administration and management	177,609	177,609
	Contingencies	114,391	114,391
	Total	358,068	358,068

The accompanying notes on pages 5 to 16 form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

1. GENERAL INFORMATION

The Health Services Improvement Project (HSIP) was developed to contribute to the improvement of the health status and health outcomes for all people in Suriname. To finance the project, on the 16th of October 2018 the Republic of Suriname and the Inter-American Development Bank (IDB) signed a loan agreement (No. 4593/OC-SU) of twenty million US Dollars (US\$20 million). The project is being implemented through a Program Implementation Unit (PIU), under the Directorate of Health of the Ministry of Health (MoH), the Executing Agency. The PIU was established in October 2019.

1.1. Program background

Suriname is currently in the advanced stages of an epidemiological transition, marked by a sharp rise in the prevalence of Chronic Non-Communicable Diseases (NCDs) in the general population, while high rates of Communicable Diseases (CDs) persist in specific population subgroups. This context, referred to in the literature as the double burden of disease, requires that health authorities reorient and strengthen their approach towards a renewed primary health care system that can offer integrated and comprehensive care for both NCDs and CDs.

The MOH is responsible for the provision of care for all citizens. The MOH is responsible for governance functions through the Central Office (inspectories, planning and monitoring), and the Bureau of Public Health (surveillance, environmental health, national referral laboratory, disease- and population specific programs). In 2014, Suriname mandated all residents to have health insurance, provided via a public-private mix. Approximately 78% of the population is covered by public insurance (the State Health Insurance Fund (SZF) affiliates primarily government employees, poor, and near poor) or private insurance (2% of all insured). Since 2014 total health and public health expenditures as a proportion of GDP have been around 6% and 3% respectively, lower than the average of other upper-middle income countries in the Latin American and Caribbean (LAC) region (7 and 4%).

-of health services is concentrated in the Northern coastline, where about 85% of the population resides. MoH funded primary care in this area (the focus of this program) is provided by the Regional Health Services (RGDs in Dutch) through a network of 43 general primary care facilities. Around 146 private clinics serve people covered by the SZF, by a private insurance, or who are self-paying. Secondary and tertiary health care services are supplied by five hospitals, four located in Paramaribo and one in Nickerie. Outpatient specialized care is provided in polyclinics linked to hospital facilities.

1.2. Project scope and objective

The program objective is to contribute to the reduction of the burden of disease in Suriname by improving access to high-quality, integrated primary care services and enhancing the effectiveness of the health sector to address priority epidemiological challenges. To achieve this objective, the program comprises the following components:

Component 1:

Institutional strengthening of the Ministry of Health (MOH) for evidenced-based policymaking

This component seeks to improve the ICT and physical working environment platforms for the MOH to exercise core policy and technical functions. Subcomponent 1.1 till 1.6 - Improved Health Information System. This component seeks to improve the Health Information System in Suriname. Subcomponent 1.7 - MoH headquarters and central services infrastructure. This will consist of improvement to the physical working environment for the MoH to perform its core business functions, enhancing productivity and hence a more effective management of the health sector's priorities.

Component 2:

Expansion of the Chronic Care Model

The objective of this component is to improve accessibility and quality of clinical pathways for non-communicable diseases. It will support improvement and expansion of an integrated, patient-centered healthcare model for diabetes in the OSS of Paramaribo and Nickerie, and within approximately 18 RGD primary care facilities that already operate in these areas. Facilities will be selected based on results of a health care network demand and supply analysis.

Component 3:

Increase access to priority services for communicable diseases in at risk population.

The objective is to sustain and improve the response to communicable diseases. This component will finance the following activities targeting the gold mining population: (i) design and implementation of culturally appropriate BCC strategies to reduce exposure to risk factors for malaria and HIV (i.e. promoting use of bed nets, increasing health seeking behavior) and improve adherence to treatment by at-risk population; (ii) specialized training for the MP and National Reference Laboratory personnel; (iii) training of MP personnel in BCC; (iv) equipment upgrades for the national reference laboratory and TropClinic surveillance; (v) technical studies; and (vi) training and laboratory and field equipment for HIV screening.

Program Administration and Evaluation: This component will support the operation of the PIU and project administration and evaluation activities, including the design and implementation of an impact evaluation.

1.3. Cost and financing structure of the Project

Category of disbursement	USD	%
1 Institutional strengthening of the MoH for evidenced-based policymaking	12,372,000	62
2 Expansion of the Chronic Care Model	3,840,000	19
Increase access to priority services for communicable diseases in at risk population	1,500,000	8
3 Project administration and evaluation	1,665,000	8
4 Contingency reserve	623,000	3
TOTAL	20,000,000	100

1.4. The Status of the project as at the end of 2020

Component 1

Most of the project activities of the IS4H component were put on hold as the Covid-19 pandemic started in March 2020. Due to the transition to the New Government as per result of the elections in May 2020, also the Ministry of Health was in the middle of transitional changes. As expected, this did put a lot of pressure on the HSIP as the PIU had to wait for the new Management of the Ministry to be in place, get familiar with ongoing (project) activities within the Ministry and bring new (working) structures in place. In the extension of above issues, the ICT Specialist did announce that he would not get his contract extended after the current one would expire in October 2020. All these circumstances did impact not only the IS4H component but the whole HSIP as the PIU had to wait on the new Management of the Ministry to take decisions on ongoing and new project activities.

Another setback for the IS4H component was the dismantling of the Steps Steering Committee by the new management of the MoH. This dismantling did not only apply to the Steps Committee but to all existing Committee's within the Ministry. As the ToR for the STEPS Survey was almost finalized and only needed approval from the Steering Committee, this approval could not be given anymore and was put on hold.

The IS4H Lead Time for which the procurement activity of hiring had already commenced could not be finalized. The positions were already advertised in local newspapers and expression of Interests were already received and evaluated. The Evaluation Report was not submitted to the Bank for non-objection as the PIU awaited further instructions from the MoH on how to continue further.

Status CommCare procurement

1. The integration with Go Data it took some time to get all partners aligned (PAHO HQ, Go.Data developers, CommCare, and external suppliers who will build the integration). CommCare have decided that they were confident enough to commit to the costs.
2. WhatsApp costs. Turn io, the company who is providing the connection with WhatsApp waved the costs, but CommCare wanted to relocate the costs to themselves because they forgot to add their WhatsApp gateway maintenance costs. This was unacceptable in our point of view, so after a few discussions with them about this they agreed to take on those costs for the length of the project.
3. WhatsApp template messages costs. These were costs when the WhatsApp line initiates contact e.g., for a reminder to do a daily self-assessment.

The purchase of CommCare was also put on hold as the Ministry wanted to get insight in the project first and then decide the best digital tools to respond to Covid19 and other diseases. A presentation on the Tool itself and the possible advantages and disadvantages were done by the Bank but still the Ministry could not decide on the purchase of CommCare.

From April to June 2020 a local consultant was hired to do a Needs Inventory for hardware at the RGD, the Medical Mission and the MoH. The report was finished in July.

From May – July the Team got in contact with Preakelt to deploy the WHO pro bono initiative Health Alert for Suriname, a WhatsApp chatbot for information about COVID-19. The waiting is for the new Government to continue and finalize all the needed documentation.

In June and July, the IS4H team started to work on the hardware and software needs for the Tropic Clinic. A couple of meetings were held with the IDB and a supplier to start with the procurement process of the Health Information Exchange Platform.

Subcomponent 1.7

Ministry of Health Infrastructure Improved, between July and December 2020, the following activities were conducted and achieved:

- Received Bank's no-objection on the Shortlist REOI (for Design and Supervision) on the 20th of August 2020 (this Evaluation Report was sent in the last week of June to the Bank, while Bank's no-objection on RFP was received on the 2nd of June 2020);
- Issuance of the RFP to the shortlisted Consultants on the 4th of September 2020;
- There were questions from the Consultants, and all were compiled, answered and send on the 8th of October 2020, to all firms (Questions and Answers).
- The submission of five (5) Proposals from the Consultants for Design and Supervision, received on the 3rd of November 2020, 11.00 a.m. local time.
- The submission of the Technical Evaluation Report on the 21st of December 2020, to the Bank for Non-Objection. This Evaluation was conducted by the Evaluation Committee and where needed, with support from the IDB technical-specialist L. Minoja. The evaluation was conducted, based on the criteria, composed by the PIU and IDB. The Bank's Non-Objection to this Technical Evaluation Report was expected in the second/third week of January 2021, to start than with the opening of the submitted Financial Proposals.

Component 2

To be able to start up with the activities of Component 2, an assessment of the current CCM as applied at the OSS and partially at some of the RGD clinics needs to be done. This assessment has not been executed as the MoH still is dealing with some internal issues on this specific matter. The new Minister was informed about this matter and the decision was taken that the New Management of the MoH will continue to solve this internal issue. In November 2020, the PAHO was approached again by the Ministry requesting their (technical) support to get the assessment done. The PAHO is very willing to support on this and has continued meetings with the MoH in order to get this back on track.

The PAHO and the MoH are working together in drafting the ToR for the Consultant who will conduct this assessment. At the end of November 2020, The Bank was informed about the technical support the PAHO will give in having this assessment done under their supervision. A decision was also taken to hire a fulltime CCM Coordinator who will coordinate the implementation of the CCM Model. A request was submitted to the Bank to have this paid out of the TC Funds as this was not part of the project activities. The Bank did approve this request and the Ministry is now in the phase of approaching potential candidates for this position where after the cv's will be submitted to the Bank for approval. The new administration in the MoH will have to take a decision on how to proceed further with this component also given the fact that USD 1,000,000 was made available out of the loan for Covid-19 related activities as part of the HSIP project.

Component 3:

Under Component 3, many of scheduled activities are in execution. The MoH staff, namely the Malaria Program under which component 3 falls, not only has experience with the activities of this component but also managed to regularly meet with PIU, whereby approximately 90% of the activities are more or less on schedule. According to planning the first activity of the procurement plan has been completed. This concerns the purchase of the 8 Parasitological microscopes. These 8 items were delivered on 20 July 2020 and received by TropicClinic.

From July 2020 procurement started to work the Expression of Interest and evaluation sheets (EOI) for the Consultancy to design the Behavior Change Communication campaign, Consultancy to Design a National strategy for provision of health services for priority infectious diseases to (mobile) migrant population and Consultancy to conduct and elaborate a Prevalence Survey (HIV/TB/Leishmaniasis/Leprosy) in migrant populations. The Expression of Interest was published, and responses of the candidates were reviewed, and a shortlist was done per activity.

After receiving no-objection from the Bank on the Evaluation Report for both "Consultancy to conduct and elaborate a Prevalence Survey (HIV/TB/Leishmaniasis/Leprosy) in migrant populations and Consultancy to design the Behavior Change Communication campaign" the draft contracts were sent on December 2020 for no objection.

For "the Design of the National strategy for provision of health services for priority infectious diseases to (mobile) migrant population national", no approval was given by the Bank on the Evaluation Report in November 2020 and the Report needed to be revised.

The first contract with the individual consultant, Uselia Zeegelaar, to develop a Quality Assurance and Quality control guide for the Malaria Program was signed on 19 August 2020.

On the 8th of September 2020, the PIU received no-objection on the evaluation report for "the purchase of HIV equipment and supplies for the National Reference Laboratory (Bureau of Public Health)". The contracts were signed in October 2020 with the suppliers Harson, Orchant, Orchant and Traingle. On November 18, 2020, the refrigerator was delivered by the supplier Midistro and on Dec 17, 2020 the supplier Harson delivered part of the goods that needed to be delivered.

For “the purchase of ICT equipment for TropicClinic with software and hardware for data analysis and processing” and “Purchase of Long-lasting mosquito bed nets (20000 units)” the procurement started by preparing biddings documents and Special Procurement Notice (SPN). After no-objection of the Bank the SPN was published.

Program Administration and Evaluation

From July to September 2020 the procurement process started for hiring an external auditor for this project. On the 4th of September, the contract was signed with the firm Crowe Burgos Accountants N.V. The description the purchase of laptops, computer supplies, office furniture, office supplies, kitchenware, cleaning products, building materials and air conditioning, in the Procurement Plan December'19-April'21 has been changed to:

1. Purchase of Laptop and Computer supplies for the setup of the PIU;
2. Purchase of Furniture and Office supplies for the setup of the PIU;
3. Purchase of Air Conditioning for the PIU office;
4. Purchase of a Server for the PIU office.

Contingencies

In August 2020 after submission to the Bank and received No-Objection to proceed further with the procurement process Kring Pharmacy N.V. was selected for the delivery of Covid-19 Medical Supplies for the Ministry of Health. As the new Minister and deputy Director were appointed within the MoH, the procurement activity for the list of Covid Needs that was in a pretty advanced stage of the point of signing contracts, was canceled. The justification for this cancellation lied in the fact that there were various donations from the private sector and from Countries abroad because of diplomatic and friendly relations with Suriname. As these donations were already covering a lot of the items that were brought up in the Covid Need List, the Minister decided that this was no longer a high priority. In a later stage, decisions would be taken after collaboration with the Government, the MoH and the IDB, how to allocate the fund that was freed up for the Covid Need list.

At the beginning of the Covid-19 pandemic, it resulted that the Quick Response Team does not have enough vehicles available to respond to all the Covid-19 potential infected cases in Paramaribo and other coastal districts, like Nickerie, Wanica and Albina. The services related to Covid-19 activity concern the leasing of vehicles for the Covid-19 Quick Response Team (QRT) of the Ministry of Health. After submitting the Evaluation Report to the Bank, in July 2020 the Bank granted its no-objection to the request for leasing one vehicle with Ross rent a car.

After several months, The Ministry has decided not to lease these vehicles anymore and therefore requested through its HSIP PIU the Bank's non-objection to cancel the procurement of this activity.

1.5. Institutional background

Program Management

The Program Implementation Unit (PIU) members as at December 31, 2020 are as follow:

<u>Responsibility</u>	<u>Name</u>
Program Manager	Kamla Madho
Construction Specialist	Previn Mahabir
Procurement Officer	Dyorn Boldewijn
Financial Specialist	Michael Weidum

The contract of the PIU members, specifically the Operating specialist and the Information Specialist, expired as of September 2020. As of December 31, 2020 these positions are vacant.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Cash basis of accounting

The financial statements of the Project for the period October 1, 2019 – December 31, 2020 have been prepared using the cash basis of accounting, which recognizes transactions and acts only when the cash and or its equivalent is received or disbursed by the entity, and not when they give rise to accrue or originate rights or obligations.

2.2. Currency

The functional currency of the Project is USD, and its accounting records are kept in its functional currency. Transactions in SRD are translated at the foreign exchange rate of the Central Bank of Suriname ruling at the date of the transaction, unless otherwise stated.

The financial statements are presented in American dollars, rounded off to the nearest whole US dollar value, unless otherwise stated.

Cash receipts and cash disbursements denominated in the currency other than the US dollar were translated using the applicable rate of the Central Bank of Suriname at the date of the transaction, with exception to disbursements made to consultants. The exchange rate, as of September 2020, has been announced by the Central Bank of Suriname from 7,396 to 14,018.

Payments to consultants were made at the rate of 7.52.

The exchange rates at December 31 were:

	12-31-2020	12-31-2019
	SRD	SRD
USD 1	14.018	7.396

3. AVAILABLE CASH BALANCE

The available cash balance at December 31, 2020 consisted of the following:

	Account no	In SRD	In USD
Central Bank of Suriname USD account	0313100-001-136-840		1,209,079
Central Bank of Suriname SRD account	0313100-001-236-968	26.080	1,860
Cash on hand - Petty cash		2.220	158
Cash on hand - Operations cash		3.767	269
			<u>1,211,366</u>

4. ADVANCES PENDING JUSTIFICATION

The project receives funds from the IDB based on disbursement request. When reaching 80% disbursement out of the funds received, the project justifies the expenditures before requesting the next funds.

In USD

Balance October 1, 2019	-
Cash advances received from IDB during the period	1,570,170
Less: Justification of advances	-114,018
Balance December 31, 2020	1,456,152

Cash available balance	1,211,366
Payments made after last justification of funds	244,050
Bank charges & currency exchange losses	736
Balance December 31, 2020	1,456,152

The payments made after March 24, 2020, the date of the last justification of funds during 2020, amounted to USD244,050 and will be part of next justification to be submitted to the IDB in 2021.

5. PROCUREMENT OF GOODS, SERVICES AND WORKS

5.1. Procurement of services

The following are the services procured by the Project from 01 October 2019 to 31 December 2020:

Contractor/supplier	Description of services	Investment category	Amount in USD
Various	Advertisements, food and beverages etc.	Comp 1	1,754
Malaria Program	Long lasting mosquito bed nets distributed Lawa	Comp 3.	18,676
Malaria Program	Annual Training for MSDs	Comp 3.	22,300
Uselencia Esajas	Develop a Quality Assurance and Quality control guide	Comp 3.	215
Various	Newspaper advertisement	Comp 3.	1,976
D. Boldewijn-Menig	Procurement Specialist	Comp 4.	5,915
L. Krisnadath	Operations Specialist	Comp 4.	28,841
J. Locher	ICT Specialist	Comp 4.	23,649
K. Madho	Program Manager	Comp 4.	52,582
P. Mahabir	Construction Specialist	Comp 4.	32,864
M. Weidum	Financial Specialist	Comp 4.	25,634
Crowe Burgos Accountants N.V.	Independent External Auditor	Comp 4.	2,736
			217,142

5.2. Procurement of goods

The following are the goods procured by the Project from October 1, 2019 to December 31, 2020:

Contractor/supplier	Description of services	Investment category	Amount in USD
Smart Connexxionz	IT- Equipment BOG	Contingencies	19,782
Kring Pharmacy N.V.	Medical supplies Covid-19	Contingencies	94,609
Harsons Meditech. Inc	8 Parasitological Microscopes for the Malaria program	Comp 3.	12,862
Harsons Meditech. Inc	HIV equipment and supplies for the National Reference Laboratory (BOG)	Comp 3.	4,510
Traingle Holding N.V.	HIV equipment and supplies for the National Reference Laboratory (BOG)	Comp 3.	404
Medistro N.V.	HIV equipment and supplies for the National Reference Laboratory (BOG)	Comp 3.	465
Orchant	HIV equipment and supplies for the National Reference Laboratory (BOG)	Comp 3.	1,825
Various	Food, beverages, office supplies and more	Comp 4.	6,978
			141,435

6. DISBURSEMENT CATEGORIES

Category of disbursement	In USD
1 Institutional strengthening of the MoH for evidence-based policy making	1,754
1.1 Improved Health Info System	172
1.6 IS4H Team contracted and delive	926
1.7 Ministry of Health infrastru	656
2 Expansion of the chronic care model	0
3 Increase the access to priority CD preventive services for targeted population	63,233
3.1 Communication and behavior chan	19,399
3.2.1 Annual Training MSDs and lab st	22,413
3.3.1 TropicClinic equipped	298
3.4 Parasitological microscopes ava	12,862
3.5 Quality Assurance and Quality C	627
3.7 National strategy for provision	189
3.8.2 Consultancy to Prevalance Surv	241
3.12 National Ref. Lab. equipment su	7,204
Project Administration & Evaluation	179,199
4.1 · PIU Basic staff salaries	169,622
4.2.1 · Financial Audits	2,736
4.3 · Logistic and Minor Management costs	4,152
4.4 · Cost to setup PIU office	2,689
Contingencies	114,391
COVID-19 contribution to the Government	114,391
TOTAL	358,577

7. DISBURSEMENT MADE

Disbursement request number	Type	Date	USD
1	Advance of Funds	12 November 2019	186,100
3	Advance of Funds	14 April 2020	1,384,070
			<u>1,570,170</u>
2	Justification	24 March 2020	<u>114,018</u>

8. RECONCILIATION BETWEEN THE STATEMENT OF CASH FLOW AND THE STATEMENT OF CUMULATIVE INVESTMENTS

	Total in USD
Cumulative cash received as at December 31, 2020	1,570,170
Cumulative investments at December 31, 2020	-358,068
Bank charges & currency exchange losses	-736
Available cash balance at December 31, 2020	<u>1,211,366</u>

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

Category	Per Project's records	Per IDB's records	Difference
Institutional strengthening of the MOH for evidenced-based policymaking	-	-	-
Expansion of the chronic care model	-	-	-
Increase the access to priority CD preventive services for targeted population	66,068	12,862	53,206
Project administration and evaluation	177,609	81,374	96,235
Contingency reserve	114,391	19,782	94,609
	<u>358,068</u>	<u>114,018</u>	<u>244,050</u>
	Per Project's records	Per IDB's records	
	USD	USD	
Total investments	358,068	114,018	
Cash available balance-IDB	1,211,366	-	
Cash advance of funds	-	1,456,152	
Bank charges & currency exchange losses	736	-	
	<u>1,570,170</u>	<u>1,570,170</u>	

INDEPENDENT AUDITOR'S REPORT

Ministry of Health
Health Services Improvement Project
Attn: Mrs. Diana Koswal, Deputy Director Financial Services
Henck Arronstraat

Report on the audit of the financial statements 2020

Our opinion

We have audited the accompanying financial statements 2020 of the Health Services Improvement Project (further refer to as 'The Program'), executed by the Ministry of Finance and financed with funds from the Inter-American Development Bank Loan Agreement NR 4593/OC-SU-L1054.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash flows and cumulative disbursements of the Program as of December 31, 2020, in accordance with the accounting policies described in Note 2.

The financial statements comprise:

1. the statement of cash flows;
2. the statement of cumulative disbursements as at 31 December 2020; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

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

Responsibilities of management for the financial statements

The project management of the Health Services Improvement Project is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis Accounting and specific requirement of the Inter-American Development Bank.

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

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

Our responsibilities for the audit of the financial statements

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

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

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

Our audit included among others:

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

our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

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

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

Report on other legal and/or regulatory requirements

We did not observe any situations suggesting non-compliance with the financial clauses in the Inter-American Development Bank Loan Agreement No. 4593/OC-SU-L1054 during the period reviewed by us.

Restriction on use and distribution

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

The accompanying financial statements and our auditor's report thereon are intended solely for the Health Services Improvement Project, Ministry of Finance of the Republic of Suriname and the Inter-American Development Bank and should not be used for other purposes.

Paramaribo, April 29 2021

Crowe Burgos Accountants N.V.

Romeo K. Burgos MSc. CA RA
Managing Partner

Appendix 1: BUDGET VERSUS REALIZATION

Components	Total Budget	Realization per 31 December 2019	Under realization
1. Institutional strengthening of the MOH for evidenced-based policymaking	12,372,000	-	12,372,000
2. Expansion of the CCM	3,840,000	-	3,840,000
3. Increase access to priority services for communicable diseases in at risk population	1,500,000	66,068	1,433,932
4. Program administration and evaluation	1,665,000	177,609	1,487,391
5. Contingency reserve	623,000	114,391	508,609
TOTAL	20,000,000	358,068	19,641,932