

## TC Document

### I. Basic Information for TC

▪ Country/Region:	SURINAME
▪ TC Name:	Support for Innovation in the Management of Social Programs in Suriname
▪ TC Number:	SU-T1150
▪ Team Leader/Members:	Freire Samudio, Carolina Angelica (SCL/SPH) Team Leader; Berlanda Custodio Da Silva, Cleide (VPC/FMP); Delfs Ilieva, Isabel (SCL/SPH); Gangadin, Raijant Amarnath (CCB/CSU); Natalia Almeida (LEG/SGO); Tjon A Loi, Mariska Chuquita (VPC/FMP) Mario Casco (ITE/IPS); Delfs Ilieva, Isabel (SCL/SPH); Gangadin, Raijant Amarnath (CCB/CSU); Natalia Almeida (LEG/SGO); Tjon A Loi, Mariska Chuquita (VPC/FMP)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	SU-L1063.
▪ Date of TC Abstract authorization:	24 Feb 2022.
▪ Beneficiary:	Republic of Suriname
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$150,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period:	24 months
▪ Required start date:	1 June 2022
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	SCL/SPH-Social Protection & Health
▪ Unit of Disbursement Responsibility:	SCL/SPH-Social Protection & Health
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law

### II. Description of the Associated Loan

- 2.1 The Technical Cooperation (TC) supports the implementation of the program “Support to Safety Nets for Vulnerable Populations in Suriname” (5447/OC-SU), a specific investment loan executed by the Ministry of Social Development and Public Housing (MOSAPH) of Suriname. The Program’s objective is to contribute to ensuring minimum consumption levels for vulnerable groups amid Suriname’s socio-economic crisis and strengthen the efficiency and transparency of the country’s social safety net. The specific objectives are to: (i) support minimum consumption levels for vulnerable population groups affected by the crisis; and (ii) strengthen MOSAPH’s capacity to manage social protection programs with efficiency and transparency. The US\$30 million Program, with a four-year disbursement period, was approved by the Inter-American Development Bank (IDB) Board of Directors on 24 November 2021 through Resolution No. DE-112/21.
- 2.2 The Program addresses Suriname’s socioeconomic crisis, which has severely impacted the livelihoods of the Surinamese population, especially the most vulnerable, through the payment of cash transfers to 130,548 beneficiaries. The crisis is a result

of Suriname's challenging macroeconomic conditions, along with the continuation of the pandemic. An online socioeconomic survey of 1,866 households conducted by the Inter-American Development Bank (IDB) in April 2020, showed that 47.6% of Surinamese households experienced loss of income due to business closures and loss of employment, rental income, or remittances.<sup>1</sup> The percentage of households with income below the minimum wage increased from 23.2% in January 2020 to 31.7% in April 2020.<sup>2</sup> Low-income households<sup>3</sup> have been more severely impacted - a higher share (35.9%) has lost employment in comparison to middle-income and high-income households (27% and 14.9%, respectively). Finding employment has also proven more difficult for members of low-income households. A nationally representative telephone survey conducted by the IDB in August 2020, showed that 39% of poor households having a member looking for employment, reported not being able to find a job compared to 21% of non-vulnerable households.<sup>4</sup>

- 2.3 The Program also addresses the need to strengthen MOSAPH's challenges in the efficient and transparent management of the social protection system. MOSAPH administers four cash transfer programs (CTP): (i) Support to Poor Households (FBZwHH, by its Dutch acronym) which benefits 5,362 households with a monthly income below SRD2,000 (US\$93.39); (ii) Child Allowance (AKB, by its Dutch acronym), a nearly universal benefit aimed at households with children under 18 years old which benefits 45,507 households; (iii) Support for Disadvantaged Persons with Disabilities (FBMMEB, by its Dutch acronym), a means-tested transfer that benefits 11,871 individuals with a monthly household income below Suriname Dollar (SRD)4,500 (US\$212.25) and who are certified as unable to work by a physician; and (iv) Elderly Allowance (AOV, by its Dutch acronym) a universal transfer benefiting 67,808 individuals of Surinamese nationality who are aged 60 or older.<sup>5</sup>
- 2.4 **Information management systems.** Among MOSAPH's main challenges, is the lack of a Management Information System (MIS) to optimize the operational cycle of the CTP and ensure traceability and transparency. Currently, the beneficiary application and enrollment processes are mostly conducted manually. For enrollment, a Field Office case worker conducts a social evaluation that includes a house visit and interview, where documentation for proof of household income, such as employment contracts or pay slips, is collected. The completed application is then reviewed by the head of the Field Office who recommends approval or rejection to the corresponding District Office. Payment events, during which beneficiaries of CTP receive their cash-in-hand payments, occur only once a year in the country's interior. Such a long interval for the identification of potential beneficiaries delays the provision of protection for vulnerable households and increases the risk of exclusion errors. The manual process can take up to three weeks to complete. MOSAPH central, district and field offices also lack the digital infrastructure necessary for the deployment of a MIS including internet connectivity for District and Field Offices as well as computers,

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<sup>1</sup> Arteaga, Maricruz et al (2021). "The-Consequences-of-COVID-19-on-Livelihoods-in-Suriname-Evidencefrom-a-Telephone-Survey". IDB.

<sup>2</sup> Khadan, Jeetendra (2020). "Suriname in Times of COVID-19: Navigating the Labyrinth". IDB.

<sup>3</sup> Low-income households in the online socioeconomic survey are defined as those reporting incomes below the minimum wage.

<sup>4</sup> Arteaga, Maricruz et al (2021). "The-Consequences-of-COVID-19-on-Livelihoods-in-Suriname-Evidencefrom-a-Telephone-Survey". IDB.

<sup>5</sup> 54% of AOV beneficiaries are women. The monthly value of the transfer was increased temporarily from SRD525 (US\$24.86) to SRD1,050 (US\$49.74).

tablets, and peripheral hardware (printers, scanners). The central MOSAPH offices must also enhance data storage and cyber security capabilities.

- 2.5 **Targeting methods.** Another of MOSAPH's challenges is the lack of a unified social registry which enables socioeconomic classifications of large parts of the population (identifying structural poverty or vulnerability to shocks) and the frequent updating of beneficiary information in accordance with changes in demographic or socioeconomic conditions. MOSAPH also lacks a unified targeting method to support the identification of the population in poverty and extreme poverty as well as their eligibility for the different cash transfer programs. With support from the Caribbean Development Bank, the MOSAPH has made some progress in building a social registry. The Beneficiary Information System (BIS) aims to unify the CTPs' beneficiary rosters and establish a MIS to automate and optimize the entire operational cycle of cash transfers. However, the BIS still has low coverage<sup>6</sup> and requires the development and implementation of a digital infrastructure strategy. The BIS is not yet interoperable within the social protection system and with other sources of administrative data, including the Civil Registry Bureau of the Ministry of Internal Affairs and the Tax Department of the Ministry of Finance and Planning. Interoperability within the social protection system would not only allow monitoring program overlap, but it would allow for the automatic verification of eligibility requirements.
- 2.6 **Digital payments.** MOSAPH also requires support in expanding digital payments to CTP beneficiaries since 42% of them are paid in cash. Cash payments involve higher transaction costs for the Ministry and beneficiaries, and cause delays in payment. For example, the AKB and the FBZwHH are paid only once a year. Cash payments also require the implementation of mitigation measures to avoid the potential spread of COVID-19.
- 2.7 To address these challenges, the Program supports the expansion of MOSAPH's BIS to unify the databases of all CTP and include all functionalities related to the operational cycle of the CTP, namely enrollment, database management, payment, and monitoring functions, as well as the development of interoperable platforms with other ministries. The Bank's experience in the development of social registries, through programs such as the "Social Inclusion and Development Program" (3512/OC-PN) of Panama, shows that consolidating beneficiary databases and enabling interoperability among different government institutions facilitates the exchange of data required for updating beneficiary information and verifying eligibility requirements. The Program also supports the development of targeting methods, such as the inclusion of artificial intelligence algorithms to monitor household poverty and vulnerability in the face of shocks. Finally, the Program supports the expansion of digital payments to beneficiaries of the AKB and FBZwHH in coastal areas, which would increase coverage of digital payments from 59% to 79% of beneficiaries.

### III. Objectives and Justification of the TC

- 3.1 The objective of the TC is to support the implementation of 5447/OC-SU by strengthening Suriname's social protection system through innovations in the management of cash transfer programs for vulnerable populations.

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<sup>6</sup> Only 35% of CTP beneficiaries, corresponding to the Child Allowance, are currently registered in the system.

- 3.2 The TC will specifically support advancements in Program implementation by developing the technical inputs necessary for the Ministry's digital transformation including the development of the BIS, the design of targeting methods, and the expansion of digital payments. The TC will support an assessment, long-term vision, and road map for the digital transformation of MOSAPH. It will also finance an assessment of the strengths and challenges of MOSAPH's current digital infra and info structure to ensure the successful expansion of the BIS financed by the loan. The development of a long-term vision and road map for leading the institution's digital transformation is necessary to ensure that the BIS is developed within a normative, institutional, and technical framework that ensures its sustainability. The TC will also generate direct inputs to support the expansion of the BIS with the design of its technical specifications, as well as the technical requirements of all associated digital infrastructure and cyber security components. Among these specifications is the interoperability platform with the Civil Registry Bureau of the Ministry of Internal Affairs, the Tax Department of the Ministry of Finance and Planning, to facilitate the verification of eligibility requirements and beneficiaries' transition across programs. The TC will support MOSAPH's efforts to improve targeting methods by defining eligibility criteria for the CTP and developing artificial intelligence algorithms to monitor household poverty, and its integration within the BIS. The TC will also support the Program's aim of expanding CTP digital payments by developing an assessment of the current procedures for the cash payment of CTP and their associated costs, as well as an assessment of the digital instruments that are better suited for the digital payments for beneficiaries of the AKB and the FBZWHH in coastal areas.
- 3.3 **Strategic alignment.** The TC is aligned with the Second Update to the Institutional Strategy (AB-3190-2) and is strategically aligned with the challenge of Social Inclusion and Equality, through support strengthening Suriname's social protection system. It is also aligned with the challenge of Productivity and Innovation as it supports activities that promote innovations for the management of CTP that benefit vulnerable populations. The operation is aligned with the cross-cutting theme of Institutional Capacity and the Rule of Law as it contributes to enhancing MOSAPH's managerial capacity and digital technology. Additionally, the program is aligned with the Corporate Results Framework (CRF) 2020-2023 (GN-2727-12) through the indicator of government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery. It is consistent with the Social Protection and Poverty Sector Framework Document (GN-2784-11) contributing to improvements in efficiency and efficacy of programs targeting families living in structural poverty using digital tools for identification, enrollment, and payment of beneficiaries. The TC is also aligned with the Tier 1 approach of Vision 2025 - Reinvest in the Americas: A decade of Opportunity (GN-3025 5(2/21), Working Toward Sustainable and Inclusive Growth by promoting social progress in a way that fosters access to better social protection systems. It is also aligned with Vision 2025's focus on the digital economy by supporting the expansion of the BIS as a tool for promoting efficiency and transparency in the management of CTP. The TC is aligned with the Ordinary Capital Strategic Development Program (OC-SDP) - Window 2 - Social Development (GN-2819-14) as it contributes to strengthening MOSAPH's efficient in management of social programs. It is aligned with the IDB Group Country Strategy with Suriname 2021-2025 in its strategic area of improving the provision of basic services and social protection (GN-3065).

#### IV. Description of activities/components and budget

- 4.1 **Component 1. Support to innovation in social protection programs (US\$150,000.00).** The TC will finance: (i) technical assistance for an assessment of MOSAPH's current digital capabilities and infrastructure, including internet connectivity, computer hardware and software, server capabilities, and cyber-security framework; (ii) technical assistance for the design of a strategic vision and planning tool to support the digital transformation of MOSAPH's CTP management system; (iii) technical specifications for the expansion of the BIS including the development of all functions necessary to administer CTP and the interoperability platform; (iv) technical specifications for internet services, computer hardware and software, servers, and cyber-security software required for the BIS expansion; (v) technical assistance for the evaluation of current targeting methods for eligibility of CTP and a proposal of targeting methods using artificial intelligence algorithms; and (vii) technical assistance for the identification and design of the mechanism to be used for the expansion of digital payments for AKB and FBZwHH. The result of this Component is to obtain all the technical inputs necessary for the execution of Component 2 of the loan.
- 4.2 The total cost of the TC is US\$150,000.00, funded by OC-SDP Window 2 - Social Development (W2E).

**Indicative Budget (US\$)**

Activity/Component	Description	Total IDB Funding
<b>Component 1. Support to innovation in social programs</b>	Development of inputs to support innovation in the management of MOSAPH's social protection programs	150,000.00
<b>Total</b>		<b>150,000.00</b>

- 4.3 **Supervision.** The supervision of the TC will be carried out by Carolina Freire, Senior Social Protection Specialist (SCL/SPH) with the support of the Alternate Team Leader and the Operations Analyst, as well as the fiduciary and procurements teams from the Suriname Country Office.

#### V. Executing agency and execution structure

- 5.1 This TC will be executed by the Bank's Social Protection and Health Division (SCL/SPH) during a period of 24 months. The Bank executes this program due to: (i) the lack of a project implementation unit within MOSAPH with the technical and administrative capacities to undertake the execution of the TC's resources; (ii) the SPH's capacity to provide MOSAPH with the technical assistance needed to implement and supervise the TC products; and (iii) SPH's extensive expertise in the design, implementation and evaluation of cash transfer programs in 18 Latin American and Caribbean countries<sup>7</sup> and the development of social registries, which will facilitate the transfer of knowledge and lessons learned.
- 5.2 All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows:

<sup>7</sup> Ibarrarán et al. 2017. "How Conditional Cash Transfers Work". IDB.

(a) AM-650 for contracting of consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature; and (c) GN-2303-28 for logistics and other related services. Considering that the Bank is executing the TC, no resources for auditing have been budgeted. The Unit Responsible for Disbursement (UDR) will be the IDB Country Office in Suriname (CSU).

## **VI. Major issues**

- 6.1 A risk in the implementation of the TC is the timely revision by MOSAPH of the technical assistance products which can cause delays in the achievement of the TC's results. This is due to the lack of a program implementation unit within MOSAPH that can act as a focal point to the Bank and to the consultants that will be contracted. The lack of a project implementation unit can also present a challenge for the internal coordination among different technical departments, including Information Technology and Social Care, that is necessary for the development and approval of the technical assistance products. This risk will be mitigated by leveraging the permanent coordination mechanism established in the Office of the Permanent Secretary to facilitate the execution of 5447/OC-SU.

## **VII. Exceptions to Bank policy**

- 7.1 This TC does not contemplate exceptions to Bank policies.

## **VIII. Environmental and Social Strategy**

- 8.1 This TC does not intend to finance prefeasibility or feasibility studies for specific investment projects or environmental or social studies associated with them; therefore, the requirements of the Bank's Environmental and Social Policy Framework do not apply to this TC.

### **Required Annexes:**

[Request from the Client - SU-T1150](#)

[Results Matrix - SU-T1150](#)

[Terms of Reference - SU-T1150](#)

[Procurement Plan - SU-T1150](#)