

**MINISTRY OF EDUCATION, SCIENCE AND CULTURE
REPUBLIC OF SURINAME**

**SECOND BASIC EDUCATION IMPROVEMENT PROGRAM – Phase II
IDB Loan Agreement No. 3603/OC-SU**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Ministry of Education, Science and Culture
Second Basic Education Improvement Program – Phase II

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To: Ministry of Education, Science and Culture
Second Basic Education Improvement Program – Phase II

INDEPENDENT AUDITOR'S REPORT

A. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

Our opinion

We have audited the financial statements 2017, which is recorded on the pages 5 till 23 of this report, for the year ended December 31, 2017 of the Second Basic Education Improvement Program – Phase II, executed by Ministry of Education, Science and Culture (Executing Agency), based in Paramaribo and financed with funds from the Inter-American Development Bank.

In our opinion the accompanying financial statements presents fairly, in all material respects, the cash flows and cumulative disbursements of the Second Basic Education Improvement Program – Phase II as of December 31, 2017 in accordance with Cash Basis Accounting and specific requirements of the IDB.

The financial statements comprise of:

1. the statement of cash flows for the period January 1 to December 31, 2017;
2. the statement of cumulative disbursements as at December 31, 2017;
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Report on other legal and/or regulatory requirements

We did not observe any situations suggesting non-compliance with the financial clauses in Inter-American Development Bank Loan Agreement No. 3603/OC-SU during the period audited by us.

B. DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of Project management's for the financial statements

The Project management is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis Accounting and specific requirements of the IDB. Furthermore, the Project 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 judgment and have maintained professional skepticism throughout the audit, in accordance with International Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- 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 and 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 Project Execution Unit internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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.

Paramaribo, March 22, 2018

Tjong A Hung Accountants N.V.



M.S.A. Tjong A Hung RA MSc
Partner

Ministry of Education, Science and Culture
Second Basic Education Improvement Program – Phase II

STATEMENT OF CASH FLOWS
(Expressed in U.S. dollars)

	Notes	December 31, 2017		
		IDB	LOCAL	TOTAL
CASH RECEIVED				
Accumulated cash at January 1, 2017		998,705	-	998,705
Adjustments prior year		-	-	-
<u>Activity during the period</u>				
- Advance of funds		2,239,728	-	2,239,728
- Direct payments			114,319	114,319
Total cash received		<u>3,238,433</u>	<u>114,319</u>	<u>3,352,752</u>
DISBURSEMENTS MADE				
Cumulative cash at January 1, 2017		119,215	-	119,215
<u>Activity during the year</u>				
Payments for goods and services		<u>989,093</u>	<u>114,319</u>	<u>1,103,412</u>
Total cash disbursements		<u>1,108,308</u>	<u>114,319</u>	<u>1,222,627</u>
CASH AVAILABLE AS AT DECEMBER 31, 2017	4	<u><u>2,130,125</u></u>	<u><u>-</u></u>	<u><u>2,130,125</u></u>

The notes on pages 9 to 23 form an integral part of the financial statements.

Ministry of Education, Science and Culture
Second Basic Education Improvement Program – Phase II

STATEMENT OF CUMULATIVE DISBURSEMENTS
(Expressed in U.S. dollars)* See page 8

NR	CATEGORY OF DISBURSEMENT	Notes	CUMULATIVE AT JANUARY 01, 2017			MOVEMENT DURING YEAR JANUARY-DECEMBER 2017			CUMULATIVE AT DECEMBER 31, 2017		
			IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL
1	Improve student learning		65,120	-	65,120	408,342	-	408,342	473,462	-	473,462
1.1	Redesign of curriculum		-	-	-	171,005	-	171,005	171,005	-	171,005
1.2	Training of teachers and principals		55,100	-	55,100	121,163	-	121,163	176,263	-	176,263
1.3	Provision of textbooks and teacher guides		10,020	-	10,020	116,174	-	116,174	126,194	-	126,194
1.4	Development of e-content		-	-	-	-	-	-	-	-	-
1.5	Strategy to reform lower secondary		-	-	-	-	-	-	-	-	-
2	Improve access to education		-	-	-	92,624	-	92,624	92,624	-	92,624
2.1	Assessment of school infrastructure needs		-	-	-	36,325	-	36,325	36,325	-	36,325
2.2	Renovation and expansion of classrooms and teacher housing		-	-	-	29,299	-	29,299	29,299	-	29,299
2.3	Building of CENASU		-	-	-	27,000	-	27,000	27,000	-	27,000
	Carry forward		65,120	-	65,120	500,966	-	500,966	566,086	-	566,086

NR	CATEGORY OF DISBURSEMENT	Notes	CUMULATIVE AT JANUARY 01, 2017			MOVEMENT DURING YEAR JANUARY-DECEMBER 2017			CUMULATIVE AT DECEMBER 31, 2017		
			IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL
	To carry forward		65,120	-	65,120	500,966	-	500,966	566,086	-	566,086
3	Improve management capacity at MOESC		9,127	-	9,127	249,061	-	249,061	258,188	-	258,188
3.1	Capacity strengthening		1,863	-	1,863	233,086	-	233,086	234,949	-	234,949
3.2	Social Marketing Campaign		7,264	-	7,264	15,975	-	15,975	23,239	-	23,239
3.3	Assistance in the execution of ICT in Education		-	-	-	-	-	-	-	-	-
4	Program Administration		44,831	-	44,831	238,419	-	238,419	283,250	-	283,250
4.1	Program Coordinating Unit		44,831	-	44,831	221,719	-	221,719	266,550	-	266,550
4.2	Evaluation		-	-	-	-	-	-	-	-	-
4.3	Audit		-	-	-	16,700	-	16,700	16,700	-	16,700
87.00.00	Financial Costs		137	-	137	647	114,319	114,966	784	114,319	115,103
87.01.00	Credit fee		-	-	-	-	95,213	95,213	-	95,213	95,213
87.02.00	Interest		-	-	-	-	19,106	19,106	-	19,106	19,106
	Exchange gain/loss		87	-	87	-129	-	-129	-42	-	-42
	Bank charges		50	-	50	776	-	776	826	-	826
	TOTAL		119,215	-	119,215	989,093	114,319	1,103,412	1,108,308	114,319	1,222,627

Ministry of Education, Science and Culture
Second Basic Education Improvement Program – Phase II

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 – Program description

On January 29, 2016 the Republic of Suriname and Inter-American Development Bank entered into a Loan Agreement No. 3603/OC-SU to cooperate in the execution of a Second Basic Education Improvement Program (2nd BEIP) – Phase 2 (hereinafter referred to as the Program).

Program scope and objectives

The objective of the program is to increase learning outcomes of all primary school students and improve the internal efficiency of the education system.

The present program is the second phase of a multiphase operation. The first phase (2742/OC-SU) focused on developing the curriculum for students from grades 3 to 6, and improving access to preschool and primary education in the interior. BEIP-II complements phase I by developing the curriculum of the last two years of primary education, improving access to better schools and teachers in the interior, and building capacity within the MOESC. In addition, BEIP-II will support the already developed curriculum for pre-primary and early grades of primary education by providing didactic material, reading books, and additional teacher training and coaching for grades 1-8. The above objectives will be achieved through disbursements in three components.

Program components

In order to achieve the above-mentioned objectives, the Program will encompass the following components:

- Component 1. Improve student learning;
- Component 2. Improve access to education;
- Component 3. Improve management capacity at MOESC

Program costs and financing structure

The total cost of this operation is twenty million US dollars (US\$ 20,000,000) all financed by the IDB, with no counterpart from the GOS.

The following is the financial plan of the Program:

Categories	Bank US\$ '000	Budget Transfer US\$ '000	Bank after the budget transfer US\$'000	%
Component 1.				
Improve student learning	11,710	-	11,710	58.55
1.1 Redesign of curriculum	5,300	-300	5,000	25.00
1.2 Training of teachers and principals	1,610	-	1,610	8.05
1.3 Provision of textbooks and teacher guides	2,600	600	3,200	16.00
1.4 Development of e-content	1,000	-1,000	-	-
1.5 Strategy to reform lower secondary	1,200	700	1,900	9.50
Component 2. Improve access to education	5,000	-	5,000	25.00
2.1. Assessment of school infrastructure needs	500	-	500	3.00
2.2. Renovation and expansion of classrooms and teacher housing	3,500	-	3,500	18.00
2.3. Building of CENASU	1,000	-	1,000	5.00
Component 3.				
Improve management capacity at MOESC	1,540	-	1,540	7.70
3.1 Capacity strengthening	300	1,000	1,300	6.50
3.2 Social Marketing Campaign	240	-	240	1.20
3.3 Assistance in the execution of ICT in Education	1,000	-1,000	-	-
Program Administration	1,450	-	1,450	7.25
Program Coordinating Unit	1,080	-	1,080	5.40
Evaluation	300	-	300	1.50
Audit	70	-	70	0.35
Contingencies	300	-	300	1.50
Total	20,000	-	20,000	100.00

Budget transfer

On requests of the execution agency a budget transfer has taken place in July 2016. This budget transfer was approved by the IDB. For 2017 there were no budget transfers.

Execution

According to the GOS/IDB Loan Contract No. 3603/OC-SU, and the design of the Program, the Executing Agency (EA) is the MOESC. To make this happen the technical units of the MOESC have been given the responsibility of executing the project in conjunction with the Program Management Unit (PMU). The PMU in turn will be responsible of organizing all efforts into achieving the goals set forth by the project, by coordinating: the execution of project components, consultancies and key stakeholders efforts; the monitoring of progress and results; procurement and contracting of goods and services; processing of eligible payments; financial management; IDB supervision-related activities; and reporting to the IDB and other Government entities.

To execute the operation more efficiently and effectively, the MOESC and the IDB agreed that the PMU would require the following personnel:

- i) 1 Program Manager (PM);
- ii) 1 Operations Officer (OO);
- iii) 1 Financial Officer (FO);
- iv) 1 Financial Assistant (FA);
- v) 1 Procurement Officer (PO);
- vi) 1 Administrative Assistant (AA).
- vii) 1 Driver.

For the year 2017, the PMU consists of the following key personnel comprised of MOESC appointed staff and external consultants:

Program Manager	: Mrs. M. Levens
Operations Officer	: Mr. M. Giesen
Finance Officer	: Mrs. A. Thakoerdien - Jokhoe
Procurement Officer	: Mrs. C. Margaret
Administrative Assistant	: Mrs. P. Dragman - Pinas
Driver	: Mr. R. Ost

At December 31, 2017 the positions of Monitoring & Evaluation Officer and Financial Assistant were vacant.

To enhance accountability throughout the loan implementation and to support the effective and coordinated implementation of the BEIP-II program, a Program Management Group (PMG) comprising representatives from key members of the execution team and the leadership of the MOESC was created. The PMG is chaired by the PS, and the Program Manager/BEIP-II will serve as the technical and administrative secretariat. Other participants in the PMG are the Deputy Permanent Secretary and the Deputy Director Curriculum Development.

Note 2 – Significant accounting policies

Cash Basis of Accounting

The financial statements of the Program for the year ended December 31, 2017 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 Project, and not when they give rise to accrue or originate rights or obligations.

Currency

The Program's accounting records are maintained in U.S. dollars. The financial statements are also presented in U.S. dollars rounded off to the nearest whole US dollar value. The exchange rate on January 1, 2017 was US\$1 to SRD 7.36 and on December 31, 2017 it was US\$1 to SRD 7.396 which are rates from the Central Bank of Suriname.

Cash receipts and cash disbursements denominated in the currency other than the U.S. dollars were translated using the applicable rate of the Central Bank of Suriname at the date of the transaction.

Note 3 – Exchange gain and losses

Due to the devaluation of the SRD and the timing differences of cash received and disbursements made, this created exchange rate results.

Note 4 – Available cash balance

The composition of the available cash balance as at December 31, 2017 is as follows

	December 31, 2017 US\$
Central Bank of Suriname USD 0313100/001-096-840	2,208,075
Central Bank of Suriname SRD 0313100/001-182-968	3,911
Petty Cash	1,800
Cheques already issued but not yet cleared by the bank (TSA 86 and TSA 89)	-83,661
Balance at December 31, 2017	<u>2,130,125</u>

Note 5 – Advances and justification

The Project is receiving cash advances of funds from IDB based on a disbursement request. Upon reaching 80% disbursement out of the cash advances, the Project justifies the expenditures and then requests for additional cash advance.

	December 31, 2017 US\$
Balance as at beginning of the period	998,705
Advances of funds received during the year	2,239,728
Advances of funds justified during the year:	
February 24, 2017	-155,132
August 25, 2017	-685,738
Balance as at December 31, 2017	<u>2,397,563</u>

As at December 31, 2017 the advances of funds is composed of the following:

	December 31, 2017 US\$
Cash available balance (Note 4)	2,130,125
Payments made after the last justification (Note 10)	266,654
Balance as at December 31, 2017	<u>2,396,779</u>

Note 6 – Procurement of goods and services

6.1. Procurement of goods

The following list of contracts for procurement of goods made by the Program from the beginning until December 31, 2017 is stated here:

#	Contractor / Supplier	Description of Services	Sign date (mo/year)	IDB no- objection	Prism #	Investment category	Amount in US\$
1	Buro Lucht en Koude Technieken	Aankoop van 2 24000 BTU Split Unit	10-Oct-16	Yes	N/A	3.1	1,863
2	Buro Lucht en Koude Technieken	Aankoop van 1 24000 BTU Split Unit	31-Oct-16	Yes	N/A	4.1	921
3	Fernandes Autohandel N.V.	Delivery of 3 vehicles	13-Feb-17	Yes	SUB 0838		139,560
4	All Network Technologies Suriname N.V.	Delivery of laptops, laptops etc	2-May-17	Yes	SUB 0845	4.1	42,115
5	Infinity telecom N.V.	Delivery of IT equipment	25-Jul-17	Yes	N/A	3.1	12,424
6	Novoteqnica	Delivery of IT equipment	26-Jul-17	Yes	SUB 0853	3.1	231,183
7	Prodimec	Delivery of IT equipment	10-Aug-17	Yes	N/A	3.1	10,966
8	Unimax Contractors	Delivery of Office Furniture	14-Dec-17	Yes	SUB 0318	3.1	105,334
	Total						544,366

6.2. Procurement of services

#	Contractor / Supplier	Description of Services	Sign date (mo/year)	IDB no- objection	Prism #	Investment category	Amount in US\$
1	Sidyuta Consultancy	Summer Streaming Education Camps../Artie/Audit 2016-phase II/Signed Contract 2016/Signed Contract Artie Jokhoe.pdf	31-Aug-16	Yes	SUA 1703	1.2	55,100
2	Artie Thakoerdien Jokhoe	Finance Officer	19-Aug-16	Yes	SUA 1705	4.1	26,400
3	Sandra Soegono - Sijem	Procurement Officer	19-Aug-16	Yes	SUA 1706	4.1	23,400
4	Maria Levens	Program manager	20-Oct-16	Yes	SUA 1715	4.1	48,000

#	Contractor/Supplier	Description of Services	Sign date (mo/year)	IDB no- objection	Prism #	Investment category	Amount in US\$
5	T. Binesari	Hiring of trucks and truck drivers for the distribution of books and didactic materials	3-Oct-16	Yes	N/A	1.3	4,927
6	E. Somopawiro	Hiring of trucks and truck drivers for the distribution of books and didactic materials	3-Oct-16	Yes	N/A	1.3	625
7	Jermain W. Brandon	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	97
8	Imro Deekman	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	108
9	A. Linga	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	109
10	N. Chester	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	97
11	A. Nyon	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	97
12	E. Ronde	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	43
13	S. Adipi	Freelance workers for the distribution of books and didactic materials	27-Oct-16	Yes	N/A	1.3	86
14	Forward Motion	Facilitator National Art Fair	28-Oct-16	Yes	SUA 1712	3.2	14,525
15	Dr. Cool	One year maintenance Airco units BEIP Office	7-Nov-16	Yes	N/A	4.1	1,080
16	Koen DePryck	Education Specialist	20-Dec-16	Yes	SUA 1734	1.1	36,000
17	Tom Vanwing	Consultant for the provision of the Situation Analyses of the curriculum and Curriculum reform process	22-Dec-16	Yes	SUA 1733	1.1	49,170
18	Tjong A Hung Accountants N.V.	Audit services 2016 - 2021	2-Feb-17	Yes	SUA 1742	4	64,420
19	Matthijs Giesen	Operations Officer	15-Mar-17	Yes	SUA 1747	4	33,000
20	R. Hasnoe	Hiring of trucks and truck drivers for the distribution of books and didactic materials	21-Mar-17	Yes	N/A	1.3	2,498

#	Contractor / Supplier	Description of Services	Sign date (mo/year)	IDB no- objection	Prism #	Investment category	Amount in US\$
21	T. Binesari	Hiring of trucks and truck drivers for the distribution of books and didactic materials	21-Mar-17	Yes	N/A	1.3	3,132
22	E. Somopawiro	Hiring of trucks and truck drivers for the distribution of books and didactic materials	21-Mar-17	Yes	N/A	1.3	242
23	Olten van Genderen	Assistant Education Specialist	28-Apr-17	Yes	SUA 1755	1.1	57,000
24	Sidyuta Consultancy	BE STREAMING CURRICULUM development for grades 7-8 and the assessment and training of teachers for the grades 1-6 curriculum	8-May-17	Yes	SUA 1756	1.2	484,650
25	Fernandes Autohandel N.V.	5 year service schedule plan according to quotation dated 16th of November 2016	30-Mar-17	Yes	N/A		3,297
26	Barranquilla Chamber of Commerce	Analysis and support of CIER implementation in Suriname	22-May-17	Yes	SUA 1758	2.1	36,325
27	IT Prospects Consultancy and Training	Provide Trainings	23-May-17	Yes	N/A	4	1,425
28	Ilse Wamback	International Evaluation Committee member	14-Jun-17	Yes	SUA 1763	1	3,000
29	Acfinsol	Maintenance of Financial Software	14-Jun-17	Yes	N/A	4	1,720
30	Koen DePryck	Amendment Education Specialist	20-Dec-16	Yes	SUA 1734	1	88,000
31	Sitih Amat	Infrastructure Assistant	3-Jul-17	Yes	SUA 1764		36,000
32	Juana Roman Maqueira	Capacity Strengthening Consultancy	3-Jul-17	Yes	SUA 1765	3	115,300
33	Rudi Wesenhagen	Supervisor for Field Operations	14-Jul-17	Yes	SUA 1770	2	18,000
34	Inderdjiet Jalimsing	Building Construction Expert	14-Jul-17	Yes	SUA 1771	2	18,000
35	Artie Jokhoe	First Contract amendment for Finance Officer	31-Aug-17	Yes	SUA 1705	4	26,400
36	Marie Levens	First Contract amendment for Program Manager	31-Aug-17	Yes	SUA 1715	4	48,000
37	Sandra Soegono - Sijem	First Contract amendment for Procurement Officer	31-Aug-17	Yes	SUA 1706	4	1,950
38	Nelly Wheelock	Procurement Specialist for capacity building for procurement at the Basic Education Improvement Program	15-Sep-17	Yes	SUA 1774	4	58,000
39	Cheryl Ine Margaret	Procurement Officer	5-Oct-17	Yes	SUA 1775	4	23,400
40	Forward Motion	Consulting Services for innovation of Education through Arts	26-Oct-17	Yes	SUA 1778	3	17,425

#	Contractor / Supplier	Description of Services	Sign date (mo/year)	IDB no- objection	Prism #	Investment category	Amount US\$
41	Vrije Universiteit van Brussel	Technical assistance to the Ministry of Education, Science and Culture for Primary Education Curriculum Development and related services	16-Nov-17	Yes	SUA 1777	1	4,427,526
42	Pearl Dragman - Pinas	Administrative Assistant	28-Nov-17	Yes	SUA1784	4	12,000
	Total						5,840,572
	Total procurement goods and services						6,384,937

Note 7 – Disbursement categories

7.1. Component 1 - Improve student learning

The objective of this component is to improve student learning and the efficiency of the primary education levels in Suriname by completing the redesign of the curriculum of primary education in all subject areas, developing and making available students' textbooks and teachers' guides in the schools to support the implementation of the new curriculum as well as training and coaching teachers in its use.

Subcomponent 1.1 Redesign of curriculum

This subcomponent includes the cost financing for the following activities:

- (i) curriculum development of all subjects for grades 7 and 8;
- (ii) emphasizing the portrayal of non-stereotypical gender roles;
- (iii) development of reading books for grades 4 to 8 to complement the language curriculum;
- (iv) a strategy to improve examinations and implementation of recommendation.

The summary of the disbursements recognized under subcomponent 1.1 Redesign of curriculum, testing and examination is as follows:

Description	Movement January 1 till December		Cumulative 2017
	2016 US\$	2017 US\$	
1.1 Redesign of Curriculum – Assistant Education Specialist	-	34,200	34,200
1.1 Redesign of Curriculum – Education Specialist	-	80,000	80,000
1.1 Redesign of Curriculum – International Evaluation Committee member	-	3,000	3,000
1.1 Redesign of Curriculum – Situation Analyses	-	49,170	49,170
1.1 Redesign of Curriculum – Other	-	4,635	4,635
	-	171,005	171,005

Subcomponent 1.2 Training and coaching of teachers and principals in the new curriculum

This subcomponent includes the cost financing for training and coaching/mentoring teachers (approximately 6850) in the implementation of the new curriculum and the use of all supporting material.

Description	Movement January 1 till December		Cumulative 2017
	2016 US\$	2017 US\$	
1.2 Training of Teachers and Principals	55,100	121,163	176,263
	55,100	121,163	176,263

During 2017 an amount of US\$ 121,163 was paid to Sidyuta Consulting Inc. for BE STREAMING (Basic Education- Science, Technology, Reading, Engineering, Arts and Mathematics for continuous Improvement of the Next Generation).

Subcomponent 1.3 Provision of textbooks and teachers guides

This subcomponent includes the cost financing for the following activities:

- i) printing and distribution of textbooks and teacher's guides
- ii) purchase and distribution of didactic material.

The summary of the disbursements recognized under subcomponent 1.3. Provision of textbooks and teachers guides is as follows:

Description	2016 US\$	Movement January 1 till December 2017 US\$	Cumulative 2017 US\$
1.3 Provide textbooks and teacher guides for grade 6	831	5,873	6,704
1.3 Provide textbooks and teacher guides for grade 6 – Fernandes	-	110,301	110,301
1.3 Provide textbooks and teacher guides - Other	9,189	-	9,189
	<u>10,020</u>	<u>116,174</u>	<u>126,194</u>

During 2017 an amount of US\$ 5,873 was paid to hire trucks for the distribution of books and didactic materials. An amount of US\$ 110,301 was paid to Fernandes Autohandel for the purchase of 2 closed box trucks for the distribution department of the MOESC.

Subcomponent 1.4 Development of e-content

The PMU and the IDB agreed to transfer the budget of this subcomponent to other components.

Subcomponent 1.5 Strategy to reform lower secondary

This subcomponent includes the cost financing for the following activities:

- Learning assessment: to strengthen the Examination Bureau and support it in the development and implementation of a learning assessment strategy and new assessments in accordance with the new curriculum.
- Strategy for lower secondary education: to develop a strategy to inform the lower secondary education reform.

In 2017 there were no activities in this subcomponent

7.2. Component 2 - Improve access to education in the interior and improve facilities at MOESC

The objective of this component is to improve access to better schools and teachers in the interior of the country as well as the facilities of the MOESC.

Subcomponent 2.1 Assessment of school infrastructure needs

The objective of this sub-component is to improve the efficiency and effectiveness of the decision making process and investment planning of the MOESC with regard to school infrastructure in Suriname, by strengthening the capacity of the MOESC in the collection of data in order to better plan for school infrastructure investment, and facilitate preventive as well as corrective school maintenance.

This subcomponent includes the cost financing for the following activities:

- i) school infrastructure census;
- ii) conservation and maintenance School Program.

In 2017 an amount of US\$ 36,325 was paid to the Consultant Camara de Comercio de Baranquilla for the assessment of school infrastructure needs.

Subcomponent 2.2 Renovation and expansion of classrooms and teacher housing in the interior

The objective of this sub-component is to improve the quality and access of selected primary education schools, by investing resources on the renovation and expansion of classrooms and teachers' housing.

This subcomponent includes the cost financing for renovation and expansion of classrooms. In 2017 an amount of US\$ 29,299 was paid to Fernandes Autohandel for the purchase of a 4 wheel drive vehicle that will be used for Infrastructure.

Subcomponent 2.3 Building of the Center for Continuing Education of Suriname (CENASU)

The objective of this sub-component is to improve the delivery of in-service training for teachers in Suriname, by investing resources on the construction of a center to house the CENASU.

This subcomponent includes the cost financing for the following activities:

- i) Construction of CENASU;
- ii) Purchase of furniture and equipment for CENASU building; and develop a maintenance plan for the center;
- iii) Teachers' Resource Centres (TRC) Repairs.

The summary of the disbursements recognized under subcomponent 2.3 Building of the Center for Continuing Education of Suriname (CENASU) is as follows:

Description	Movement January 1 till		Cumulative 2017
	2016 US\$	December 2017 US\$	
2.3 Building of CENASU – Building Construction Expert	-	6,750	6,750
2.3 Building of CENASU – Infrastructure Assistant	-	13,500	13,500
2.3 Building of CENASU – Supervisor for Field Operations	-	6,750	6,750
	-	27,000	27,000

7.3. Component 3 - Improve management capacity at the MOESC

The objective of this component is to strengthening the capacity of the MOESC in the delivery of education services, supporting schools and teachers, and monitoring progress.

Subcomponent 3.1 Capacity Strengthening of MOESC

The objective of this subcomponent is to improve the capacity of selected MOESC departments to create and implement an education quality assurance system.

This subcomponent includes the cost financing for the following activities:

- i) Strengthening of the Curriculum Development Department;
- ii) Strengthening of the Center for Continuing Education of Suriname;
- iii) Strengthening of the Research and Planning Department;
- iv) Strengthening of the Inspection Department (IBO) and the Guidance Department (BEG).

The summary of the disbursements recognized under subcomponent 3.1 Capacity Strengthening of MOESC is as follows:

Description	Movement January 1 till December		Cumulative 2017
	2016 US\$	2017 US\$	
3.1. Capacity Strengthening – Capacity Strengthening Coordinator	-	23,060	23,060
3.1 Capacity Strengthening – Other	1,863	210,026	211,889
	<u>1,863</u>	<u>233,086</u>	<u>234,949</u>

In 2017 an amount of US\$ 23,060 was paid to Mrs. J. Roman, the Capacity strengthening coordinator. This was the first payment: 20% of the contract amount (US\$ 115,300) upon contract signed and submission of the detailed work plan. The objective of this contract is to provide technical and operational support to the planning and execution of the Second Basic Education Improvement Program (2nd BEIP) – Phase 2 Program as they relate to Capacity Strengthening of MOESC – Staff.

An amount of US\$ 210,026 was paid to N.V. Novotecnica for the delivery of IT equipment for MOESC. This was a partial payment. The total contract amount is US\$ 231,183.

Subcomponent 3.2 Social Marketing Campaign

The objective of this sub - component is to advance the project effectiveness by promoting the interventions among key stakeholders and winning the hearts and minds of teachers, principals, unions, parents and education officials, Parliament, business, and other public and private sector individuals.

This subcomponent includes the cost financing for the following activities:

- i) Carry out a social marketing campaign;
- ii) Develop a communication strategy;
- iii) Implement the strategy.

During 2017 US\$ 15,975 was paid to Brand new Strategic Partners. From this amount US\$ 7,262 was 50% balance payment to the facilitator of the National Art Fair 2016. The other US\$ 8,713 was 50% payment for the National Art Fair 2017.

Subcomponent 3.3 Assistance in the execution of ICT in Education Policy

The PMU and the IDB agreed to transfer the budget of this subcomponent to other components.

7.5. Program Administration

Program administration includes cost and consultancy fees to the members of the Program Management Unit (PMU), (subcomponent 4.1) costs for the evaluations (subcomponent 4.2) and audit fees (subcomponent 4.3). Details of PMU (consultancy fees and other costs):

Description	2016 US\$	Movement January 1 till December 2017 US\$	Cumulative 2017 US\$
Program Manager	16,007	47,999	64,006
Operations Officer	-	24,748	24,748
Finance Officer	8,802	26,400	35,202
Procurement Officer	7,802	23,399	31,201
Administrative Assistant	-	1,000	1,000
PMU Operations	9,398	54,405	63,803
Transportation	1,903	1,105	3,008
Office Furniture & Renovation	919	42,663	43,582
Audit	-	16,700	16,700
	44,831	238,419	283,250

Note 8 – Cash received (disbursements made by IDB)

Disbursement request no.	Year	Advance of funds	Direct payments	Justification of advance
1	2016	998,705	-	-
4	2017	2,239,728	-	840,870
		3,238,433	-	840,870

Advance of funds pertain to the amount requested from IDB and subject to justification when 80% of the fund is used.

Justification pertains to the amount used by the Project out of the advance of funds and reported to the IDB.

Direct payment pertains to the amount requested from IDB and to be directly paid to supplier or contractor of the Project.

Total cash received from IDB as at December 31, 2017 amounted to US\$ 3,238,433 (advance of funds).

Note 9 – Reconciliation between the Statement of Cash Flows and the Statement of Cumulative Disbursements

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Per Statement of Cash Flow		
- Cumulative cash received as at December 31	3,238,433	998,705
Per Statement of Cumulative Disbursements		
- Cumulative disbursements as at December 31	<u>-1,108,308</u>	<u>-119,215</u>
Available cash balance as at December 31	<u><u>2,130,125</u></u>	<u><u>879,490</u></u>

Cash Received

	<u>IDB</u>	<u>Local</u>	<u>TOTAL</u>
	US\$	US\$	US\$
Balance as of January 1, 2017	879,490	-	879,490
Advance of Funds	2,239,728	-	2,239,728
Direct Payments	<u>-</u>	<u>114,319</u>	<u>114,319</u>
Total cash received	<u>3,119,218</u>	<u>114,319</u>	<u>3,233,537</u>
Project Disbursements			
Repayments	-	-	-
Payments for goods and services	<u>989,093</u>	<u>-</u>	<u>989,063</u>
Total Project Disbursements Made	<u>989,093</u>	<u>-</u>	<u>989,063</u>
Cumulative Disbursements			
1. Improve student learning	408,342	-	408,342
2. Improve access to education	92,625	-	92,625
3. Improve management capacity at MOESC	249,062	-	249,062
4. Program Administration	238,419	-	238,419
5. Financial Cost	<u>645</u>	<u>114,319</u>	<u>114,964</u>
Total Cumulative Disbursements	<u>989,093</u>	<u>114,319</u>	<u>1,103,412</u>
Available Cash as of December 31, 2017	<u><u>2,130,125</u></u>	<u><u>-</u></u>	<u><u>2,130,125</u></u>

Note 10 – Reconciliation by investment categories between the Program's records and the IDB's records

	<u>Per</u>	<u>Per IDB's</u>	<u>Difference</u>	<u>Explanation</u>
	Program's	Records		
	Records			
Component 1. Improve student learning	473,462	427,261	46,201	a
Component 2. Improve access to education	92,624	55,911	36,713	b
Component 3. Improve management capacity at MOESC	258,188	156,282	101,906	c
Component 4. Program Administration	<u>283,250</u>	<u>201,416</u>	<u>81,834</u>	d
Total Cumulative Disbursements	<u><u>1,107,524</u></u>	<u><u>840,870</u></u>	<u><u>266,654</u></u>	

Explanation of the difference:

The difference between Program's records and IDB's records is brought about by payments made after the last justification of cash advance Details are as follows:

a. Component 1

Description	Amount US\$
1.1 Redesign of curriculum	39,300
1.3 Provision of textbooks and teacher guidelines	6,901
	<u>46,201</u>

b. Component 2

2.1 Assessment of school infrastructure needs	12,713
2.3 Building of CENASU	24,000
	<u>36,713</u>

c. Component 3

3.1 Capacity Strengthening	93,193
3.2 Social Marketing Campaign	8,713
	<u>101,906</u>

d. Component 4

4.1.1 Program Management Consultancy fee	44,599
4.1.2 PMU operations	36,447
4.1.3 Transportation	228
4.1.4 Office Furniture & renovation	560
	<u>81,834</u>
Total amount spent after 1st justification	<u>266,654</u>

Note 11 – Contingencies

A total of US\$ 300,000 is budgeted under contingencies which is 1.5% of the total budget of the Project. At the end of the reporting period December 31, 2017 no amount was used.

Note 12 – Subsequent events

Subsequent events are events or transactions sometimes occur after the end of the period date, but before the issue of the financial statements and auditor's report, that has a material effect on the financial statements, and therefore may require adjustment or disclosure in the statements.

12.1. Accounts payable as at December

The list of outstanding payables as at December 31, 2017 is as follows:

<u>Supplier</u>	<u>Description of Services</u>	<u>Amount in US\$</u>
Vrije Universiteit Brussel	Technical assistance for Primary Education Curriculum Development and related services	664,154
O. Van Genderen	Service of assistant education specialist	20,675
EZ Unimax Contractor	Advance guarantee	31,601
Sidyuta Consulting Inc.	Third payment: 20% of contract sum BE STREAMING curriculum	96,955
S. Amat	Payment infrastructure	3,000
Novoteqnica	Second payment: 35% contract price upon submission of BL	80,914
Forward Motion	Consulting services for innovation of education through arts	8,713
	Total	906,012

12.2 Approval of the financial statements

The financial statements of the Second Basic Education Program as at and for the year ended were approved by the Executing Agency on March 22, 2018.