Document of the Inter-American Development Bank

**Suriname**

**Contingent Loan for Natural Disaster Emergencies**

**Modification to Loan Contract SU-O0005 to Include the COVID‑19 Coverage**

**(SU-O0005)**

**Economic Analysis**

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Contents

I. Introduction 1

II. Objectives, Assumptions and Alternatives 3

III. Economic Costs and Measurement of Effectiveness in terms of Cost 4

IV. Availability of Resources 5

V. Financial Cost 5

VI. Indicators 6

VII. Cost-Effectiveness Analysis 6

VIII. Sensibility Analysis 7

IX. Conclusions 9

1. Introduction
   1. **Background.** On March 11, 2020, the World Health Organization (WHO) declared the outbreak of COVID-19, the disease caused by the 2019 novel coronavirus, or nCoV-2019, a pandemic. As of March 15, 2021, the WHO has reported more than 119 million confirmed cases globally, resulting in more than 2.65 million deaths.[[1]](#footnote-2) In Latin America and the Caribbean (LAC) there are nearly 22 million confirmed cases and 722,331 deaths reported among all 26 borrowing member countries.
   2. In the face of this unprecedented global challenge, the Bank’s support is structured around four areas of actions: (i) Immediate Public Health Response; (ii) Safety Nets for Vulnerable Populations; (iii) Economic Productivity and Employment; and (iv) Fiscal Policies for the Amelioration of Economic Impacts. Within this context, the Bank’s Board of Executive Directors approved the proposal to expand the CCF to provide early significant liquid resources to countries for the immediate emergency COVID-19 response and complement other instruments that are being deployed (GN-2999-4).
   3. **Suriname’s response.**Afterthe first cases in Suriname were reported in March 2020, the government took immediate action and in early April the National Assembly approved the Law Exceptional Condition COVID-19 (State of Emergency) for a period of three months (which was subsequently extended for another month). However, the number of cases of COVID-19 eventually rose sharply between the end of May and August and in the latter month a modified version was approved for 6 months. The exceptional situation, which expired on February 6, 2021, has been extended by 12 months and may be extended until August 7, 2021.[[2]](#footnote-3) This law provided a legal base for action by government agencies and allowed the spending of earmarked funding to finance specific activities, such as providing financial relief for vulnerable sections of the population. It also established the Crisis Management Team (CMT), consisting of different arms of government, with the Ministry of Health (MOH) having a pivotal role and being supported by an Outbreak Management Team (OMT) involving public health specialists, epidemiologists, and clinicians. The infection rate for the country stands at 1,267 per 100,000 population (total population is 575,991). As of March 15, 2021,9,024 confirmed cases and 176 deaths are reported.[[3]](#footnote-4)
   4. **Challenges** **and progress.** Suriname’s operational capacity to manage a pandemic is classified as medium by the WHO, due to certain deficiencies in the health system. The rapid increase in detected COVID-19 cases after May put pressure on the country's health systems, exacerbating capacity gaps and the quality of the emergency response. To respond to these challenges, in June the MOH, with the support of IDB and the Pan-American Health Organization (PAHO), issued the [Comprehensive National Preparedness and Response Plan for COVID‑19 (CNPRP)](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=EZSHARE-1900412865-39) (OEL#5), based on the WHO guidelines for drafting a [COVID‑19 Strategic Preparedness and Response Plan](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=EZSHARE-1900412865-42) (OEL#4)[[4]](#footnote-5). Below is a summary of the actions or investments planned in the nine strategic pillars of the [CNPRP](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=EZSHARE-1900412865-39), as well as the main challenges facing the country.
   5. **Costs of emergency response.** While the government faces the challenge of strengthening its health system response and the country's ability to curb the spread of the virus, it also faces liquidity and financial constraints that limit its ability to close the gaps in preparedness and response and also maintaining health service delivery at an adequate level. Since the start of the pandemic, an estimated US$13 million has been spent on COVID-19 related health activities over the past 7 months. Most costs will continue to be covered by either donations or by the Government of Suriname budget[[5]](#footnote-6). The costs not covered either by Government of Suriname budget or donations are mainly those associated with the vaccination and its deployment during 2021, estimated at approximately US$5.5 million. This would include vaccination of up to 40% of the population (and 85% of the population that is considered vulnerable) and associated costs for storage facilities and medical consumables.
   6. **Suriname’s financial vulnerability.** Suriname has experienced a period of macroeconomic and financial instability over the past five years. The economy, highly influenced by the mining sector as it accounts for more than 70% of total exports,[[6]](#footnote-7) fell into a deep recession during 2015 and 2016 that was triggered by the drop in international gold and oil prices and the cessation of alumina production. As a result, the country’s macroeconomic conditions deteriorated rapidly: inflation surged to double-digit rates reflecting currency depreciation, current account deficit rose abruptly as exports slumped, fiscal deficits more than doubled compared to pre‑recession levels, and government debt increased by about 50 percentage point to 76.9% by the end of 2016.[[7]](#footnote-8) Although economic activity bounced back between 2017 and 2019, the recovery was slow and the government’s fiscal and debt positions continued to weaken as implementation of fiscal reforms was delayed.[[8]](#footnote-9)
   7. The major public health and economic challenges arising from the unprecedented COVID-19 crisis[[9]](#footnote-10) will likely worsen Suriname’s macroeconomic conditions in the short term, as the measures taken to curb the spread of the coronavirus (e.g., social distancing measures and restrictions on non-essential business activities) and to support the economy, vulnerable groups and businesses will result in an increase in additional public spending,[[10]](#footnote-11) along with a shortfall in fiscal revenues. According to IMF’s recent projections for 2020, the Surinamese economy is expected to contract by 13.1%; government revenue in relation to GDP will drop by 2.7 percentage points; fiscal deficit is expected to reach 13.9%; and public debt will rise to 145% of GDP.[[11]](#footnote-12)
   8. **Rationale.** In this challenging context,while the government faces the challenge of strengthening the health system’s response and the country’s ability to slow the spread of the virus, it also confronts the financial and liquidity constraints that limit its capacity to close gaps in preparedness and response. As the number of COVID‑19 cases continues to increase in the country, it is critical to ensure that the government has the necessary funding to quickly implement all measures required to control the outbreak.[[12]](#footnote-13) Providing fast-access financing for emergency response not only saves lives, but also reduces the risk of even worse impact scenarios in terms of economic recovery and public finances because the overall costs of the health emergency can dramatically increase the longer it takes to organize a comprehensive response and the expected recovery in 2021 largely hinges on containing the spread of the disease. For this reason, the Government of Suriname has requested the Bank to expand the current contingent loan’s coverage to include the COVID-19 outbreak.
   9. Consequently, this document aims to examine the efficiency of the financing arrangement provided by the Bank for the country’s public health response to COVID-19, through comparison with market-based financing alternatives that Suriname could choose to cover the extraordinary public expenditures needed for the public health emergency response. The rapid and timely availability of funds to finance extraordinary public expenditures during emergencies helps reduce the risks of large and long-lasting impacts on public finances, contains human losses, and supports post-emergency recovery of economic activity.
2. Objectives, Assumptions and Alternatives
   1. Regarding the COVID-19 coverage, the general objective of the proposed modification of the operation is to contribute to strengthen the country’s immediate public health response to the COVID-19 emergency. The specific objective corresponding to the COVID‑19 coverage is to increase the country’s availability and efficiency of financing to cover extraordinary public expenditures related to the health emergency.
   2. This proposed modification maintains a single component under the CCF of US$30 million to structure a stable and efficient ex ante financial coverage to afford, in a timely manner, any extraordinary expenses that could arise during emergencies. For the COVID-19 health emergency, the country will access up to US$5.5 million, in accordance with the financing needs to implement the public health response measures and the limits established for the CCF COVID‑19 (GN‑2999-4).[[13]](#footnote-14) To determine the country's financing needs to address the public health emergency, the Bank analyzed the country’s [CNPRP](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=EZSHARE-1900412865-39), other country budgetary assessments, and the complementarity of this operation with other Bank’s interventions, as well as activities being directly financed by other bilateral and/or multilateral entities. The amount allocated would include vaccination and associated costs for storage facilities and medical consumables.
   3. As in other CCF loans, the efficiency of this operation’s COVID-19 coverage will be determined through an economic analysis that uses a cost-effectiveness methodology. This approach is appropriate because a cost-benefit methodology would entail the estimation of potential uncertain benefits[[14]](#footnote-15) during the public health emergency, which is a demanding and costly exercise, with little expected return. Thus, the analysis will focus on the efficiency conditions of the financial coverage for COVID-19 provided by this operation.
   4. From a financial perspective, the efficiency conditions of the COVID-19 coverage for the health emergency are (i) its financial cost, and (ii) the speed of access to resources. Hence, the analysis will be limited to these two measures:
3. how fast the borrower can access to the CCF loan proceeds available to cover unexpected public expenditures during the COVID-19 emergency, as compared to the time that takes through other IDB debt instruments; and
4. the cost of the resources, that is, the financial cost per unit of extraordinary emergency expenditure financed by the loan proceeds, compared to that of financing alternatives available to the country.
5. Economic Costs and Measurement of Effectiveness in terms of Cost
   1. As mentioned in the previous paragraph, the analysis uses two key indicators to determine the efficiency of the COVID-19 coverage provided by this operation. Table 1 details the indicator used for each criterion.

**Table 1. Criteria and indicators**

|  | **Criterion** | **Indicator** |
| --- | --- | --- |
| 1 | Speed of access to resources to cover extraordinary public expenditures related to the COVID-19 health emergency | Number of days between the activation of the coverage (date the country fulfills the contractual conditions for general eligibility to request disbursements) and the value date of the first disbursement |
| 2 | Financial cost per unit of extraordinary emergency expenditure financed by the loan proceeds. | Interest rate |

1. Availability of Resources
   1. The availability or speed of access to loan proceeds will be measured as the number of days between the activation of the coverage (date the country fulfills the contractual conditions for general eligibility to request disbursements) and the value date of the first disbursement. For the Suriname’s CCF operation and in accordance with the results matrix for the COVID-19 coverage, this period is estimated to be 30 days. The estimation is based on the experience with previous disbursements under the CCF and the Bank’s operational rules for CCF operations with COVID-19 coverage,[[15]](#footnote-16) which include the time the Bank takes to process an operation and a disbursement request.
   2. Concerning the estimated average time for the Bank to make loan proceeds available to the borrower through other IDB debt instruments, it is 50 days.[[16]](#footnote-17) Therefore, the proposed loan would be more efficient in terms of how quickly the country can access to the resources to cover extraordinary public expenditures during the health emergency.
2. Financial Cost
   1. Following the second criterion, the Bank’s proposed contingent loan’s COVID‑19 coverage (US$5.5 million) is an efficient option as long as its financial cost is lower than a comparable alternative, that is, an international bond issue by the Government of Suriname. The financial cost of the Bank’s loan[[17]](#footnote-18) is set by the 3‑month LIBOR rate (currently at 24 basis points), plus a funding margin of 8 basis points (bps) and a lending spread of 80 bps, which is determined by the Finance Department every 6 months. This implies a financial cost of **112 bps** that would apply to resources from Ordinary Capital. The LIBOR rate could still increase during the short lifespan of the Bank’s loan since it is still low by historical standards. Nevertheless, the country could opt for a fixed LIBOR rate to hedge against the risk of unfavorable movements in interest rates. If that were the case, the cost of the Bank’s loan would increase to **157 bps**.[[18]](#footnote-19)
   2. Regarding the option of issuing sovereign bonds with a 10-year maturity, Suriname has not made any recent bond issuance that would provide an estimated financing cost of the country to access international financial markets. The last issuance of 10-year bonds was in October 2016 for US$550 million with a coupon of 9.25% (**925 bps**). The yields of these sovereign bonds rapidly spiked in March 2020 due to the COVID-19 pandemic, and have been averaging above 20% since then, as major credit rating agencies downgraded to near default status in response to the government’s proposed standstill on foreign-currency debt service payments to find resolution to the debt sustainability issues. As the government undertakes a debt restructuring process with external and internal creditors,[[19]](#footnote-20) it is not unlikely that the yields would normalize, and the cost of external financing would fall in the short-to-medium term. In this context and taking a conservative approach, the last issuance’s financing cost can be used as a reference point. Thus, the spread between the cost of the Bank’s investment loan (**112 bps**) and the cost of issuing new sovereign bonds (**925 bps**) is **813 bps**.
   3. According to Standard & Poor’s, Suriname has currently a foreign-currency credit rating of Selective Default. Although the country’s credit rating could improve in the short term given the new government’s efforts to restructure its debt and other obligations, it is unlikely that the borrowing conditions would be much better than these in the pre-pandemic levels. Therefore, the team expects the Bank’s COVID‑19 coverage to remain the most efficient option throughout the entire lifespan of the operation.
   4. Until now the assumption was that the borrowing conditions would improve in the short-term, however, it is also possible that the country’s public financial position further deteriorates and access to international financial markets become more limited and costlier. Under that scenario, the spread between the Bank’s loan and a 10-year sovereign bond issuance would be even higher. Notwithstanding, this cost-effective analysis takes a conservative approach and assumes that the financial conditions for the government to issue bonds will be similar to the reference point.
3. Indicators
   1. Table 2 summarizes the values of the two efficiency indicators for the proposed COVID-19 coverage and comparable benchmarks.

**Table 2. Summary of efficiency indicators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Indicator** | **IDB COVID-19 coverage** | | **Comparable benchmark** |
| **Fixed rate** | **Variable rate** |
| 1 | Number of days between the activation of the coverage (date the country fulfills the contractual conditions for general eligibility to request disbursements) and the value date of the first disbursement | 30 | | 50 |
| 2 | Financial cost (interest rate) | 157 bps | 112 bps | 925 bps |

1. Cost-Effectiveness Analysis
   1. Based on the information discussed in Section VI, the conclusion is that the CCF loan’s COVID-19 coverage is the most efficient for Suriname. The Bank’s proposed option would be efficient not only in terms of how fast the loan proceeds would be made available to the country to fund the additional financing needs, but also in terms of financial cost per unit of extraordinary public expenditure.
   2. Saving in financial costs will enhance the government’s ability to properly finance the extraordinary expenditures caused by the COVID-19 emergency. Likewise, faster access to resources will ease the liquidity pressures, and help contain human and economic losses during the health crisis, which in turn increases the likelihood of a speedy post-emergency economic recovery.
   3. It is important to stress that the assumptions used in the analysis are conservative because financing conditions of alternative options, both in terms of quickness and cost, are assumed to remain constant in during the health emergency. However, historical evidence shows that financing conditions tend to tighten right after major emergencies (e.g., natural disasters or pandemics) as governments usually face lower tax revenues and increased unforeseen expenditures. This implies that the expected comparative benefit of the Bank’s proposed loan might be even higher, though the real benefits can only be properly measure ex post.
2. Sensibility Analysis
   1. This section analyzes whether the contingent loan’s COVID-19 coverage will remain, and to what extent, the most efficient option for Suriname if the assumptions and financing conditions set in the previous sections change. The analysis shows that the COVID-19 coverage is the most efficient option in terms of the indicators established in ¶3.1, since its financial cost would be lower than any other financing alternatives and loan resources will be made available faster.
   2. Though it is not impossible that the credit rating of the Government of Suriname could worsen during the lifespan of this operation, in which case the Bank’s option would be even more appealing, the analysis focuses on a scenario where the country reaches macroeconomic and macro financial conditions levels similar to best comparable cases in the region. The financial cost for Bolivia, Dominican Republic and Honduras, whose credit ratings are higher, of issuing similar debt instruments in the financial markets between 600 and 400 bps, which can be interpreted as the lower limit for Suriname should the country improves its credit ratings substantially. Clearly, the Bank’s option (**112 bps**) would be more efficient in that optimistic scenario (Table 3).

**Table 3. Credit ratings and financing cost**

|  |  |  |
| --- | --- | --- |
| **Country** | **Rating** | **Yield (bps)** |
| Bolivia1 | B+ | 600 |
| Dominican Republic2 | BB- | 418 |
| Honduras3 | BB- | 411 |
| Suriname | Selective Default | 925 |
| IDB loan’s COVID-19 coverage4 | AAA | 112 |

Issue date: 1/ March 2017, maturing in 2028; 2/ September 2020, maturing in 2032; 3/ June 2020, maturing in 2030. Bloomberg; 4/ AAA is the credit rating that the IDB would likely receive as debt issuer given its funding cost.

* 1. The only exogenous variable (to the Bank and the country) that could make the Bank’s option less attractive would be the LIBOR rate. Given the challenging global environment due to the COVID-19 pandemic, it is not unlikely that external financing conditions tighten in the near term. However, given the short lifespan of this operation, it is not reasonable to assume a substantial LIBOR increase without an increase in the mentioned sovereign yields. More likely, the yields would rise as well, therefore keeping the favorable cost differential of the Bank’s loan.
  2. As mentioned before, the country has the option to opt for a fixed LIBOR rate instead of floating LIBOR rate. Given that the LIBOR rate is low by historical standards (Figure 2), it is reasonable that the country would choose a fixed rate. If that were the case, the cost of the Bank’s loan would increase to **157 bps**, which is still less expensive than issuing sovereign bonds under the best possible conditions (Table 3).
  3. In case the country chooses floating LIBOR rate, the financial cost of the Bank’s loan would be **112 bps**, though it would be exposed to unfavorable movements in interest rates throughout the lifespan of this operation. Based on the historical behavior of the LIBOR (Figure 2), the annual standard deviation is 43.1%, or 10bps over 3-month LIBOR.

**Figure 1. 3-month LIBOR, US$ (%)**

A screenshot of a map

Description automatically generated

Source: ICE Benchmark Administration Limited (IBA), 3-Month London Interbank Offered Rate (LIBOR), based on U.S. Dollar [USD3MTD156N], retrieved from FRED, Federal Reserve Bank of St. Louis

|  |  |
| --- | --- |
| **LIBOR analysis** | |
| **Minimum** | 0.20500 |
| **Maximum** | 10.62500 |
| **Mean** | 3.65574 |
| **Median** | 3.37500 |
| VOLATILITY: |  |
| **Annualized standard deviation (%)** | 43.07183 |

* 1. Further analysis would be done if the country prefers the option of floating LIBOR rate. The expected future volatility of the LIBOR would be estimated through Monte Carlo simulations, which in turn serves as input to define probabilistic scenarios of the ranges of the LIBOR rate for the coverage period. Thus, the simulations would provide a good estimation of the probability that the financial cost of the Bank’s loan would increase substantially over the period of analysis.
  2. Additionally, it is important to compare the net present values of the financing cost of the alternative options available to the country to finance the health emergency. Thus, a cost effectiveness analysis methodology that evaluates a scenario in which the total coverage of US$5.5 million is used for the COVID-19 emergency response. The Net Present Value (NPV) of the financing cost of the IDB loan was compared to the NPV of the cost of issuing bonds, under the following assumptions: (i) the fixed interest rate set for the IDB loan (157 bps); and (ii) the bonds issued have a 10-year maturity and their rate is based on the country’s last issuance to the international sovereign debt market (925 bps). Both NPVs were calculated using a discount rate of 12%.
  3. The NPV of the cost of financing US$5.5 million through the Bank’s CCF loan, with a discount rate of 12%, would be US$1.7million. In contrast, using the same discount rate, the NPV of issuing sovereign bonds to raise the same amount would be US$4.6million. Therefore, the Bank’s loan is 62.7%cheaper than the alternative option. For more information, please refer to the [calculation spreadsheet](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=EZSHARE-1900412865-40).

1. Conclusions
   1. A cost-effective COVID-19 coverage is necessary to strengthen the Suriname’s availability and efficiency of financing to cover extraordinary public expenditures related to the health emergency. The absent of a proper financing solution makes the country’s public finances vulnerable and could even undermine the economic recovery.
   2. The economic analysis shows that the CCF loan’s COVID-19 coverage is the most efficient and cost-effective option to cover the extraordinary expenditures in the pandemic outbreak, when contrasted with comparable benchmarks for the two efficiency criteria analyzed: i) in terms of financial cost, the loan is less expensive than a sovereign bond issue; and ii) in terms of speed of access, the CCF loan is more efficient in terms of how fast the country can access to the proceeds.

1. See [WHO Coronavirus Disease (COVID-19) Dashboard](https://covid19.who.int/). [↑](#footnote-ref-2)
2. [*Wet Uitzonderingstoestand COVID-19 verlengd met een jaar*](https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.dna.sr%2Fnieuws%2Fwet-uitzonderingstoestand-covid-19-verlengd-met-een-jaar%2F&data=04%7C01%7CIANH%40iadb.org%7Cf27a7938444e40b21aca08d8e8985178%7C9dfb1a055f1d449a896062abcb479e7d%7C0%7C0%7C637515088190770897%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=npTWVCyTvklIRDZjr1%2BYl7LyUXkIJzh2xImb%2BxZP3R8%3D&reserved=0) (National Assembly of Suriname). [↑](#footnote-ref-3)
3. [WHO Coronavirus Disease (COVID-19) Dashboard](https://covid19.who.int/). [↑](#footnote-ref-4)
4. The SPRP proposes eight pillars of intervention: (i) coordination, planning, and monitoring; (ii) risk communication and community engagement; (iii) surveillance, rapid-response teams, and case investigation; (iv) points of entry; (v) national laboratories; (vi) infection prevention and control; (vii) case management; (viii) operational support and logistics; and (ix) maintaining essential health services during an outbreak. There is evidence of the effectiveness of the proposed interventions ([OEL# 6](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=EZSHARE-1900412865-43)). [↑](#footnote-ref-5)
5. While Parliament approved in August an additional budget for the COVID-19 Emergency Fund of approximately US$100 million, cognizant of the precarious financial situation of the country, the Ministry of Finance has indicated that it will limit that spending, and to date only US$17 million was requested for bills related to case management and hospitals and quarantine facilities. Government of Suriname/MOF has indicated that they would make a little over US$4 million available over 6 months to MOH, with an option to increase that amount if the need arises. [↑](#footnote-ref-6)
6. IDB (2020). [Suriname in Times of COVID-19: Navigating the Labyrinth](https://publications.iadb.org/en/suriname-times-covid-19-navigating-labyrinth). Technical Note N° IDB-TN-2025. [↑](#footnote-ref-7)
7. [IMF World Economic Outlook Database October 2020](https://www.imf.org/en/Publications/WEO/weo-database/2020/October). [↑](#footnote-ref-8)
8. IMF (2019). [Suriname 2019 Article IV Consultation](https://www.imf.org/en/Publications/CR/Issues/2019/12/23/Suriname-2019-Article-IV-Consultation-Press-Release-Staff-Report-Informational-Annex-and-48916). Given the challenges related to public debt sustainability, the new government that took office in July 2020 has begun the process of renegotiating debt agreements with creditors. [↑](#footnote-ref-9)
9. To put into context the unprecedented nature of the COVID-19 pandemic, during the previous 2002‑2003 SARS pandemic some 8,100 were infected, of which 774 died. See IDB (2020). Op cit. [↑](#footnote-ref-10)
10. In response to the impact of COVID-19, the government established the Emergency Fund of about US$28 million in May 2020 to finance social support measures, which was increased by US$106 million in August. The authorities also established the Production Fund of about US$21 million to support small and medium‑sized enterprises. Overall, the resources announced thus far are estimated to be around 6% of GDP. See IDB Suriname’s economic bulletin, 3rd quarter 2020. [↑](#footnote-ref-11)
11. IMF (2020b). Op cit. [↑](#footnote-ref-12)
12. WHO (2018). [Managing Epidemics](https://www.who.int/emergencies/diseases/managing-epidemics/en/). [↑](#footnote-ref-13)
13. The country coverage limit is set at US$90 million or 0.6% of the country’s GDP, whichever is less. For countries with an approved CCF loan, the request will be counted against the already approved amount and up to that amount. In the case of Suriname, the limit corresponds up to US$22 million. [↑](#footnote-ref-14)
14. Given the nature of CCF loans, the single component of this operation is the provision of a financial coverage for the public health response to the COVID-19 emergency. Therefore, specific use of resources is not yet determined at the time of elaboration of this document. [↑](#footnote-ref-15)
15. Contingent Credit Facility for Natural Disaster Emergencies and Public Health Risks. COVID-19 Coverage. Operational guidelines. (Document GN-2999-6). [↑](#footnote-ref-16)
16. This estimate considers only the time reported in the Bank's regular investment loans with the country over the last five years. [↑](#footnote-ref-17)
17. The calculation is based on the latest information on interest rates and loan charges published by the Finance Department (fourth quarter of 2020). [↑](#footnote-ref-18)
18. Information provided by the Finance Department, as of November 16, 2020. The IDB fixed rates assume a fixed rate conversion by the Bank with the same tenor as the remaining life of outstanding sovereign bonds (approximately 10 years), plus a lending margin. [↑](#footnote-ref-19)
19. Right after taking office in July 2020, the government began renegotiating the terms of US$125 million in debt due in 2023 to extend the repayment period. A similar restructuring is expected on the 2026 bonds and other obligations. [↑](#footnote-ref-20)