

Loan Contract No. 4112/OC-SU  
Amendment No. 1

### **AMENDATORY CONTRACT**

AMENDATORY CONTRACT entered into between THE REPUBLIC OF SURINAME (hereinafter referred to as the “Borrower”) and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter referred to as the “Bank”, and together with the Borrower, as the “Parties”).

#### **CONSIDERING THAT**

The Parties entered into Loan Contract No. 4112/OC-SU on July 11, 2017 (hereinafter referred to as the “Loan Contract”) to cooperate in the execution of the Fiscal Strengthening to Support Economic Growth (hereinafter referred to as the “Program”).

The Borrower requested the Bank to use an amount of up to twenty million Dollars of the United States of America (US\$20,000,000) of the undisbursed balance of the Loan Contract to assist Suriname with its response to the impact of the crisis resulting from the COVID-19 pandemic through the financing of safety nets for vulnerable populations affected by coronavirus.

The Board of Executive Directors approved on August 5, 2020 by Resolution DE-96/20 a Reformulation Proposal to the Program for the financing of the Safety Nets for Vulnerable Populations Affected by Coronavirus in Suriname (hereinafter referred to as “the Safety Nets Component”).

#### **NOW,**

The Parties hereby agree to amend such Loan Contract, in the manner and to the extent set forth below.

### **ARTICLE ONE**

1. The Parties agree that an amount of up to twenty million Dollars of the United States of America (US\$20,000,000) will be used for the Safety Nets Component, as described in the Annex of this Amendatory Contract.

2. The Parties agree that the Executing Agency for the Safety Nets Component will be the Ministry of Finance and Planning.
3. The Parties agree that Eligible Expenditures incurred for the Safety Nets Component as of April 8, 2020 may be reimbursed to the Borrower, up to the equivalent of twelve million Dollars (US\$12,000,000), as provided in Article 4.06 of the General Conditions "Reimbursement of Expenditures", provided that such Expenditures have been incurred following requirements substantially similar to those established in the Loan Contract.
4. The Parties agree that, for the purposes of the Safety Nets Component only, the following special dispositions will apply:
  - (a) Goods from countries that are not members of the Bank may be eligible for procurement, and suppliers, contractors, consultants, or service providers originating in countries that are not members of the Bank may participate in procurement processes;
  - (b) The procurement policies of the Procurement Agencies and specialized agencies may be used when they are contracted as such by the Borrower or, where appropriate, by the Executing Agency, as the case may be;
  - (c) Internationally consolidated procurement, as well as procurement through accession to existing contracts of the Borrower, may be used as procurement methods in addition to those described in the Procurement Policies; and
  - (d) The measures described in paragraph 4 hereinabove will remain in effect until April 7, 2021. After such date they will cease to be in effect for all purposes established in this Contract.
5. The Parties agree that the instruments identified in Section 5.01 of the Special Conditions of the Loan Contract "Supervision of Program Execution" will be presented by the Executing Agency separately and regarding the resources to be executed for the Safety Nets Component.
6. The Parties agree that for purposes of Section 5.02 of the Special Conditions of the Loan Contract "Supervision of the Financial Management of the Program" the following additional report will be required: an annual audited reasonable assurance report within 120 days after the close of the Fiscal Year for the Safety Nets Component resources of the Loan, audited by a firm of independent public accountants acceptable to the Bank.
7. The Parties agree that in order to assess the contribution of activities to the Safety Nets Component objective, the Borrower or the Executing Agency, as the case may be, shall provide the Bank the necessary information to conduct: (i) a before-and-after (pre/post) analysis that measure results before and after introduction of the intervention in the same area or units affected by the intervention; and, (ii) a review of the theory of change to

establish the attribution of the observed results to the Safety Nets Component's interventions.

## ARTICLE TWO

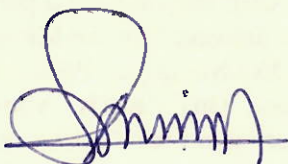
The Parties hereby agree that all other provisions of Loan Contract 4112/OC-SU remain in full force and effect.

## ARTICLE THREE

The Parties agree that this Amendatory Contract shall enter into force from the date of signature by the authorized representative of the Borrower.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract in two (2) equally valid copies in Paramaribo, Republic of Suriname.

REPUBLIC OF SURINAME



Armand K. Achaibersing  
Minister of Finance and Planning

Date: AUGUST 13, 2020

INTER-AMERICAN DEVELOPMENT  
BANK



Antonio Goncalves  
Representative of the Bank in Suriname

Date: August 13th, 2020

## **ANNEX**

### **Safety Nets for Vulnerable Populations Affected by Coronavirus in Suriname (The Safety Nets Component)**

#### **I. Objectives**

- 1.01** The overall general objective of the Safety Nets Component is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income levels for those affected by the coronavirus in the immediate period.

#### **II. Description**

- 2.01** To achieve the objective indicated in paragraph 1.01 above, the Safety Nets Component will finance the following:

##### **Component. Protection using existing cash transfer programs**

- 2.02** This component will finance the increase in the value of the cash transfers for a period of up to six months for beneficiaries of three existing programs delivered by the Ministry of Social Affairs and Housing, namely: (i) Support for Disadvantaged Persons with Disabilities (FBMMEB); (ii) Child Allowance (AKB); and (iii) Elderly Allowance (AOV). Since these are all paid to existing beneficiaries, there is no registration process. The payments will be made using the standard procedure. This component will also finance the design and implementation of a pilot of an electronic payment system for the Child Allowance.

#### **III. Financing Plan**

- 3.01** The distribution of the resources is set forth in the following table:



**Cost and Financing**  
(in US\$)

Components	Fiscal Strengthening	Support to Safety Net amount	Total
<b>Fiscal Components</b>			
Strengthen the Revenue Administration	15,075,193.10		15,075,193.10
Strengthen the Public Financial Management	922,394.90		922,394.90
Administrative Costs <sup>1</sup>	2,227,567.13		2,227,567.13
Contingencies	1,774,844.87		1,774,844.87
<b>Subtotal Fiscal</b>	<b>20,000,000</b>		<b>20,000,000</b>
<b>Safety Net for Vulnerable Populations Component</b>			
<b>Component 1. Protection using existing cash transfer programs</b>	0	19,970,000	19,970,000
<b>Monitoring, evaluation, and auditing</b>	0	30,000	30,000
<b>Subtotal vulnerable populations</b>		<b>20,000,000</b>	<b>20,000,000</b>
<b>Total</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>40,000,000</b>

**IV. Execution**

- 4.01** The Ministry of Finance and Planning will be the Executing Agency of the Safety Nets Component through the same Project Implementation Unit (PIU) established to execute the Fiscal Strengthening to Support Economic Growth Program.
- 4.02** The responsibilities of the PIU include: (i) preparation of the implementation plan; (ii) financial administration, accounting, and preparation of budgets and disbursement requests; (iii) preparation of the procurement plan and procurement of consultancy services, including the selection and hiring of the external audit firm; (iv) preparation of technical reports and financial statements; and (v) monitoring and evaluation of project activity progress.
- 4.03** The Ministry of Social Affairs and Housing oversees the operation of the existing cash transfer programs supported by the new component, including beneficiary's identification and registration. It also prepares the files with total number of beneficiaries and total amount to be paid. These files are then sent to the Ministry of Finance and Planning for approval. After approval, the Ministry of Finance and Planning transfers the funds to the account of the Ministry of Social Affairs and Housing at the Central Bank of Suriname. The Ministry of Social Affairs and Housing releases the payment to beneficiaries, either through the Bank system or by cash. The Ministry of Social Affairs and Housing has agreements in place with the Surinaamse Post Spaar Bank (SPSB) and the GODO Bank that can be utilized to conduct this process. Other Banks can be involved where

<sup>1</sup> A budget transfer will be conducted to add to "Strengthen Public Financial Management" (Component 2).

necessary. Since the transfers funded by this operation are directed to existing beneficiaries and programs, no additional coordination processes need to be implemented between the Ministry of Social Affairs and Housing and the Ministry of Finance and Planning.