

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**SURINAME**

**PUBLIC FINANCIAL MANAGEMENT ASSESSMENT**

**(SU-T1032)**

**PLAN OF OPERATIONS**

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## **ANNEXES**

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## **BASIC SOCIOECONOMIC DATA**

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

**INFORMATION AVAILABLE IN THE FILES OF RE3/SC3**

**PREPARATION:**

IDB/CARTAC 2006 – Pre-assessment on public financial management areas

## **ABBREVIATIONS**

|        |  |
|--------|--|
| GOS    | Government of Suriname                         |
| CARTAC | Caribbean Regional Technical Assistance Center |
| EU     | European Union                                 |
| FAD    | Fiscal Affairs Department                      |
| FSO    | Fund for Special Operations                    |
| IMF    | International Monetary Fund                    |
| MOF    | Ministry of Finance                            |
| MOP    | Multi annual development plan                  |
| PLOS   | Ministry of Planning and Development           |
| TC     | Technical Cooperation                          |
| TORs   | Terms of Reference                             |
| UNDP   | United Nations Development Programme           |

## PUBLIC FINANCIAL MANAGEMENT ASSESSMENT

(SU-T1032)

### I. EXECUTIVE SUMMARY

|   |  |          |         |
|---|--|----------|---------|
| <b>Beneficiary:</b>                               | Government of Suriname (GOS)   |          |         |
| <b>Executing agency:</b>                          | Inter-American Development Bank (IDB)  |          |         |
| <b>Target Beneficiaries:</b>                      | The project will benefit the GOS in the identification of the key aspects necessary for the preparation of a program for the modernization of public financial management  |          |         |
| <b>Financing:</b>                                 | IDB: Fund for Special Operations (FSO):  | US\$     | 135,640 |
|   | Co-financing:  | US\$     | 0       |
|   | Local:   | US\$     | 4,000   |
|   | Total:   | US\$     | 139,640 |
| <b>Objectives:</b>                                | The main goal of this TC is to respond to the GOS request to carry out a comprehensive needs assessment of public financial management by contracting studies in the areas of: (i) Accounting classification and standards; (ii) Internal and external audit; (iii) public investment management; and (iv) Macro economic framework. |          |         |
| <b>Execution and disbursement periods:</b>        | Execution:   | 6 months |         |
|   | Disbursement:  | 9 months |         |
| <b>Special contractual conditions</b>             | None   |          |         |
| <b>Exceptions to Bank Policies and Procedures</b> | None   |          |         |
| <b>Environmental and social review:</b>           | The Technical Cooperation Plan of Operations was reviewed and approved by SDS/ENV and LEG in January 2007. All recommendations made by LEG were included in the document.  |          |         |
| <b>Coordination with Other Donors:</b>            | The outputs of this TC will be used as inputs for a comprehensive assessment to be performed jointly with International Monetary Fund (IMF), as requested by GOS.  |          |         |

## **II. BACKGROUND AND JUSTIFICATION**

### **A. The need for an assessment of public finance in Suriname**

- 2.1 The Inter-American Development Bank (IDB) is in the process of implementing a number of initiatives under the umbrella of supporting Government of Suriname (GOS) efforts to prepare a road map for public sector modernization. GOS has prioritized the following issues that require attention in the short-run: (i) creating a new Tax Department to improve the administration of taxes; (ii) ensuring adequate social protection; and (iii) strengthening key management functions to improve the quality of public spending.
- 2.2 This TC responds to the third priority. In this regard, preliminary discussions with the authorities have outlined an agenda designed to improve the efficiency and efficacy of public spending. Such agenda considers strengthening the following key functions of the public finance: budgeting and accounting, cash management, planning, debt management, and monitoring and evaluation. It is expected that strengthening key functions of public finance will concentrate initially on the Ministry of Finance (MOF), and may also include the Ministry of Planning and Development (PLOS) and other line ministries: Ministry of Health, Ministry of Education and Community Development, and Ministry of Social Affairs and Housing.
- 2.3 In this context, the Minister of Finance requested the IDB and the IMF to send a mission to prepare a pre-assessment of the most important public financial issues for Suriname—the mission visited Paramaribo in March 2006. The mission focused on: (i) budget preparation; (ii) budget implementation; and (iii) accounting systems, responsibility, accountability, and information systems.

### **B. Budget preparation**

- 2.4 The main aspect that was pointed out to the mission by the Minister of Finance was the need to strengthen the macroeconomic framework for budget formulation. This framework should include the guidelines for the preparation of: (i) revenue projections; (ii) the expenditure envelope for upcoming budget; and (iii) the forward estimates. In addition, the mission identified lack of agreement between key players in the budget process (the “Planning Bureau” of the Ministry of PLOS, the Statistics Bureau, and MOF’s Economic Affairs Unit), over the division of responsibilities in the preparation of macroeconomic statements and forecasts.
- 2.5 Moreover, the authorities need to revise the country’s multi-annual development plan (MOP), which provides long-term guidance to the preparation of the budget. Preliminary results from the mission indicate that the MOP does not play that role.

- 2.6 Finally, it was identified that the activities of more than 100 public enterprises are not reflected in the annual budget, and that the budget presented to Cabinet and Parliament does not include the expected outcomes for the current year.

**C. Budget implementation**

- 2.7 The pre-assessment mission identified a lack of systematic monitoring of domestic arrears. The MOF does not know the stock of arrears; particularly those generated by the public enterprises and the pension payments.
- 2.8 The MOF is responsible for setting the monthly limits for the spending units' commitments. However, there is no control in place to ensure that those commitments are issued respecting the MOF limits. The main cause for this problem is that the oversight of the application of limits is carried out by the line ministries. In addition, external reporting is adversely affected by issues related to accuracy and timeliness, thereby compromising transparency and efficiency of public spending.
- 2.9 Finally, the payments system is unreliable and causes significant delays. For this reason suppliers increase their prices in a range that could vary from 20% to 50% of the regular market prices. Preliminary analysis determined that the payment system relies on manual processing.

**D. Audit and accounting**

- 2.10 There is no coherent and articulated strategy to ensure the accountability of the preparation of the budget. This could be attributed to the miscommunication between the MOF and the Ministry of PLOS. In addition, responsibility for externally financed development is fragmented among many relevant actors in the public administration: the Ministry of PLOS is responsible for coordinating funding from the European Union (EU), the United Nations Development Programme (UNDP), and the Dutch government; the MOF is responsible for coordinating funding from the IDB; and the Ministry of Foreign Affairs is responsible for coordinating bilateral lending from India and China.
- 2.11 Moreover, the legislation that deals with fiscal management is outdated and does not provide flexibility. In addition, the MOF does not have written procedures and regulations for its Directors. The MOF manages a large number of bank accounts for budget execution purposes, (in excess of 350), which creates an unnecessary burden on the accounting of government spending.
- 2.12 Finally, there are three levels of audit: Ministry Internal Audit, Central Internal Audit, and External Audit (Supreme Audit Office). Each level works independently, creating inconsistencies and delays in the production of financial statements.



## **E. Needs Assessment strategy**

- 2.13 On October 25<sup>th</sup>, 2006 the GOS requested the IDB to carry out a needs assessment mission with the IMF.<sup>1</sup> On November 15<sup>th</sup>, 2006 the IDB and the IMF met to discuss the scope of the Surinamese Public Financial Management Assessment, and the following agreements were reached between these two organizations:
- a. The assessment mission will be carried out in April 2007. Both institutions will select their own consultants, and lead their respective part of the team.
  - b. The mission will cover the topical areas listed under this paragraph, sections (d) and (e). IMF and IDB will jointly develop, with the authorities, terms of reference (TORs) for the mission describing the areas to be covered by IMF and IDB respectively, the approach of the mission, and the expected outputs.
  - c. The consultants hired by the IMF will be responsible for the analyses of the following areas: budget preparation; treasury management, including payment processing, cash management, and treasury interaction with the Central Bank; public debt management; and macro-economic forecasting and framework development guidelines.
  - d. The consultants hired by the IDB will be responsible for the analyses of the following areas: accounting; auditing (including internal and external control); public investment; transfer funds to local governments.
  - e. The abovementioned areas will be analyzed from the following perspectives: legal, procedural, information and technology, transparency, oversight, institutional capacity and infrastructure.
  - f. IDB and IMF will jointly present to the GOS, through the Ministry of Finance, a draft document covering the aforementioned areas. Each organization will be responsible for its respective section of the report. The executive summary will be drafted jointly. In the case of IDB, the reports generated by the consultants contracted with the resources of the TC will be presented to the authorities for no objections.
  - g. The Bank will organize a workshop to present the results of the work to GOS authorities--the final document will incorporate comments and suggestions of the authorities.

## **F. Linkage to the Bank's country strategy**

- 2.14 The current IDB Country Strategy with Suriname, approved in March 2000, proposed five areas of concentration: (i) private sector development; (ii) governance and modernization of the state; (iii) human resource development and social inclusion; (iv) environmental management; and (v) macroeconomic

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<sup>1</sup> Later, in December 2006, the GOS requested the IDB to provide technical assistance to develop the medium-term macroeconomic framework, based on the inputs from the needs assessment in that specific area.

framework. Preliminary discussions with the authorities in the context of preparing a new Country Strategy with Suriname indicate that these areas of concentration will remain as priorities to the year 2010.

- 2.15 A key step in the process to modernize the state (second area of concentration) is to prepare a comprehensive assessment of public finance, which will be financed by this TC with net income FSO resources. It is expected that the assessment, and the recommendations to be drawn from it will guide dialogue between GOS and the Bank on future activities designed to improve public management, and particularly financial management.

#### **G. Coordination with other donors**

- 2.16 The Bank's presence in Suriname has significantly increased over the last five years and now the Bank plays a catalytic role that is far greater than that suggested by financial flows alone. The Bank's relative concentration on reform issues complement the work of other donors that focus primarily on investment projects financed with grants.
- 2.17 Building on the experience of the past few years, donor coordination efforts should continue with the objective of consolidating gains and supporting Government's leadership role. The assessment to be financed with this TC will enhance coordination efforts by shaping the reform agenda in public management with an emphasis on financial issues.

### **III. PROGRAM DESCRIPTION**

#### **A. Program goal and purpose**

- 3.1 The main goal of this TC is to respond to the GOS request to carry out a comprehensive needs assessment of public financial management by contracting studies in the areas of: (i) accounting classification and standards; (ii) internal and external audit; (iii) public investment management; and (iv) macro economic framework

#### **B. Components**

- 3.2 In order to achieve the proposed goal and to be able to produce the outputs described in paragraph 2.13, the TC will provide resources to contract consulting services to carry out the following activities structured in four components: (i) accounting classification and standards, including the system of transfer of funds from central to local governments; (ii) internal and external audit, including scope, activities and efficiency; (iii) public investment management; and (iv) macro-economic framework.<sup>2</sup> The IMF will provide resources to contract consulting services to address the areas described in paragraph 2.13c.

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<sup>2</sup> The GOS will provide the legal documents for identification of the important topics and respective translation will be provided by the Bank.

**(i) Component 1: Accounting Classification and Standards**

- 3.3 The ultimate goal of this component is to provide the GOS guidance to establish and improve standards of central and local governmental accounting and financial reporting. It aims to improve transparency and better inform the government authorities and other stakeholders about the use of government resources.
- 3.4 To accomplish the goal, the current accounting classification and standards will be reviewed, including the integration between the budget and accounting (chart of accounts), and recommendations on how to improve recording and reporting of government transactions will be developed.
- 3.5 To carry out the aforementioned activities, the Bank will select and contract one individual consultant with international expertise in accounting classification and standards, as well as central/local governments fiscal government relations, for a period of 15 non-consecutive days. The consultant will participate in the joint mission.

**(ii) Component 2: Internal and External Audit**

- 3.6 This component is aimed to assist the GOS in improving efficiency and integrity of the ministries' internal controls and audit as well as legislative oversight on government transactions.
- 3.7 To accomplish these objectives, the current internal and external audit and control procedures will be reviewed, and recommendations on how to improve the integrity in budget execution process and oversight responsibilities of Parliament will be developed.
- 3.8 To carry out the aforementioned activities, the Bank will select and contract one individual consultant with international expertise in both internal and external audit activities, for a period of 15 non-consecutive days. The consultant will participate in the joint mission.

**(iii) Component 3: Public Investment Management**

- 3.9 The main goal of this component is to provide the GOS guidance on how to improve investment project appraisal and selection processes, as well as the integration of the recurrent and investment budgets.
- 3.10 The current project appraisal and selection system will be reviewed, and recommendations on how to improve these processes will be made. In addition, a strategy on how to gradually move to an integrated investment and recurrent budget environment will be prepared.
- 3.11 To carry out the aforementioned activities, the Bank will select and contract one individual consultant with project investment appraisal and selection expertise, for a period of 15 non-consecutive days. The consultant will participate in the joint mission.

**(iv) Component 4: Macro-economic framework**

- 3.12 This component will be carried out approximately one month after the conclusion of the needs assessment mission, and will support the GOS in the development of the medium-term macro-economic framework, including revenue projections, expenditure envelope for upcoming budget, and the forward estimates. The inputs for the development of this component will be provided by the analysis corresponding to the macro-economic forecasting and framework development guidelines described in paragraph 2.13c.
- 3.13 With the resources allocated to this component, the Bank will select and contract one individual consultant with international expertise in macro economic framework for 22 non-consecutive days, who will carry out his/her duties after the joint mission task is completed. The terms of reference for this consultancy could be adjusted according to the results of the analysis in this area.

**IV. COST AND FINANCING**

**A. Summary cost table and sources of financing**

- 4.1 The total cost of this TC is US\$139,640, of which IDB will finance US\$135,640 on a non-reimbursable basis from the net income of the Funds for Special Operations (FSO), and the GOS will contribute in-kind with US\$4,000, as per the following cost table.

**Table IV-1. Cost Table**  
(in thousands of US\$)

| Components and Resources |     |  | IDB           | Local       | Total         |
|--------------------------|-----|--|---------------|-------------|---------------|
| <b>1</b>                 |     | <b>Accounting Classification and Standards</b> | <b>17.76</b>  | <b>0</b>    | <b>17.76</b>  |
|                          | 1.1 | Public Finance Management expert – 15 days     | 12.0          | 0           | 12.0          |
|                          | 1.2 | 1 Trip and 12 per diems                        | 5.76          | 0           | 5.76          |
| <b>2</b>                 |     | <b>Internal and External Audit</b>             | <b>17.76</b>  | <b>0</b>    | <b>17.76</b>  |
|                          | 2.1 | Audit expert - 15 days                         | 12.00         | 0           | 12.00         |
|                          | 2.2 | 1 Trip and 12 per diems                        | 5.76          | 0           | 5.76          |
| <b>3</b>                 |     | <b>Public Investment Management</b>            | <b>17.76</b>  | <b>0</b>    | <b>17.76</b>  |
|                          | 3.1 | Public Investment Management expert – 15 days  | 12.0          | 0           | 12.00         |
|                          | 3.2 | 1 Trip and 12 per diems                        | 5.76          | 0           | 5.76          |
| <b>4</b>                 |     | <b>Macro Economic Framework</b>                | <b>28.36</b>  | <b>0</b>    | <b>28.36</b>  |
|                          | 4.1 | Macro economic framework expert – 22 days      | 17.60         | 0           | 17.60         |
|                          | 4.2 | 2 trip and 20 per diems                        | 10.76         | 0           | 10.76         |
| <b>5</b>                 |     | <b>Translations and interpretation</b>         | <b>20,0</b>   | <b>0</b>    | <b>20,0</b>   |
| <b>6</b>                 |     | <b>Contingency</b>                             | <b>30.00</b>  | <b>0</b>    | <b>30.00</b>  |
| <b>7</b>                 |     | <b>Audit</b>                                   | <b>4.00</b>   | <b>0</b>    | <b>4.00</b>   |
| <b>8</b>                 |     | <b>Logistic Support</b>                        | <b>0</b>      | <b>4.00</b> | <b>0</b>      |
|                          |     | <b>TOTAL</b>                                   | <b>135.64</b> | <b>4.00</b> | <b>139.64</b> |

**B. Sustainability**

- 4.2 This program does not require sustainability. However, its implementation will depend on the interest of the GOS in executing the recommendations to be provided by the needs assessment.

**V. EXECUTING AGENCY AND MECHANISM**

**A. Executing agency**

- 5.1 The executing agency will be the IDB.

**B. Executing mechanism**

- 5.2 Because of insufficient institutional and organizational capacity, GOS has requested the IDB to execute this program. The outputs to be presented by the consultants, as described in 2.13d, will be submitted to the MOF for comments. If within 10 days from the date the MOF receives the consultants' reports, no written communication is received, the Bank will consider that GOS has no comments.

**C. Program implementation readiness**

- 5.3 The plan of operations, the terms of reference, and the procurement plan for the consultants to be hired were already reviewed and agreed upon by the GOS.

**D. Execution period and disbursement schedule**

- 5.4 The execution period for this TC will be 6 months, with a disbursement period of 9 months, from the approval date of the Plan of Operations.

**E. Procurement**

- 5.5 As requested by the Government, the Bank will conduct the process of selection, hiring and payment of the consultants (firms or individuals). Therefore, selection and contracting of consultants will be carried out following the policy set out in document GN-2350-7 ("Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank") of July 2006.

**VI. MONITORING AND EVALUATION**

**A. Monitoring**

- 6.1 The Bank will monitor the implementation of this TC, based on the plan of operations and the corresponding consultants terms of reference.

**B. Technical and basic responsibility**

- 6.2 The State and Civil Society Programs Division 3 (RE3/SC3) will have basic and technical responsibility for the Program's execution.

**C. Progress and final reports**

- 6.3 According to paragraph 5.2, IDB will present to the GOS, through the Minister of Finance, the documents with the findings and recommendations of the consultants for no objection.

**D. Proposed evaluations**

- 6.4 Standard Bank procedures for auditing, financial management of the resources and reporting will be followed.

**VII. PROGRAM BENEFITS AND RISKS**

- 7.1 The project will benefit the GOS in the identification of the key aspects necessary for the preparation of a public financial management modernization program. The main risk associated with this operation is related to the GOS non-implementation of the recommendations provided by this assessment. This risk is partially mitigated by the fact that the GOS requested the assessment because of the urgent need to improve the areas to be covered by this TC.

**VIII. ENVIRONMENTAL AND SOCIAL REVIEW**

- 8.1 It is not anticipated that the activities to be financed in this program will have negative direct social or environmental effects.

## **SURINAME**

### **PUBLIC FINANCIAL MANAGEMENT ASSESSMENT (SU-T1032)**

#### **TERMS OF REFERENCE**

#### **GOVERNMENT ACCOUNTING CLASSIFICATION AND STANDARDS, AND THE SYSTEM OF TRANSFER OF FUNDS TO LOCAL GOVERNMENTS**

##### **I. BACKGROUND**

- 1.1 On December 12<sup>th</sup>, 2006, the Minister of Finance of Suriname requested the Inter-American Development Bank (IDB) to support the Government of Suriname (GOS) in the strengthening of its public financial management system (PFMS). As a response, an IDB assessment mission will visit Paramaribo from April 19 to May 3, 2007, and will carry out a comprehensive assessment, providing findings, recommendations, and an action plan for the modernization of the GOS PFMS. The technical aspects related to the development of the assessment will be carried out in coordination with the International Monetary Fund (IMF).

##### **II. OBJECTIVES OF THE CONSULTANCY**

- 2.1 The objective of this consultancy is to support the GOS in the strengthening of its public financial management system, by carrying out a comprehensive assessment covering accounting classification and standards, as well the system of transfer of funds from the central government to local governments.
- 2.2 The consultant will assist the IDB mission team leader to address the aforementioned areas, providing his/her findings, recommendations, and an action plan, which will be used as a framework for a further program for the modernization of the GOS' PFMS that is envisaged to be supported by the IDB.
- 2.3 The abovementioned areas will be analyzed from the legal, procedural, information technology, transparency, oversight, institutional capacity, and infrastructure perspectives.

##### **III. CHARACTERISTICS OF THE CONSULTANCY**

- 3.1 Type: Individual international consultant.
- 3.2 Starting date and duration: A total of 15 non-consecutive working days, from April 1, 2007 to May 15, 2007.
- 3.3 Place of Work: Paramaribo, Suriname and, if necessary, consultant home country.
- 3.4 Qualifications: University degree in Economics, Accounting, or related subject area; minimum of 15 years of experience in PFMS; fluent in English and Dutch speaking (Dutch is desirable but not mandatory).

#### **IV. ACTIVITIES**

- 4.1 The following activities will be carried out:
- a. Review the translated legal framework documents, to be provided by the GOS authorities, in areas related to his duties and responsibilities;
  - b. Review the GOS accounting system as well as the system of transfer of funds from central to local governments on the following aspects: legal, procedural, institutional, information and technology, infrastructure, transparency, and oversight;
  - c. Review the chart of accounts and the accounting classification, their alignment with international standards, as well as their integration with the budget classification;
  - d. Prepare reports including findings and recommendations;
  - e. Interact with other members of the mission when requested by the mission team leader;
  - f. Present his/her findings and recommendations to the GOS authorities when requested by the mission team leader;
  - g. Prepare, if necessary, other documents related to accounting matters;
  - h. Advise, when requested, the mission team leader in other areas to be covered by the assessment, including those not under his responsibility; and
  - i. Participate in meetings with the GOS authorities and internal meetings with IDB and IMF team members.

#### **V. REPORTS**

- 5.1 The consultant will deliver the following documents to the mission team leader:

One week prior to the beginning of the mission:

- a. A tentative agenda including a timetable and the specific GOS authorities to be interviewed and areas to be assessed.

During the mission:

- b. A matrix including Problems / Causes / Solutions;
- c. A draft technical report compatible with the aforementioned matrix, including findings and recommendations; and
- d. A final technical report comprising of the same requirements described for the draft report.

At the end of the mission:

- e. An action plan based on the technical report recommendations, including products, activities, and timetable to implement the recommendations; and
- f. A personal mission report providing a brief description of the activities carried out during the mission.



## **VI. SCHEDULE OF PAYMENTS**

- 6.1 The payment schedule will be as follows:
- 40% at the signature of the contract;
  - 20% upon submission and approval by the Bank of documents detailed in paragraph 5.1a., 5.1b. and 5.1c.; and
  - 40% upon submission and approval by the Bank of documents detailed in paragraph 5.1d., 5.1e. and 5.1f.

## **VII. COORDINATION**

- 7.1 The consultancy will be carried out under the coordination of the IDB State and Civil Society Programs Division 3, through its project team leader.

**SURINAME**  
**PUBLIC FINANCIAL MANAGEMENT ASSESSMENT**  
**(SU-T1032)**

**TERMS OF REFERENCE**

**INTERNAL AND EXTERNAL AUDIT**

**I. BACKGROUND**

- 1.1 On December 12<sup>th</sup>, 2006, the Minister of Finance of Suriname requested the Inter-American Development Bank (IDB) to support the Government of Suriname (GOS) in the strengthening of its public financial management system (PFMS). As a response, an IDB assessment mission will visit Paramaribo from April 19 to May 3, 2007, and will carry out a comprehensive assessment, providing findings, recommendations, and an action plan for the modernization of the GOS PFMS. The technical aspects related to the development of the assessment will be carried out in coordination with the International Monetary Fund (IMF).

**II. OBJECTIVES OF THE CONSULTANCY**

- 2.1 The objective of this consultancy is to support the GOS in the strengthening of its public financial management system, by carrying out a comprehensive assessment covering internal and external audit, aiming to improve the efficiency and integrity of the ministries' internal controls and audit as well as legislative oversight on government transactions.
- 2.2 The consultant will assist the IDB mission team leader to address the aforementioned areas, providing his/her findings, recommendations, and an action plan, which will be used as a framework for a further program for the modernization of the GOS' PFMS that is envisaged to be supported by the IDB.
- 2.3 The abovementioned areas will be analyzed from the legal, procedural, information technology, transparency, oversight, institutional capacity, and infrastructure perspectives.

**III. CHARACTERISTICS OF THE CONSULTANCY**

- 3.1 Type: Individual international consultant.
- 3.2 Starting date and duration: A total of 15 non-consecutive working days, from April 1, 2007 to May 15, 2007.
- 3.3 Place of Work: Paramaribo, Suriname and, if necessary, consultant home country.
- 3.4 Qualifications: University degree in Economics, Accounting and Auditing or related subject area; minimum of 15 years of experience working in PFMS; Fluent in English and Dutch speaking (Dutch is desirable but not mandatory).

#### **IV. ACTIVITIES**

- 4.1 The following activities will be carried out:
- a. Review the translate legal framework documents, to be provided by the GOS authorities, in areas related to his duties and responsibilities;
  - b. Review the accountability of the budget preparation process involving the Ministry of Finance and the Ministry Planning and Development;
  - c. Review the responsibilities for the management of the external funds among their respective public administration actors;
  - d. Review the internal and external control procedures and their respective documentation;
  - e. Review the roles played by Ministry Internal Audit, Central Internal Audit, and External Audit (Supreme Audit Office) and the financial statements prepared by them;
  - f. Prepare reports including findings and recommendations;
  - g. Interact with other members of the mission when requested by the mission team leader;
  - h. Present his/her findings and recommendations to the GOS authorities when requested by the mission team leader;
  - i. Prepare, if necessary, other documents related to accounting matters;
  - j. Advise, when requested, the mission team leader in other areas to be covered by the assessment, including those not under his responsibility; and
  - k. Participate in meetings with the GOS authorities and internal meetings with IDB and IMF team members.

#### **V. REPORTS**

- 5.1 The consultant will deliver the following documents to the mission team leader:

One week prior to the beginning of the mission:

- a. A tentative agenda including a timetable and the specific GOS authorities to be interviewed and areas to be assessed.

During the mission:

- b. A matrix including Problems / Causes / Solutions;
- c. A draft technical report compatible with the aforementioned matrix, including findings and recommendations; and
- d. A final technical report comprising of the same requirements described for the draft report.

At the end of the mission:

- e. An action plan based on the technical report recommendations, including products, activities, and timetable to implement the recommendations; and
- f. A personal mission report providing a brief description of the activities carried out during the mission.

**VI. SCHEDULE OF PAYMENTS**

- 6.1 The payment schedule will be as follows:
- 40% at the signature of the contract;
  - 20% upon submission and approval by the Bank of documents detailed in paragraph 5.1a., 5.1b. and 5.1c.; and
  - 40% upon submission and approval by the Bank of documents detailed in paragraph 5.1d., 5.1e. and 5.1f.

**VII. COORDINATION**

- 7.1 The consultancy will be carried out under the coordination of the IDB State and Civil Society Programs Division 3, through its project team leader.

## **SURINAME**

### **PUBLIC FINANCIAL MANAGEMENT ASSESSMENT (SU-T1032)**

#### **TERMS OF REFERENCE**

#### **PUBLIC INVESTMENT MANAGEMENT**

##### **I. BACKGROUND**

- 1.1 On December 12<sup>th</sup>, 2006, the Minister of Finance of Suriname requested the Inter-American Development Bank (IDB) to support the Government of Suriname (GOS) in the strengthening of its public financial management system (PFMS). As a response, an IDB assessment mission will visit Paramaribo from April 19 to May 3, 2007, and will carry out a comprehensive assessment, providing findings, recommendations, and an action plan for the modernization of the GOS PFMS. The technical aspects related to the development of the assessment will be carried out in coordination with the International Monetary Fund (IMF).

##### **II. OBJECTIVES OF THE CONSULTANCY**

- 2.1 The objective of this consultancy is to support the GOS in the strengthening of its public financial management system, by carrying out a comprehensive assessment covering internal and external audit, aiming to provide the GOS guidance in how to improve investment project appraisal and selection processes, as well as the integration of the recurrent and investment budgets.
- 2.2 The consultant will assist the IDB mission team leader to address the aforementioned areas, providing his/her findings, recommendations, and an action plan, which will be used as a framework for a further program for the modernization of the GOS' PFMS that is envisaged to be supported by the IDB.
- 2.3 The abovementioned areas will be analyzed from the legal, procedural, information technology, transparency, oversight, institutional capacity, and infrastructure perspectives.

##### **III. CHARACTERISTICS OF THE CONSULTANCY**

- 3.1 Type: Individual international consultant.
- 3.2 Starting date and duration: A total of 15 non-consecutive days, starting from April 1, 2007, to May 15, 2007.
- 3.3 Place of Work: Paramaribo, Suriname and, if necessary, consultant home country.
- 3.4 Qualifications: University degree in Economics, Accounting or related subject area; minimum of 15 years of experience in PFMS, especially in public investment management; fluent in English and Dutch speaking (Dutch is desirable but not mandatory).

#### IV. ACTIVITIES

- 4.1 The following activities will be carried out:
- a. Review the translated legal framework documents, to be provided by the GOS authorities, in areas related to his duties and responsibilities;
  - b. Review the integration of the budget preparation process involving the Ministry of Finance and the Ministry of Planning and Development;
  - c. Review the public investment unit roles and functions;
  - d. Review the project management system;
  - e. Prepare reports including findings and recommendations;
  - f. Interact with other members of the mission when requested by the mission team leader;
  - g. Present his/her findings and recommendations to the GOS authorities when requested by the mission team leader;
  - h. Prepare, if necessary, other documents related to accounting matters;
  - i. Advise, when requested, the mission team leader in other areas to be covered by the assessment, including those not under his responsibility; and
  - j. Participate in meetings with the GOS authorities and internal meetings with IDB and IMF team members.

#### V. REPORTS

- 5.1 The consultant will deliver the following documents to the mission team leader:

One week prior to the beginning of the mission

- a. A tentative agenda including a timetable and the specific GOS authorities to be interviewed and areas to be assessed.

During the mission:

- b. A matrix including Problems / Causes / Solutions;
- c. A draft technical report compatible with the aforementioned matrix, including findings and recommendations; and
- d. A final technical report comprising of the same requirements described for the draft report.

At the end of the mission:

- e. An action plan based on the technical report recommendations, including products, activities, and timetable to implement the recommendations; and
- f. A personal mission report providing a brief description of the activities carried out during the mission.

## **VI. SCHEDULE OF PAYMENTS**

- 6.1 The payment schedule will be as follows:
- 40% at the signature of the contract;
  - 20% upon submission and approval by the Bank of documents detailed in paragraph 5.1a., 5.1b. and 5.1c.; and
  - 40% upon submission and approval by the Bank of documents detailed in paragraph 5.1d., 5.1e. and 5.1f.

## **VII. COORDINATION**

- 7.1 The consultancy will be carried out under the coordination of the IDB State and Civil Society Programs Division 3, through its project team leader.

## **SURINAME**

### **PUBLIC FINANCIAL MANAGEMENT ASSESSMENT (SU-T1032)**

#### **TERMS OF REFERENCE**

#### **DEVELOPMENT OF THE MACROECONOMIC FRAMEWORK**

##### **I. BACKGROUND**

- 1.1 On December 12<sup>th</sup>, 2006, the Minister of Finance of Suriname requested the Inter-American Development Bank (IDB) to support the Government of Suriname (GOS) in the strengthening of its public financial management system (PFMS). As a response, an IDB assessment mission will visit Paramaribo from April 19 to May 3, 2007, and will carry out a comprehensive assessment, providing findings, recommendations, and an action plan for the modernization of the GOS PFMS. The technical aspects related to the development of the assessment will be carried out in coordination with the International Monetary Fund (IMF).

##### **II. OBJECTIVES OF THE CONSULTANCY**

- 2.1 The objective of this consultancy is to support the GOS in the strengthening of its public financial management system, by developing the macroeconomic framework, including revenue projections; the expenditure envelope for upcoming budget; and the forward estimates.
- 2.2 The consultant will assist the IDB mission team leader to address the aforementioned areas, providing his/her findings, recommendations, and an action plan, which will be used as a framework for a further program for the modernization of the GOS' PFMS that is envisaged to be supported by the IDB.
- 2.3 The abovementioned areas will be analyzed from the legal, procedural, information technology, transparency, oversight, institutional capacity, and infrastructure perspectives

##### **III. CHARACTERISTICS OF THE CONSULTANCY**

- 3.1 Type of consultancy: Individual international consultant.
- 3.2 Starting date and duration: A total of 22 non-consecutive working days, from June 3, 2007 (after the preparation of the public financial management assessment) to August 1, 2007.
- 3.3 Place of work: Paramaribo, Suriname and country of residence. The consultant will make one visit to Paramaribo, Suriname, for a total of 20 days.



- 3.4 Qualifications: University degree in Economics (focus in macroeconomics); minimum of 15 years of experience working in PFMS; fluent in English and Dutch speaking (Dutch is desirable but not mandatory).

#### **IV. ACTIVITIES**

- 4.1 The consultant will perform the following activities:
- a. Review the translated legal framework documents, to be provided by the GOS authorities, in areas related to his duties and responsibilities;
  - b. Review the chapter related to macroeconomic framework in the public financial management assessment, which will be prepared by IDB and IMF, and develop the guidelines for the preparation of the Surinamese macro economic framework, including revenue projections, the expenditure envelope for upcoming budget, and the forward estimates;
  - c. Provide training to the Surinamese authorities involved in the preparation of the macroeconomic framework;
  - d. Support the Ministry of Finance with the implementation of the guidelines mentioned in paragraph 4.1b.

#### **V. REPORTS**

- 5.1 The consultant will deliver the following documents to the mission team leader:
- a. A manual including the guidelines and procedures for the preparation of the macroeconomic framework;
  - b. A draft of the macroeconomic framework including: revenue projections; the expenditure envelope for upcoming budget; and the forward estimates, which will be developed in close coordination with the Surinamese authorities; and
  - c. A personal mission report providing a brief description of the activities carried out during the mission.

#### **VI. SCHEDULE OF PAYMENTS**

- 6.1 The payment schedule will be as follows:
- 50% at the signature of the contract; and
  - 50% upon submission and approval by the Bank of the documents described in Section V. above.

#### **VII. COORDINATION**

- 7.1 The consultancy will be carried out under the coordination of the IDB State and Civil Society Programs Division 3, through its project team leader.

## **SURINAME**

### **PUBLIC FINANCIAL MANAGEMENT ASSESSMENT (SU-T1032)**

#### **TERMS OF REFERENCE**

#### **INTERPRETATION – ENGLISH / DUTCH / ENGLISH**

### **I. BACKGROUND**

- 1.1 On December 12<sup>th</sup>, 2006, the Minister of Finance of Suriname requested the Inter-American Development Bank (IDB) to support the Government of Suriname (GOS) in the strengthening of its public financial management system (PFMS). As a response, an IDB assessment mission will visit Paramaribo from April 19 to May 3, 2007, and will carry out a comprehensive assessment, providing findings, recommendations, and an action plan for the modernization of the GOS PFMS. The technical aspects related to the development of the assessment will be carried out in coordination with the International Monetary Fund (IMF).

### **II. OBJECTIVES OF THE CONSULTANCY**

- 2.1 The objective of this consultancy is to provide interpretation support for the participants of the joint IDB/IMF needs assessment mission, which will take place in Paramaribo, Suriname, aiming to improve the communication between the English speaking international experts and the Dutch speaking government authorities.

### **III. CHARACTERISTICS OF THE CONSULTANCY**

- 3.1 Type of consultancy: Individual local consultant.
- 3.2 Starting date and duration: A total of 10 non-consecutive working days, from April 19, 2007 to May 3, 2007.
- 3.3 Place of work: The consultant will perform all work in Paramaribo, Suriname.
- 3.4 Qualifications: The required skills and competencies of the candidate will include: (i) university degree; (ii) high level fluency in both Dutch and English; (iii) good familiarity with public financial management, especially the terminology; (iv) at least 5 years of experience in interpretation.

### **IV. KEY ACTIVITIES**

- 4.1 The main activity for this consultant will be to provide interpretation services to the IDB/IMF delegation, as well as the government authorities during the meetings to be held in Paramaribo.

- 4.2 In addition, the consultant will be requested to translate short technical documents, when requested by the mission, and summarize newspaper articles and other type of documents relevant to the mission.

## **V. SCHEDULE OF PAYMENTS**

- 5.1 The payment schedule will be as follows:
- 30% upon signature of the contract; and
  - 70% upon submission and approval by the mission team leader.

## **VI. COORDINATION**

- 6.1 The consultancy will be carried out under the coordination of the IDB State and Civil Society Programs Division 3, through its project team leader.

## **SURINAME**

### **PUBLIC FINANCIAL MANAGEMENT ASSESSMENT (SU-T1032)**

#### **TERMS OF REFERENCE**

#### **TRANSLATION – ENGLISH / DUTCH / ENGLISH**

### **I. BACKGROUND**

- 1.1 On December 12<sup>th</sup>, 2006, the Minister of Finance of Suriname requested the Inter-American Development Bank (IDB) to support the Government of Suriname (GOS) in the strengthening of its public financial management system (PFMS). As a response, an IDB assessment mission will visit Paramaribo from April 19 to May 3, 2007, and will carry out a comprehensive assessment, providing findings, recommendations, and an action plan for the modernization of the GOS PFMS. The technical aspects related to the development of the assessment will be carried out in coordination with the International Monetary Fund (IMF).

### **II. OBJECTIVES OF THE CONSULTANCY**

- 2.1 The objective of this consultancy is to provide translation support to the participants of the joint IDB / IMF needs assessment mission, aiming to improve the English speaking international experts understanding on the official documents, written in Dutch, which were provided by the government authorities.

### **III. CHARACTERISTICS OF THE CONSULTANCY**

- 3.1 Type of consultancy: Individual international consultant.
- 3.2 Starting date and duration: A total of 15 non-consecutive working days, from March 26, 2007 to May 26, 2007.
- 3.3 Place of work: The consultant will perform the translation services in Paramaribo, Suriname, or country of origin.
- 3.4 Qualifications: The required skills and competencies of the candidate will include: (i) university degree; (ii) high level written and oral skills in both Dutch and English; (iii) good familiarity with public financial management, especially the terminology; and (iv) at least 5 years of experience in translation.

### **IV. KEY ACTIVITIES**

- 4.1 The main activity for this consultant will be to provide translation services on all type of documents relevant to the mission, from English to Dutch and from Dutch to English, when requested.

## **V. SCHEDULE OF PAYMENTS**

5.1 The payment schedule will be as follows:

- 30% upon signature of the contract; and
- 70% upon submission and approval by the mission team leader.

## **VI. COORDINATION**

6.1 The consultancy will be carried out under the coordination of the IDB State and Civil Society Programs Division 3, through its project team leader.

**SURINAME**  
**PUBLIC FINANCIAL MANAGEMENT ASSESSMENT**  
**(SU-T1032)**  
**ANNEX II**

**PROCUREMENT ACTION PLAN**

| Ref. No. | Description of the contract and           | Estimated cost of Proc. (in US\$) | Proc. method | Review (prior or post) | Source of financing and percentage |                | Prequali- fication (Yes/No) | Estimated dates                            |                                | Status (pending, in process, awarded, cancelled) |
|----------|---|-----------------------------------|--------------|------------------------|------------------------------------|----------------|-----------------------------|--|--------------------------------|--|
|          |   |                                   |              |                        | IDB %                              | Local/ other % |                             | Publication of specific procurement notice | Completion of contract         |  |
|          | 1. <u>Goods</u><br>N/A                    |                                   |              |                        |                                    |                |                             |  |                                |  |
|          | 2. <u>Civil works</u><br>N/A              |                                   |              |                        |                                    |                |                             |  |                                |  |
|          | 3. <u>Consulting services</u>             |                                   |              |                        |                                    |                |                             |  |                                |  |
| 1        | ○ Accounting classification and standards | 17,760                            | ICS          | Prior                  | 100%                               | N/A            | No                          | N/A  | 1 <sup>st</sup> Semester, 2007 | Pending  |
| 2        | ○ Internal and External Audit             | 17,760                            | ICS          | Prior                  | 100%                               | N/A            | No                          | N/A  | 1 <sup>st</sup> Semester, 2007 | Pending  |
| 3        | ○ Public Investment Management            | 17,760                            | ICS          | Prior                  | 100%                               | N/A            | No                          | N/A  | 1 <sup>st</sup> Semester, 2007 | Pending  |
| 4        | ○ Macroeconomic Framework                 | 28,360                            | ICS          | Prior                  | 100%                               | N/A            | No                          | N/A  | 2 <sup>nd</sup> Semester, 2007 | Pending  |
| 5        | ○ Translation                             | 10,000                            | ICS          | Prior                  | 100%                               | N/A            | No                          | N/A  | 1 <sup>st</sup> Semester, 2007 | Pending  |
| 6        | ○ Interpretation                          | 10,000                            | ICS          | Prior                  | 100%                               | N/A            | No                          | N/A  | 1 <sup>st</sup> Semester, 2007 | Pending  |

Note: ICS - International consultant selection