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| **Means of Verification Matrix** |
| **Objective:** The general development objective of the program is to restore fiscal sustainability and promote higher economic growth. This will be done through: (i) strengthening the tax revenue system and administration; (ii) increasing control and efficiency of public expenditure; (iii) improving macro-fiscal planning and management; and (iv) reducing fiscal risks and increasing transparency of SOEs. |

| **Components/ Policy Objectives** | **Conditions for the Programmatic I** | **State of Compliance with Policy Conditions Programmatic I[[1]](#footnote-2)** | **Means of Verification** | **Responsible** |
| --- | --- | --- | --- | --- |
| **Component 1. Macroeconomic stability** | | | | |
| Maintain a stable macroeconomic context | * 1. Maintain an economic framework consistent with the program’s objectives and in accordance with the provisions set forth in the Policy Letter. | Fulfilled |  | IDB |
| **Component 2. Strengthening the tax system** | | | | |
| Strengthen the tax revenue system and administration | * 1. The Government of Suriname prepares a draft of the Fiscal Incentives Regulations which reduces tax expenditures by eliminating discretionary waivers and some preferential rates. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing the draft of the Fiscal Incentives Regulations. | MFP |
| * 1. The VAT Act is approved by the National Assembly. | Fulfilled  (3rd trimester 2022) | Letter to the IDB confirming the approved of the VAT Act by the National Assembly and providing the corresponding supporting documents. | MFP |
| * 1. The Government of Suriname submits to the National Assembly a Bill to modernize the DOTC through the establishment of a Semi-Autonomous Revenue Agency (SARA) with emphasis on the necessary arrangements for the establishment of the VAT. | Fulfilled  (3rd trimester 2022) | Letter to the IDB confirming the submission of the Bill to establish a SARA to the National Assembly and providing the corresponding supporting documents. | MFP |
| * 1. The Government of Suriname prepares specific tax regulations to strengthen the tax management of extractive industries (oil, gas, and mining). | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the specific tax regulations prepared to strengthen the tax management of extractive industries. | MFP |
| **Component 3. Rationalization of public expenditure** | | | | |
| Increase control and efficiency of public expenditure | * 1. The Government of Suriname prepares an action plan for reviewing and updating expenditure budget classifications in line with international best practices. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the action plan for reviewing and updating expenditure budget classifications. | MFP |
| * 1. The Government of Suriname prepares an action plan for the improvement of the public investment system and the resilience to climate change and sustainability of public infrastructure. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the action plan for the improvement of the public investment system and the resilience of public infrastructure to climate change and sustainability of public infrastructure. |
| * 1. The Government of Suriname prepares a plan to conduct a national survey of living conditions. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the plan to conduct a national survey of living conditions. |
| * 1. The Government of Suriname submits the Indigenous Peoples and Tribal Peoples Collective Rights Bill to the National Assembly. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the Indigenous Peoples and Tribal Peoples Collective Rights Bill and supporting documentation of its submission to the National Assembly. |
| * 1. The Government of Suriname conducts a diagnostic report of the public procurement system across all line ministries. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the diagnostic report of the public procurement system across all line ministries. |
| * 1. The Government of Suriname updates the draft of the Aanbestedingswet Bill (Procurement Bill) including new regulations to make processes more transparent and establish an action plan for its implementation. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the draft of the Procurement Bill and an action plan for its implementation. |
| * 1. The Government of Suriname conducts a Public Investment Management Assessment. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the public investment management assessment report. |
| **Component 4. Improving the macro-fiscal institutional framework** | | | | |
| Improve macro-fiscal planning and management | * 1. The Government of Suriname prepares a plan to strengthen the Medium-term fiscal framework (MTFF) with revenue and expenditure forecasts for a 5-year period and an identification of the main fiscal risks arising from climate change. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the plan to strengthen the MTFF including the identification of the main fiscal risks arising from climate change. | MFP |
| * 1. The Government of Suriname prepares an evaluation to determine an appropriate type of fiscal rule for Suriname. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the report to determine an appropriate type of fiscal rule for Suriname |
| * 1. The Government of Suriname reviews the Savings and Stability Fund (SSF) design and operational framework. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the report that reviews the SSF design and operational framework. |
| **Component 5. Strengthening the fiscal framework and transparency of SOEs** | | | | |
| Reduce the fiscal risks and increase the transparency of SOEs | 5.1 The Government of Suriname prepares an action plan to regulate the SOEs. The plan includes the mapping, categorization and rationalization of all SOEs. | Fulfilled  (3rd trimester 2022) | Letter to the IDB providing a copy of the action plan to regulate the SOEs. | MFP |

1. This information is merely indicative as of the date of this document. As set forth in document CS-3633-2 (Policy-based Loans: Guidelines for Preparation and Implementation), compliance with all the conditions specified for disbursement, including the maintenance of an appropriate macroeconomic policy framework, will be verified by the Bank at the time of the request for the corresponding disbursement made by the Borrower and duly reflected in the Disbursement Eligibility Memorandum. [↑](#footnote-ref-2)