

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	SURINAME/CCB - Caribbean Group
▪ TC Name:	Support to the Design of Active Labor Market Policies in Suriname
▪ TC Number:	SU-T1143
▪ Team Leader/Members:	CRUZ AGUAYO, YYANNU (SCL/LMK) Team Leader; URQUIDI ZIJDERVELD, MANUEL ENRIQUE (SCL/LMK) Alternate Team Leader; DAVIS, TIMYKA ANISHKA (SCL/LMK); HOBBS, CYNTHIA MARIE (SCL/EDU); SEMMOH, NADISCHIA (CCB/CSU); ALFONSO, MARIANA (CSD/CCS); FLORES AGUILAR, ADRIAN (CSD/CCS); GONZALEZ HERRERA, BEATRIZ MARIA (SCL/LMK)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Labor Market Alignment with New Industries - SU-L1061
▪ Date of TC Abstract:	14 May 2021
▪ Beneficiary:	Unemployed and underemployed vulnerable populations
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$200,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	SCL/LMK - Labor Markets
▪ Unit of Disbursement Responsibility:	SCL/LMK - Labor Markets
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Environmental sustainability

II. Objective and Justification

- 2.1 The objective of this technical cooperation (TC) is to provide support to the Government of Suriname to increase the rate of formal employment in the country, with a special focus on employment of vulnerable populations in green jobs.
- 2.2 In contrast to other countries in Latin America and The Caribbean, Suriname had relatively low levels of unemployment, at 9 percent in 2018. Although there is an almost even gender distribution in the population and labor force, females are underrepresented. Women account for only 37.7 percent of the economically active population and are overrepresented among the unemployed (64.4 percent) and not economically active (66.7 percent) populations. The rate of labor participation among youth (15-24) in Suriname lags behind the rate of participation among adults. Young people are significantly more likely to be out of work than older persons, representing only 9.41 percent of employed persons in 2016, 11.76 percent and 10.79 percent, in 2017 and 2018 respectively. Similarly, tribal populations and persons in the remote areas of the interior are less likely to be engaged in formal employment than persons in the coastal areas. Given the geographic dispersion of the island, the labour market in Suriname is complex. It is estimated that approximately 75 percent of the data related to the economically active population is reflective of the labour market in the coastal regions of Paramaribo and Wanica. It is also estimated that the level of

informality among these populations exceeds the estimate of 11 percent for the general population.

- 2.3 Given: (i) the rates of participation in formal employment among women, youth, tribal populations and persons in remote areas, and informal workers, (ii) the impact of COVID-19 which is likely to increase vulnerability and inequality and (iii) the national priority of the Government of Suriname to promote development capacity, economic growth and diversification, social progress and the sustainable use and protection of the environment, this TC will provide support to The Government of Suriname to increase the rate of formal employment in the country, with a special focus on employment of vulnerable populations in green jobs.
- 2.4 The focus on green jobs is important to advancing national development goals related to sustainable economic growth while leveraging non-sustainable sectors such as gold and oil for capital investments, human and otherwise, which support the development of sustainable sectors in Suriname. In so doing, the TC is aligned with the strategic priority areas of strengthening human capital of the IDBG Country Strategy with the Republic of Suriname 2016-2020 (GN-2873).

III. Description of Activities and Outputs

- 3.1 **Component I: Macroeconomic environment.** Assessment of the macro-economic environment to identify strategic sectors with potential to generate quality jobs (especially green jobs).
- 3.2 **Component II: Skills development systems.** Assessment of the skills development systems currently in place, and concrete suggestions for improvement.
- 3.3 **Component III: Labor intermediation mechanisms.** Assessment of the existent labor market intermediation mechanisms and concrete suggestions for improvement.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component I: Macroeconomic environment	US\$70,000.00	US\$0.00	US\$70,000.00
Component II: Skills development systems	US\$70,000.00	US\$0.00	US\$70,000.00
Component III: Labor intermediation mechanisms	US\$60,000.00	US\$0.00	US\$60,000.00
Total	US\$200,000.00	US\$0.00	US\$200,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank will execute the proposed technical cooperation.
- 5.2 At the request of the Government of Suriname, the IDB, through the Labor Markets Division (SCL/MK) will execute this TC given (i) the Bank, through SCL/LMK has technical expertise in labor market programs, based on international best practices; (ii) administrative burdens can be reduced on the government, particularly in the identification and contracting of international experts; and (iii) the Bank is positioned to provide execution and oversight of the consultancies that will be carried out under this TC. The supervision of this TC will be carried out by the project team. The results of these activities are intended to bring key and timely design inputs to the loan (SU-L1061). SCL/LMK will be responsible for the direction, supervision, and coordination of this TC. The Bank will coordinate its work extensively with the

Government of Suriname other benefitting ministries/entities. The team leader, Yyannu Cruz Aguayo (SCL/LMK) will be responsible for the execution and expenditure management.

VI. Project Risks and Issues

- 6.1 TC will support the Government of Suriname in assessing the skills demanded in strategic and growth sectors given the impact of the pandemic on its economy and society and the national priority of economic diversification in sustainable sectors. The success of the project will depend on significant levels of engagement and participation by private and public sector stakeholders, as well as civil society. Insufficient integration, coordination and communication among government agencies may also lead to delays in project execution. To mitigate this risk, the TC will finance a technical, operational, and administrative consultant, with project management experience to support the EA with execution.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".