

PROJECT STATUS REPORT

01/01/2020 - 06/30/2020

SECTION 1: PROJECT SUMMARY

Operation number: SU-T1096

Suboperation number: ATN/ME-16551-SU

Project Name: Introducing a Natural Capital Asset Class in Global Exchange Markets: The Central Suriname Nature Reserve Company

Purpose: Creation of a green sovereign wealth fund for the government and people of Surin

Country admin

SURINAME

Country beneficiary:

SURINAME

Group:

C

SubGroup:

Executing Agency: Intrinsic Value Exchange

Team Leader: VASHTIED

Project cycle:

Report Date: 2020 - 07 - 01

Approval Date: 2017 - 12 - 06

Signature Date: 2018 - 02 - 23

First disbursement date: 2018 - 06 - 27

Original Execution End Date: 2021 - 02 - 23

Current Execution End Date: 2021 - 02 - 23

Original Last Disbursement Date: 2022 - 02 - 23

Last Current Disbursement date: 2022 - 02 - 23

SECTION 2: PERFORMANCE

Project's performance summary since the beginning

IVE has advanced development of its Environmental and Social Management System (ESMS) at two levels. An outline for the overarching ESMS framework for IVE has been developed, intended to outline all of the corporate policies and management standards for the IVE parent company. In addition, a first draft ESMS report for SNRC in Suriname has been finalized, which was led by Earth Economics following the study valuing the ecosystem services of the CSNR. The purpose of both documents will be to a) enable IVE to manage the major environmental and social risks of projects; b) Maximize the environmental and social benefits of projects for local constituents and; c) Ensure that adverse environmental and social impacts related to projects are avoided or, when unavoidable, minimized and appropriately mitigated and/or offset.

Supervision Team Leader comments

The status of the project in Suriname is in question as there has been a recent change in Government. IDB CSU , IDB Lab and IDB Natural Capital Lab will brief the new Minister of Finance and situation can be reassessed by the next reporting period

Project's performance summary in the last 6 months

Minimal activity related to ESMS refinement and institutional strengthening occurred during this time frame due to delays in negotiation and agreement between IVE and the Government of Suriname. The hope is to resume this work once IVE is able to confirm commitment from the Government of Suriname to utilize the IVE mechanism.

Supervision Team Leader comments

SECTION 3: INDICATORS AND MILESTONES

C1 : Formation of Governance Structure and CSNR Company

Weight 10%

Qualification ~not selected~

Indicators

I1 Establishment of CSNR company

Baseline

0

Planned

1 (2021 - 08 - 06)

Achieved

Status

In progress

C2 : Valuation and Assignment of Natural Assets/ Closing of Natural Capital Deals /In

Weight 20%

Qualification ~not selected~

Indicators

I1 Economic Valuation of Natural Capital Assets completed

Baseline

0

Planned

1 (2021 - 11 - 06)

Achieved

Status

In progress

C3 : Financial Structuring of the Initial Public Offering

Weight 65%

Qualification ~not selected~

Indicators

I1 Launch of IPO

Baseline

0

Planned

1 (2022 - 08 - 06)

Achieved

Status

In progress

C4 : Institutional Strengthening and

Environmental and Social Management System Devel **Weight** 5%

Qualification ~not selected~

Indicators	Baseline	Planned	Achieved	Status	
II Environmental and Social Safeguards System designed	0	1 (2023 - 03 - 06)		In progress	
Milestones	Planned Value	Achieved Value	Due Date	Achieved Date	Status
Conditions Prior	8	8	2018 - 08 - 23	2018 - 08 - 23	Achieved

CRITICAL FACTS THAT HAVE AFFECTED PROJECT'S PERFORMANCE

Legislative Approvals

Borrower/executing agency commitments

Community/political opposition

SECTION 4: RISKS

	Impact Area	Severity	Prob.	Date	Responsible	Mitigation action
Execution Risk: Potential Conflict of Interest: The Intrinsic Value Exchange (IV)	Formation of Governance Structure and CSNR Company	(2) Low	Medium 60%	2020 - 02 - 14	Project Coordinator	To ensure that conflicts of interest are avoided, governance structures will be built to ensure resolution of conflicts of interest. When completed, MIF will review this conflict of interest policy. In all cases, each service provider/company will be a separate legal entity. At a minimum, any potential conflicts of interest will be disclosed and where prohibited, certain services or roles of coincident management will be avoided entirely.
External Risks: International Investors do not accept viability of new asset cla	Final Outcome	(4) High	Medium 60%	2020 - 02 - 14	Project Coordinator	That said, the success of a spate of new assets coming to market with far less intrinsic and far more speculative values, crypto currencies for example, would suggest a viable pathway for an asset class that enjoys general acknowledgment of perceived value.
Institutional Risk: The Diagnostic Needs Assessment of the Intrinsic Value Excha	Institutional Strengthening and Environmental and Social Management System Devel	(3) Medium	Low 40%	2020 - 02 - 14	Project Coordinator	Funding has been budgeted under Component 4 to strengthen IVE's capacity for management of procurement and project finances in accordance with required policies and procedures of the IDBG. In addition IDB will also contract independent auditors to carry out ex-post reviews of procurement processes and of supporting documentation for disbursements. Ex-post reviews will include an analysis of the Financial Statements that the EA will prepare annually as part of its financial management. These additional resources will provide IVE with the training and oversight required to comply with IDB/MIF policy and procedures.

TOTAL RISKS QUANTITY: 3 IN EFFECT RISKS: 3 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

SECTION 5: SUSTAINABILITY

Indicate likelihood of project sustainability after project completion:
LP

Justification

The commitment of the Government of Suriname (which changed in May 2020) to continue this project is unclear at this time, situation to be reassessed in next reporting period

ASPECTS THAT PUT THE PROJECT SUSTAINABILITY AT RISK

Factor	Comments
3. A market is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	Market is untested
4. Relevant actor's opposition or lack of interest to continue with the project's activities or services	There has been some opposition to the model in Suriname
5. Lack of organizational, managerial and financial management capacity to continue and sustain the program once the execution phase is finalized.	Again the model is untested

6. Lack of a sustainability plan or its inadequate implementation.

No plan defined at this point in time

Actions related to sustainability which have been implemented in the project:

SECTION 6: PRACTICAL LESSONS

[There were no lessons learned reported during this period]