

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

## **SURINAME**

### **STRENGTHENING MANAGEMENT FOR RESULTS IN SURINAME**

**(SU-T1046)**

#### **PLAN OF OPERATIONS**

<p>This document was prepared by the project team consisting of: Stefano Tinari (ICF/ICS) Team Leader; Marco Varea (ICF/ICF), Lucas Hoepel (CCB/CSU); Rosina De Souza (LEG/SGO); and Nathalie Hoffman (ICF/ICS).</p>
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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 ICF/ICS

### PREPARATION:

Terms of Reference

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35117252>

Back to Office Report (SU-T1032), Paramaribo, Suriname, April 19th- May 3rd, 2007

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35102739>

Executive summary of the loan proposal for a Public Sector Management Strengthening Program (SU-0027) - May 17, 2004

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35102756>

Fiduciary Mission – Preliminary Agenda (VPC/PDP) - February 6, 2008

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1382042>

Needs Assessment for the Directorate of Finance (SU-T1032)

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1382244>

Public Financial Management Assessment- Plan of Operations (SU-T1032) - March 16, 2007

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=937879>

Report of IDB Consultancy to Help MoF-Suriname Prepare a Macro-Framework (SU-T1032) – July 2007

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1064412>

Suriname Needs Assessment for the Directorate of Finance (SU-T1032) - May 3, 2007

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1382244>

Report of IDB Consultancy on Evaluation of Framework of the Direct Effects of PRODEV – February 14, 2008

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1382062>

## **ABBREVIATIONS**

AP	Action Plan
CLAD	Central National Accountants Agency
GOS	Government of Suriname
IDB	Inter-American Development Bank
ICT	Information and Communication Technologies
IFS	Integrated Financial System
IMF	International Monetary Fund
IT	Information Technology
MOF	Ministry of Finance
PFMS	Public Financial management System
PLOS	Ministry of Planning
RBM	Results-Based Management
SAI	Supreme Audit Institution
TC	Technical Cooperation

## Strengthening Management for Results in Suriname

(SU-T1046)

### EXECUTIVE SUMMARY

<b>Beneficiary:</b>	Government of Suriname (GOS)		
<b>Team Leader / Members:</b>	Stefano Tinari (ICF/ICS), Team Leader; Marco Varea (ICF/ICF); Lucas Hoepel (CCB/CSU); Rosina De Souza (LEG/SGO); and Nathalie Hoffman (ICF/ICS)		
<b>Executing agency:</b>	The Ministry of Finance		
<b>Target Beneficiaries:</b>	The Ministry of Finance and other Central Government Agencies		
<b>Sources of Funding:</b>	IDB – (PRODEV Sub-account B)	US\$	1,500,000
	Local:	US\$	150,000
	Total:	US\$	1,650,000
<b>Objectives:</b>	The general objective of this TC is to promote the introduction of management by results and development efficiency concepts through an integrated and coordinated public sector management approach in Suriname		
<b>Execution timetable:</b>	Execution: 24 months Disbursement: 30 months		
<b>Special contractual conditions:</b>	None		
<b>Exceptions to Bank Policies and Procedures:</b>	None		
<b>Environmental and social review:</b>	Given the nature of the Program involving institutional strengthening activities, no social or environmental issues are foreseen. The profile was reviewed by the ESR on January 26, 2010 and no further actions were requested		
<b>Coordination with Other Donors:</b>	The Bank's relative concentration on capacity building and reform issues complements the work of other donors, which focuses primarily on grant financed investment projects. The Bank and the IMF have jointly conducted diagnostic work in the context of the Public Financial Management Assessment (SU-T1032). The Bank also collaborates with the Government of The Netherlands with regard to public sector modernization diagnostic work		

## **I. BACKGROUND AND JUSTIFICATION**

### **A. Background**

- 1.1 In December 2009, the Inter-American Development Bank (IDB) received a communication from the Ministry of Finance of Suriname, asking the Bank to provide assistance in the form of a Technical Cooperation (TC) Program in support of the development effectiveness of the public investment portfolio in the Country. The proposed Program will consist in the design and implementation of a system to enhance the capacity of the Country to program, budget, execute and evaluate public sector programs, by strengthening the capacity to manage for results. This Program would be funded by PRODEV, the Bank's arm to promote Management for Results in the Region.
- 1.2 In November 2009, the Bank sent a mission to Suriname to present to the financial authorities of the Country the results of the application of the PRODEV diagnostic tool, to collect information identifying the current situation with respect to the implementation of management for results principles in the Country, and to prepare an action plan. The action plan is based on the findings and recommendations of joint International Monetary Fund (IMF) - IDB teams that visited Suriname in 2008, and the priorities expressed by the authorities during a series of interviews.
- 1.3 The plan, and the actions proposed in this profile, analyze the current situation in Suriname with respect to the implementation of results-based principles in the areas of planning, budgeting for results, financial management, sector development and public investment, and proposes a series of actions to strengthen the capacity to manage for results in the public financial sector of the Country with the goal to improve the development effectiveness of public investment initiatives.

### **B. Problem Statement**

- 1.4 **Policy.** The application of the diagnostic tool has shown that the Public Investment Program in Suriname, in the current form, is based on the aggregation of the investment programs and projects that are presented by every line ministry within their budget. Currently there is no systematic analysis of its appropriate size, balance among sectors, impact on the economy, and timelines or sequence of the investments.
- 1.5 **Legal Framework.** The public investment process for selecting and assessing proposals is not regulated by any specific law or regulation. The participants in the process use their best judgment when dealing with public resources for investment purposes. The Ministry of Planning and Development Cooperation, (PLOS) has presented a general proposal to the Council of Ministers in looking for political support to improve the regulation for the public investment process and the management of the relations with donors.
- 1.6 Regarding the Evaluation System, Suriname does not have a legal framework to monitor the execution and evaluation of governmental programs. There is no official methodology that establishes the monitoring and evaluation criteria and technical aspects, and program

evaluation responsibilities are spread with the result that every sector strategy has its own methodology to be assessed.

- 1.7 The budget preparation process, roles, and specific responsibilities are not regulated or described in depth in law. The process of budget preparation has been gradually improved since 2004 with important changes in the budget structure and introduction of medium-term budget projections, and the Ministry of Finance is currently taking steps toward the implementation of multi-year forward estimates. By preparing the Multi-Year Plan and by collecting of budget estimates for five years, the government has already decided to move to a more medium term orientation of budget preparation.
- 1.8 **Financial Information.** The Integrated Financial System (IFS) model is based on a centralized information database, and was developed in 2001. The automation of the Public Financial management System (PFMS) started with the Ministry of Finance's (MOF) need to generate budget information understandable to international organizations, and needs to be stabilized, upgraded, and expanded to cover the entire public and semi public sector.
- 1.9 **Control.** Internal and external control and oversight in the Country is weak. The Supreme Audit Institution (SAI) has a limited capacity to fulfill its mandate and to provide independent advice to Parliament on government accounts and operations. The SAI has few auditors, and cooperation and coordination with ministry internal audit units is poor.
- 1.10 In summary, Suriname has potential to introduce management for development results in different sectors and at all levels of public policies. However, there is a need to give strategic direction and added impetus to existing public sector interventions and to implement the recommendations of the action plan and other studies by supporting the development of coordinated policies, a legal and regulatory framework with corresponding institutional support structures, and training and capacity building to enhance local capacity to manage more effectively and ultimately, manage for results.
- 1.11 Increased focus on value for money, quality and performance within a coordinated policy and institutional framework is essential. Therefore, concepts such as performance information, public sector productivity, cost and effectiveness of programs, budget allocations based on performance, program evaluation capacity, incentives to performance, higher quality and integrity of financial data, as well as modern tools and techniques to monitor progress toward outcomes, should be integrated into a coordinated public management approach in Suriname. Given the current situation, a restructuring of the PFMS, and the introduction of mechanisms for planning, executing and evaluating public investment project according to the principles of management for results has the potential to generate important improvements in the management of the public financial sector of the Country.

## **C. Bank Strategy**

- 1.12 The 2007-2010 Country Strategy with Suriname (GN-2459) aims to support the Government's efforts to modernize and transform the economy from the current



dominance of the public sector to a new emphasis of private sector led growth, public sector efficiency, and social integration. Therefore, one of the three main pillars is public sector modernization, including the development of a Road Map for Public Sector Reform, strengthening the core functions of government, and improving the quality of public expenditures.

- 1.13 This operation supports these objectives and is complementary to and builds on previous and current Bank interventions, by focusing on improvement of underlying government management systems. Current Bank operations include: Public Financial Management Assessment (SU-T1032), Support for Public Sector Investment System (SU-T1001), Strengthening of Public Sector Management (SU0027), Road Map for Public Sector Reform (TC9811078), Program for Modernization of Surinamese Tax Administration (SU-T1028), and Design of Pension Reform (SU-T1010).

#### **D. Donor Support and Coordination**

- 1.14 The Bank's relative concentration on capacity building and reform issues complements the work of other donors, which focuses primarily on grant financed investment projects. The Bank and the IMF have jointly conducted diagnostic work in the context of the Public Financial Management Assessment (SU-T1032). The Bank also collaborates with the Government of the Netherlands with regard to public sector modernization diagnostic work. Building on the experience of the past few years, donor coordination efforts are expected to continue with the objective of consolidating gains and strengthening the public sector. The activities to be financed by this TC will enhance coordination efforts by helping to shape the national agenda for more efficient public sector management and thereby providing a road map for donor support.

## **II. PROGRAM DESCRIPTION**

- 2.1 The general objective of this TC is to promote the introduction of management by results and development efficiency concepts through an integrated and coordinated public sector management approach in Suriname.

#### **A. Components**

- 2.2 The Program is structured in the following components: (i) Strategic Planning and Public Investment Evaluation; (ii) Budget by Results; (iii) Public Financial Management; and (iv) Audit.

- 2.3 **Component I. Strategic Planning and Public Investment Evaluation.** The PRODEV Program will provide technical and financial assistance and the tools to identify, prepare and evaluate public investment proposals. The Program will include assistance to regulate the process through the implementation of the legal framework, recently completed with the assistance of an IDB funded technical cooperation, and will provide support in the definition of a proposal to ensure implementation and enforcement of the public investment selection and assessment process.

- 2.4 In particular, the Program will support the design and implementation of a methodology to collect and appraise data on the performance of public agencies and programs, and to measure internal efficiency and cost-effectiveness. Other activities funded under this component will be: the collection and analysis of existing baselines and indicators to measure progress towards achieving policy and Program goals; the diagnosis of capabilities in monitoring service delivery; the evaluation of oversight capabilities; and the design of a pilot exercise to build capacity to monitor and evaluate public programs outputs and outcomes, introducing the shift towards more emphasis on monitoring outcomes (quality and quantity of results) instead of financial indicators.
- 2.5 **Component II. Budget by Results.** The PRODEV Program will complement the introduction of initiatives to link the strategic planning to the budget execution with technical and financial assistance to improve the process of linking budget management with cash management, and improve the flow of information by improving the Ministry's Information Technology (IT) system, and speeding up processes and consolidate existing information. Specific initiatives to improve the quality of public expenditures will be incorporated into this component.
- 2.6 **Component III. Public Financial Management.** The objective of financial management is to ensure efficient allocation and management of human, financial, and physical resources in public agencies. To this end, PRODEV will provide resources to identify, purchase, and install a customizable PFMS system. The diagnostic has identified a lack of appropriate processes and insufficient automation in the current operation of the PFMS. PRODEV will address the shortcomings in the current system being used, FINIS, which is the main backbone for financial transactions within the public sector, and will fund a series of technical procedures to stabilize the system in the short term to ensure its operability.
- 2.7 Since the system is currently operating on an IBM based platform, this company will be contracted on a direct basis to perform the diagnostic and the upgrade and stabilization of the system. A sustainable training Program will be established to provide the users with PFMS concepts and system operation training. With the current system stabilized, the Program will study and finance the replacement and expansion of the PFMS with a brand new public financial information system. The specification of the equipment and software for the replacement and expansion of the system will be defined by a Business Process Review, which will be performed by an external consulting firm. New equipments and support software will be purchased and installed, and the proposal will incorporate training for the Information and Communication Technologies (ICT) personnel and the definition of retaining incentives for the staff.
- 2.8 **Component IV. Audit.** PRODEV will provide technical assistance to improve the quality and substance of recommendations included in the annual reports, complementing them with management comments and proposed specific actions. In addition, PRODEV will provide assistance in developing appropriate audit standards and procedures for the internal and external audit activities, and training for public personnel and Supreme Audit Institution staff. This would include training in risk assessment techniques, and the drafting of a code of conduct for government employees. In internal audit, PRODEV will

support the Central National Accountants Agency (CLAD), the Government of Suriname's (GOS) internal auditor, in assuming a coordinating role for ministry internal audit units. The objective would be to establish a risk-based, systematic, and disciplined approach to the assessment of ministry control processes, and to increase internal audit capacity at the ministry level. The Program will support ministry internal audit units by assisting them in implementing audit standards and procedures, and by providing on-the-job training activities.

### III. COST AND FINANCING

- 3.1 The cost of the Program has been estimated at US\$1,650,000, of which the Bank would finance up to US\$1,500,000 of the costs on a non-reimbursable basis from the funds allocated to PRODEV-Sub-account B. The Government of Suriname will contribute the amount of US\$150,000 as counterpart funds. The table below summarizes the estimated cost of the project by components.

**Table IV - 1**

Category	IDB	Local Counterpart	TOTAL
Component I. Strategic Planning and Public Investment Evaluation	\$450,000		\$450,000
Component II. Budget by Results	\$200,000		\$200,000
Component III. Public Financial Management	\$600,000		\$600,000
Component IV. Audit	\$200,000		\$200,000
Program Evaluation and Audit	\$50,000		\$50,000
Counterpart contribution		\$150,000	\$150,000
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$150,000</b>	<b>\$1,650,000</b>

### IV. EXECUTING AGENCY AND MECHANISM

#### A. Executing Agency

- 4.1 The execution of this Program will be based in the Ministry of Finance, under the direct responsibility of senior member of the Minister staff. The Ministry of Finance is the central institution responsible for Public Financial Management in Suriname. Components that involve the participation of PLOS (Strategic Planning and Public Investment Evaluation, and Budget by Results), or internal and external audit will be executed by setting up peripheral executing agencies in these institutions, and by appointing a responsible for focal point and coordination with the Executive Unit of the Program.
- 4.2 Coordination between the beneficiaries of this Program will be facilitated by the Executing Unit of the Program, which will provide advice in overall project guidance and oversight, the selection of consultants, as well as the approval of the work plans. The Executing Unit will be responsible for the financial management of the Program, the preparation of financial reports and other contractual obligations related to the execution

of the Program and the proper channeling of financial resources from the Program to all the entities involved. It will also review the progress reports and interface with other institutional actors in order to facilitate the orderly implementation of the Program. The executing Unit will be integrated by a project coordinator and an administrative assistant. The appointment of a project coordinator will be a condition for first disbursement of the TC funds.

## **B. Procurement**

- 4.3 All procurement in the execution of the Program will be done in accordance with IDB procurement procedures, as stated in the Bank policies (GN-2350-7 and GN-2349-7) for the selection and contracting of consultants, and for the procurement of works and goods, respectively, financed by the IDB. In the case of procurement of goods to be financed under this TC, the amount should not exceed 30% of the Bank's financing, in accordance with the TC Policy.
- 4.4 The Program will consider disbursements covering expenditures consistent with activities included in this Plan of Operations occurred since December 1, 2009, up to US\$250.000.

## **V. MONITORING AND EVALUATION**

### **A. Monitoring**

- 5.1 The Executing Unit and the IDB Representative Office in Suriname will closely monitor the execution of this Program.

### **B. Technical and Basic responsibility**

- 5.2 The unit with technical responsibility will be the Institutional Capacity of the State Division (ICF/ICS). Administrative responsibility will be assigned to the IDB Representative Office in Suriname.

## **VI. MAJOR ISSUES**

- 6.1 The timing of this Program will complement the political cycle of the Country, providing the incoming administration with technical tool and financial resources to support the economic and strategic planning. In addition, the current macroeconomic environment is conducive to the introduction of measures that promote strategic planning and accountability in public sector management, as a mean to improve the fiscal situation in the Country.

### **A. Program benefits**

- 6.2 The Program will give strategic direction and added impetus to both new and existing public sector interventions by setting out coordinated policies, defining an improved legal and regulatory framework with corresponding institutional support structures, and defining the core actions to enhance GOS systems and capacity to manage more effectively.

**B. Risks**

- 6.3 The implementation of new methods of planning, appraisal and medium term and performance budgeting will require strong political support from senior government officials as well as a profound cultural change among government staff in the Ministries of Planning, Finance and the sector Ministries. Specific consensus building and sensitization initiatives will be implemented through this TC and a comprehensive capacity building and training strategy will be developed to facilitate this transformation.
- 6.4 The upcoming electoral cycle and subsequent change of administration, and a history of coordination issues within the different beneficiaries of this Program could cause delays in the implementation of the Program. To mitigate these factors, the selection and permanence of a solid, technically oriented Executing Unit is crucial for the successful and timely execution of the Program.

**VII. ENVIRONMENTAL AND SOCIAL REVIEW**

- 7.1 No negative environmental impact is anticipated from this technical cooperation. Based on the Safeguard Policy Filter Report, the project does not require a classification or further environmental or social actions. Based on the Safeguard Screening Form this technical cooperation has been classified as category "C".

**VIII. CERTIFICATION**

- 8.1 The Grants and Co-financing Management Unit (VPC/GCM) has determined that the amount of US\$1,500,000 from the Sub-Account B of PRODEV is available to finance the activities proposed under this TC document.

(Original Signed)

Marguerite S. Berger  
Chief  
VPC/GCM

03/24/2010

Date

## DETAILED BUDGET

		IDB - PRODEV	Local Counterpart	TOTAL
<b>COMPONENT 1. Strategic Planning and Public Investment Evaluation</b>		<b>293,040</b>		<b>293,040</b>
<b>1.1 Drafting of a legal framework</b>		<b>38,260</b>		<b>38,260</b>
	Int. Consultant 60 daysxUS\$500	30,000		30,000
	Per diem 30 days	5,760		5,760
	One round trip x2	2,500		2,500
<b>1.2 Methodology to collect and appraise performance data</b>		<b>98,260</b>		<b>98,260</b>
	Int. Consultant 30 daysxUS\$501	15,000		15,000
	Per diem 30 days	5,760		5,760
	One round trip	2,500		2,500
	Equipment and testing of methodology	75,000		75,000
<b>1.3 Diagnosis of capabilities in monitoring service delivery</b>		<b>38,260</b>		<b>38,260</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 30 days	5,760		5,760
	One round trip	2,500		2,500
<b>1.4 Design of a pilot exercise</b>		<b>118,260</b>		<b>118,260</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 30 days	5,760		5,760
	One round trip	2,500		2,500
	Execution of pilot exercise	80,000		80,000
<b>COMPONENT 2. Budget for Results</b>		<b>207,280</b>		<b>207,280</b>
<b>2.1 Improve the process of linking budget management with cash management</b>		<b>169,020</b>		<b>169,020</b>
	Int. Consulting firm	150,000		150,000
	Per diem 60 days	11,520		11,520
	Air fare	7,500		7,500
<b>2.2 Preparation of proposal to improve the quality of public expenditures</b>		<b>38,260</b>		<b>38,260</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 30 days	5,760		5,760

	One round trip	2,500		2,500
<b>COMPONENT 3. Public Financial Management</b>		<b>843,325</b>	<b>69,840</b>	<b>913,165</b>
<b>3.1 Diagnostic and upgrade and stabilization of the FINIS system</b>		<b>175,285</b>		<b>175,285</b>
	Turnkey contract to IBM Corp.	175,285		175,285
<b>3.2 Study for the replacement and expansion of the PFMS</b>		<b>521,520</b>	<b>69,840</b>	<b>591,360</b>
	Int. Consulting Firm	200,000		200,000
	Per diem 60 days	11,520		11,520
	Air fare	10,000		10,000
	Equipment for new PFMS	300,000	69,840	369,840
<b>3.4 Training for the operation of the new PFMS</b>		<b>146,520</b>		<b>146,520</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 60 days	11,520		11,520
	Air fare x2 trainer	5,000		5,000
	Employees retention incentives	100,000		100,000
<b>COMPONENT 4. Audit</b>		<b>109,020</b>		<b>109,020</b>
<b>4.1 Assistance to improve the quality and substance of annual reports</b>		<b>38,260</b>		<b>38,260</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 30 days	5,760		5,760
	One round trip	2,500		2,500
<b>4.2 Drafting of a code of conduct for government employees</b>		<b>35,380</b>		<b>35,380</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 15 days	2,880		2,880
	One round trip	2,500		2,500
<b>4.3 Design of on-the-job training activities</b>		<b>35,380</b>		<b>35,380</b>
	Int. Consultant 60 daysxUS\$501	30,000		30,000
	Per diem 15 days	2,880		2,880
	One round trip	2,500		2,500
<b>5. Program Evaluation and Audit</b>		<b>17,335</b>		<b>17,335</b>
<b>6. Contingencies</b>		<b>30,000</b>		<b>30,000</b>
<b>7. Administration</b>			<b>80,160</b>	<b>80,160</b>
<b>7.1 Program administration</b>			<b>80,160</b>	<b>80,160</b>
	Responsible of the Executing Unit. 24 months x2500\$		60,000	60,000

	Administrative support. 24 months x840\$		20,160	20,160
<b>TOTAL</b>		<b>1,500,000</b>	<b>150,000</b>	<b>1,650,000</b>



## PROCUREMENT PLAN

### **General Information**

<b>Country:</b>	Suriname
<b>Beneficiary:</b>	The Ministry of Finance and other Central Government Agencies.
<b>Executor Agency:</b>	The Ministry of Finance
<b>Project Name:</b>	Strengthening of Management for Results in Suriname
<b>Project Number:</b>	SU-T1046
<b>Objectives:</b>	The general objective of this TC is to promote the introduction of management by results and development efficiency concepts through an integrated and coordinated public sector management approach in Suriname.
<b>Estimated Approval Date:</b>	April, 2010
<b>Estimated date of signature of the Letter of Agreement:</b>	May, 2010
<b>Estimated date of the final disbursement:</b>	April, 2012

(SU-T1046)  
April 2010- April 2012

Ref. No. <sup>1</sup>	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procurement method <sup>2</sup>	Review (ex-ante or ex-post)	Source of financing and percentage		Prequalification <sup>3</sup> (Yes/No)	Estimated Dates		Status <sup>4</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local / Other %		Publication of specific proc. notice	Completion of contract		
<b>1</b>	<b>Goods</b>	<b>619</b>									
	Diagnostic and upgrade and stabilization of the FINIS system	174	DC		100%				April 2010	Awarded	
	Equipment for new PFMS	370	ICB	Ex – ante	100%		Yes	April 2011			
	Equipment and testing of methodology To collect and appraise performance data	75	NCB	Ex – ante	100%		No		Oct. 2010		
<b>2</b>	<b>Consulting Services</b>	<b>625</b>									
	Responsible of the Executing Unit. 24 months x2500\$	60	QCNI	Ex – ante		100%		April 2010	April 2012		
	Administrative support. 24 months x840\$	20	QCNI	Ex – ante		100%		April 2010	April 2012		
	Drafting of a legal framework	30	QCII	Ex – ante	100%			May 2010	Aug. 2010		
	Methodology to collect and appraise performance data Int. Consultant 30 daysxUS\$500	15	QCII	Ex – ante	100%			June 2010	Aug. 2012		
	Improve the process of linking budget management with cash management Int. Consulting firm	150	QCBS	Ex – ante	100%			Sept. 2010	Jan. 2011		
	Preparation of proposal to improve the quality of public expenditures	30	QCII	Ex – ante	100%			Sept. 2010	Jan. 2011		
	Study for the replacement and expansion of the PFMS	200	QCBS	Ex – ante	100%		Yes	Apr. 2012	Sept. 2012		

	Training for the operation of the new PFMS	30	QCII	Ex – ante	100%			Sept. 2012	Dec. 2012		
	Assistance to improve the quality and substance of annual reports	30	QCII	Ex – ante	100%			June 2011	Oct. 2011		
	Drafting of a code of conduct for government employees	30	QCII	Ex – ante	100%			June 2011	Oct. 2011		
	Design of on-the-job training activities	30	QCII	Ex – ante	100%			Aug. 2011	Dec. 2011		

<sup>1</sup> If there are a number of similar individual contracts to be executed in different places or at different times, these can be grouped together under a single heading, with an explanation in the comments column, indicating the average of individual amount and the period during which the contracts would be executed. For example: an education project that includes school construction might include an item labeled “School Construction” for an estimated cost of US\$20 million and an explanation under the Comments column such as this: “This item encompasses some 200 contracts for school construction averaging US\$100,000 each, to be awarded individually by the participating municipal governments over a three-year period between January 2006 and December 2008.”

<sup>2</sup> **Goods and Works:** **ICB:** International competitive bidding; **LIB:** limited international bidding; **NCB:** national competitive bidding; **PC:** price comparison; **DC:** direct contracting; **FA:** force account; **PSA:** Procurement through specialized agencies; **PAs:** Procurement agents; **IA:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement under loans guaranteed by the Bank; **PCP:** Community participation procurement; **Consulting Firms:** **QCBS:** Quality- and cost-based selection; **QBS:** Quality-based selection; **FBS:** Selection under a fixed budget; **LCS:** Least-cost selection; **CQS:** Selection based on the consultants’ qualifications; **SSS:** Single-source selection; **Individual Consultants:** **QCNI:** Selection based on comparison of qualifications of national individual consultants; **QCII:** Selection based on comparison of qualifications of international individual consultants.

<sup>3</sup> Applicable only to Goods and Works in case the new Policies apply. In the case of previous Policies, it is applicable to Goods, Works and Consulting Services.

<sup>4</sup> Column “Status” will be used for retroactive procurement and when updating the procurement plan.

## LOGICAL FRAMEWORK

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL</b>			
The general objective of this TC is to promote the introduction of management by results and development efficiency concepts through an integrated and coordinated public sector management approach in Suriname.	The adoption of management by results principles will improve the performance, management, monitoring and evaluation capacity of the public sector of the country.	Public funds are assigned and spent according to criteria established in principles of Managing for Development Results (MfDR).	Political will to implement management by results principles is retained.
<b>PURPOSE</b>			
To improve the performance, management, monitoring and evaluation capacity of the public sector.	Improved capacity of the public sector in allocating, invest and evaluate the use of public resources.	Improvement in the economic and efficiency indicators of the country.	Adoption of the recommendation, and implementation of the action plan.
<b>COMPONENTS</b>			
1. Strategic Planning and Public Investment Evaluation.	<p>Design and implementation of a methodology to collect and appraise data on the performance of public agencies and programs, and to measure internal efficiency and costs. effectiveness</p> <p>Design of a pilot exercise to build capacity in the line ministries that executes the public investment plan to monitor and evaluate public programs, outputs and outcomes, introducing the shift towards more emphasis on monitoring outcomes (quality and quantity of results) instead of financial indicators.</p> <p>A system for monitoring and evaluation of public administration is established, and covers the relation between planning, funding and achievement of development goals. A system to measure outcome and outputs of public investment is established.</p>	<p>The methodology is designed and implemented.</p> <p>Internal efficiency indicators are adopted and utilized.</p> <p>Quality and quantity is evaluated in public investment performance evaluation instead of financial indicators.</p> <p>Cost effectiveness and internal efficiency principles are adopted. Savings are generated in the execution of the public investment program.</p>	The upcoming electoral cycle and subsequent change of administration, and a history of coordination issues within the different beneficiaries of this program could cause delays in the implementation of the technical cooperation. To mitigate this factors, the selection and permanence of a solid, technically oriented Executing Unit is crucial for the successful and timely execution of the program

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	Information on performance of public administration is disseminated, and access to the information produced by monitoring and evaluation is accessible for scrutiny.	Data related to the evaluation of public administration performance are produced and made public.	
2. Budget by Results.	<p>A budgeting process that links the investment programs expected outcomes to the projects that materialize them is established.</p> <p>The budget preparation process includes indicators to measure progress in the execution.</p> <p>The indicators are based on performance, output, management, and impact.</p>	<p>Performance and outcome indicators are incorporated in at least 50% of the capital budget by the end of the disbursement period of this program (30 months).</p> <p>Performance and outcome achievements are considered when appropriating public funds.</p> <p>Efficiency and effectiveness criteria in public projects execution are considered and monitored in order to be considered in future budget allocations.</p>	<p>Budget programs should be better aligned with policy objectives and more costs should be attributed to them.</p> <p>There is no resistance to link programs to concrete output targets to improve the accountability of line ministries.</p>
3. Public Financial Management	<p>The implementation of this component will establish a financial management system operated with the objective of improving the efficient administration of the accounting, budget and cash management, administrative services, and human resources areas.</p> <p>The proper functioning of the system will ensure the efficient allocation and management of human, financial, and physical resources in public agencies.</p>	<p>FINIS system is upgraded and stabilized.</p> <p>FINIS system is redesigned and expanded to cover the entire public and semipublic sector.</p> <p>Public funds are allocated and monitored efficiently.</p>	<p>The ICT unit has to be strengthened and its accommodations have to be improved in the Ministry of Finance.</p>

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	Technology will be an integral part of the efficient and correct functioning of a results-based management model, particularly in the financial management sections.	Technology is modernized and upgraded.	
4. Audit	The Suriname Constitution, 1987 (amended 1992) Chapter XVI, Articles 149 to 152, provides for the establishment of a Supreme Audit Institution to supervise the expenditure of state finances as well as to control the management of government. The program will support the strengthening of a supervision and control system to monitor the effectiveness of public expenditures, and of the management of state finances.	<p>Supervision and control system to monitor and supervise management of state finances and effectiveness of public expenditures is reviewed.</p> <p>Effectiveness criteria and principles of "value for money" are adopted.</p> <p>Operative procedures are revised accordingly.</p> <p>Staff is trained and retained.</p>	SAI's capacity to carry out an independent audit of the central accounts need to be strengthened.