

## TC Document

### I. Basic Information for TC

▪ Country/Region:	SURINAME
▪ TC Name:	Strengthening Cultural Heritage Assets in Paramaribo and Surroundings
▪ TC Number:	SU-T1162
▪ Team Leader/Members:	Kopelman, Tatiana Marie (CSD/HUD) Team Leader; Rajack, Robin Michael (CSD/HUD) Alternate Team Leader; Acevedo Calle, Daniela (LEG/SGO); Ana Cristina Garcia (CSD/HUD); Avila, Francy Dianela (CSD/HUD); Berlanda Custodio Da Silva, Cleide (VPC/FMP); Collins, Steven Charles (CCB/CSU); Lopez-Lamia, Alejandro (CSD/HUD); Maria Villota (CSD/HUD); Silvia Perez (CSD/HUD); Sofia Del Castillo (CSD/HUD) Berlanda Custodio Da Silva, Cleide (VPC/FMP); Collins, Steven Charles (CCB/CSU); Maria Villota (CSD/HUD); Silvia Perez (CSD/HUD); Sofia Del Castillo (CSD/HUD)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	SU-L1068.
▪ Date of TC Abstract authorization:	14 Oct 2022.
▪ Beneficiary:	Ministry of Education, Culture and Science
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$300,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	January 2023
▪ Types of consultants:	Individual consultants and Consulting firms
▪ Prepared by Unit:	CSD/HUD-Housing & Urban Development
▪ Unit of Disbursement Responsibility:	CCB/CSU-Country Office Suriname
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Diversity; Environmental sustainability; Gender equality; Productivity and innovation; Social inclusion and equality

### II. Description of the Associated Loan/Guarantee

- 2.1 This operation builds on the successful implementation of the Paramaribo Urban Rehabilitation Program (PURP) (SU-L1046) in supporting the revitalization of Paramaribo's World Heritage Site (WHS) and its surroundings to create an attractive tourism destination. This objective will be achieved through studies, instruments, and training activities, allowing the country to effectively, efficiently, and sustainably execute revitalization investment projects financed by the Bank.
- 2.2 **Background.** The PURP was approved in January 2017 to contribute to the socio-economic revitalization of Paramaribo's historic center. Specifically, this program aimed to attract new residents and commercial activities, restore its cultural heritage value, reduce traffic congestion, and strengthen the institutional framework for sustainably managing its development. As of June 2022, it has been successfully implemented, meeting major milestones. One such example is the completion of the Parliament Building, rebuilt 25 years after a fire burnt it to the ground. Another example includes the recent rehabilitation of three heritage buildings located within the World

Heritage Site. Furthermore, the program has made significant strides in capacity building, updating the WHS Management Plan under the UNESCO requirements, generating a geospatial database of heritage buildings, designed a placemaking strategy and successfully launched the PURP branding campaign. These highly visible achievements have gained interest and positive feedback from the many stakeholders across sectors as well as the public.

- 2.3 Despite these efforts, the COVID-19 pandemic, changes in authorities and the difficult macro-economic situation faced by the country, proved a true challenge in the path towards revitalizing the WHS. As a result, key activities designed to incentivize the participation of private sector actors in the revitalization process have been restructured to better respond to the needs of the government. This includes the strengthening of the legal and institutional arrangements for implementation of the designed parking policy, the creation of a placemaking strategy, and the restoration of the Towerbuilding. However, due to the increased costs in labor and materials, the undertaking of the iconic Tower building has proven to be beyond the available financing under PURP. Its critical state of despair, particularly of its tower, has accelerated the need for a subsequent loan.
- 2.4 Thus, this TC is geared towards executing the required preparatory studies for the design and approval of the requested investment loan, the Paramaribo Urban Rehabilitation Program Phase 2 (SU-L1068). This loan is currently in the initial stages of preparation with an estimated approval date of March 2024. To meet this date, the requested technical cooperation will be used to finance the preliminary studies to further design the SU-L1068 loan, responding to the lessons learned from previous experiences, as well as the current and future challenges encountered. Finally, the funds requested will be critical in carrying out the necessary studies as required by the IDB's ESG policies, with a particular focus on the UNESCO designation of the implementation area.

### III. Objectives and Justification of the TC

- 3.1 **Objective** The objective of this TC is to support the Government of Suriname in developing the second phase of the Paramaribo Urban Rehabilitation Program (PURP - SU-L1068).
- 3.2 **Justification.** To this end, the Government of Suriname has requested the development of a second phase of the PURP to support the revitalization process of Paramaribo's WHS through the enhancement of its built environment in collaboration with the private sector that promotes resilient and eco-efficient interventions with universal accessibility, gender empowerment, and cultural adaptation.
- 3.3 Best practices around the globe have highlighted the pivotal role the private sector plays in solidifying a revitalization process within historic districts. These investments provide keen opportunities to leverage culture and creativity into significant financial contributors, as well as bring issues of sustainability, accessibility, equity, and inclusion to the forefront of economic agendas. Suriname's current fiscal constraints demand the active participation of the private sector in the efforts undertaken to reinvigorate Paramaribo's historic city center. To do so, the government has identified the need to create instruments to incentivize collaboration, as well as the need to strengthen institutional arrangements which are conducive to local and foreign investments.

- 3.4 Furthermore, the Government of Suriname has recognized the large potential tourism has as a socio-economic driver and a significant contributor to the country's financial stability. While the sector is developed within the eco-tourism and adventure categories, there is a limited offer of cultural tourism. The local authorities are conscious of the large potential the Paramaribo Historic Center and its immediate surroundings possess in catalyzing this form of tourism. For this, the country requires assets to strengthen the city as a travel destination, through the creation of attractions in the form of museums, placemaking, craft showcases, historic and scenic routes, among others.
- 3.5 This TC will thus support the Government of Suriname and the IDB in designing a robust investment loan (SU-L1068) which provides feasible solutions to the challenges identified during implementation of the current PURP, as well as incorporate lessons learned from global best practices. Through assessments and feasibility studies, this TC will provide sufficient information required to best define the scope of the subsequent loan. Furthermore, due to the financial constraints of the country and the level of despair of iconic buildings, the TC is required to finance the preparatory studies for a swift loan approval as well as execution, allowing a seamless initial implementation to meet these pressing needs.
- 3.6 **Climate Change.** The iconic site is also in urgent need of protection against increased flooding caused by climate change. Main results from the vulnerability assessments identify the WHS as the most crucial area in relation to its importance as population center, economic hub, the land use property value, and the impact of coastal flooding over time. Flooding from the Suriname river occurs as sea level rises during spring tide, during tropical storms, and by the rainfall-induced accumulation of water. The frequency as well as the intensity and extent of flooding are expected to considerably increase, and the economic losses associated with a single flooding event with a 100-year return period are estimated at US\$ 125 million (ERM, 2018). The second phase of PURP is an opportunity to address climate change in Paramaribo by strengthening climate information, governance and the prioritization of interventions that promote resilience and climate adaptation.
- 3.7 **Gender, Diversity, and Tourism.** A 2010 report from the United Nations World Tourism Organization (UNWTO) found that 'women in tourism are still underpaid,<sup>2</sup> under-utilized, undereducated and under-represented' (UNWTO, 2010). Yet, tourism still represents one of the best sources of female economic empowerment, particularly in low-income countries.<sup>3</sup> In Suriname, women have less access to quality remunerated jobs and are over-represented in informal and vulnerable employment.<sup>4</sup> Also, the unemployment rate for women is 12.2% and men 4.8%.<sup>5</sup> In addition, women are 30% of own-account workers and comprise just under 40 per cent of managers in enterprises.<sup>6</sup> Recent studies indicate that the inclusion of women into the workforce has positive development results, including increased productivity, access to housing opportunities, income equality and economic diversity (FMI, 2018). A recent 2015 McKinsey study indicated that the potential value of equal labor force participation globally is equivalent to \$28 billion USD. Therefore, creative and cultural activities, such as tourism and cultural-related activities supported by the PURP will intend to provide opportunities for women to access employment.
- 3.8 Moreover, Census 2012 data showed that 12.3% of the population had some type of disability, and women are more likely than men to have it.<sup>7</sup> According to the calculation based on the 2016-7 SSLC, the labour market performance of people with disabilities is almost nonexistent. On the one hand, most of them are not active in the labour

market (57.7 per cent inactivity rate vs 42.1 per cent of people without disability). For those who actively participate, the employment rate is substantially lower than their counterpart (39.9 per cent vs 53.2 per cent). In addition, the UNWTO recommends the concept of “Accessible Tourism for All”. It highlights the importance of facilitating tourist travel for people with disabilities (PwD) by providing clear information on accessible tourism facilities, the availability of support services in destinations, and the training of employees on the special needs of these individuals.

- 3.9 Lastly, by supporting the development of the tourism industry in Paramaribo, the PURP will also be providing economic opportunities for migrants and youth. Particularly in low-income countries, tourism employment provides a first opportunity for remunerated jobs to these vulnerable populations.
- 3.10 **Strategic Alignment.** The TC is consistent with the Update to the Institutional Strategy UIS 2020-2024 (AB-3190-2). It will contribute to the Corporate Results Framework 2020-2023 CRF (GN-2727-12) through the following development challenges: (i) Social Inclusion and Equality by helping the development of a cultural and creative industry focusing on women and diverse and vulnerable populations and the development of accessible tourism for persons with disabilities (PwD); (ii) Productivity and Innovation by creating new instruments for private sector participation to develop employment opportunities, as well as the development of touristic products which lead to economic development.; and (iii) Environmental Sustainability and Climate Change, by promoting the adoption of resilient and eco-efficient interventions in heritage buildings. In this sense, the activities of the TC are eligible to be considered as climate change
- 3.11 It is also consistent with the Sector Framework Document of Urban Development and Housing (GN-2732-11) by promoting local economic activities and entrepreneurship, particularly those which add value and uniqueness to commercial and retail districts, restoring urban heritage assets and leverage local cultural and creative expressions to catalyze economic growth, incorporating universal design standards within the assessments of restored heritage buildings. This operation will contribute to the Ordinary Capital Strategic Development Program – Window 2: Sustainability (W2A) priority area of climate change and environmental sustainability, by addressing the challenge of Low Productivity and Innovation through the establishment of smart institutional frameworks conducive to effective PPPs (GN-2819-14). Through the promotion of inclusive and accessible infrastructures and services within the intervened buildings and spaces, this TC contributes to the Gender and Diversity Sector Framework, first action line “Address gaps that arise from structural factors”. This TC is also consistent with the “IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable Renewable Energy” (GN-2609-1), with the “Climate Change Sector Framework Document” (GN-2835-5). This and with the Update to the Institutional Strategy 2020-2023 (GN-2933-1). By focusing on a comprehensive approach to current policies and laws on matters of land regulation this TC addresses challenges related to climate change and the environment (through the development of legislative and regulatory instruments that safeguard their protection and care); housing and urban planning, seeking to strengthen the existing urban pyramid and exploring the possibility of creating new actors and new instruments with specific roles in development and strategic territorial planning.
- 3.12 Moreover, this TC is aligned with the Suriname Country Strategy 2021-2025 in its second strategic area, promoting private sector competitiveness. By creating the necessary instruments to incentivize and support private participation in the urban

revitalization process of Paramaribo's WHS and promoting the development and growth of the country's creative and cultural industries, resulting in a diversified economy and increased productivity.

#### **IV. Description of activities/components and budget**

- 4.1 **Component I. Support for the Development of Technical Studies and Investment Programs (US\$200,000).** This component will finance the preparation of technical studies required for the strengthening of the projects and programs promoted by The Paramaribo Urban Rehabilitation Program (PURP). This component seeks to continue the efforts achieved to date through the PURP with the development of technical studies for the enhancement of the Historic Center of Suriname and the creation of instruments to encourage the private sector participation. It seeks to provide the tools that allow the financially and environmentally sustainable continuity of PURP 2, developing effective coordination mechanisms between public institutions, the private sector and civil society. Thus, this component will finance consultancies for:
- 4.2 **The development of instruments and incentive mechanisms for private sector investment in the Historic Center of Paramaribo (HCP) and its revitalization process:** (i) this includes the legal and economic assessment of the current land tenure modalities within the HCP, and a proposed form of usage which responds to the local context and attracts both local and international foreign investment; (ii) the construction of new mechanisms to promote the viability, sustainability, economic social- impact and enhancement of the HCP through private participation (PPP) in the improvement of public spaces, public infrastructure and the urban fabric; (iii) it will include the technical, legal, environmental and social evaluation of government owned- buildings to be rehabilitated, as well as the feasibility and costs of intervention, considering resilient and eco-efficient measures in buildings, aligned to the UNESCO parameters ; (iv) the study and proposal of potential mixed uses within each of the buildings to be undertaken. This includes a proposal for the real estate management, cost, financial mechanisms within the local context, selection form and operational manual; and (v) a proposal in urban image regulation to increase the HCP's aesthetic and improve the visitor experience including the use of a gender perspective and principles of universal accessibility, prioritizing nature-based solutions when applicable
- 4.3 **The development of instruments for the strengthening of local governance of the Historic Center of Paramaribo and the intervening sites:** It will propose a governance plan, identifying the relevant actors, the level of influence, and coordination forms. This will be done for the HCP on the macro level and hone on the individual areas of intervention which include but are not limited to (a) public spaces upgraded, (b) parking strategy implemented, and (c) public buildings intervened.
- 4.4 **Component II. Support for the Development of Preparatory Studies for the Operation of Loan SU-L1068 (US\$100,000).** This component will finance the preparation of technical, economic, financial, social, gender, environmental, and climate change feasibility studies required for the structuring of investment projects to be financed with resources from the PURP2 program. This component will finance the development of priority plans that allow the effective and sustainable management of the PURP and the HCP in line with the Bank's basic principles of Environmental Social and Governance (ESG).
- 4.5 The indicative budget to finance the components amounts to US\$300,000 and are to be funded through resources from the Ordinary Capital of the OC-SDP Window 2 – Sustainability (W2A). No local counterpart or in-kind contribution is foreseen.

### Indicative Budget (\$US)

Component	Description	IDB	Total financing
<b>Component I</b>	Support for the Development of Technical Studies and Investment Programs	200,000	200,000
<b>Component II</b>	Support for the Development of Preparatory Studies for the Operation of Loan SU-L1068	100,000	100,000
<b>Total:</b>		<b>300,000</b>	<b>300,000</b>

## V. Executing agency and execution structure

- 5.1 The Bank will be the executing agency as requested by the Ministry of Education, Science and Culture. The Housing and Urban Development Division (CSD/HUD) will be responsible for this operation's technical supervision and administration, leveraging its expertise in urban rehabilitation processes, PPP creation and management, tourism development, placemaking etc. Just as the activities set forth in PURP-1 were developed, this TC aims to support the Government of Suriname in the establishment of a sector-specific entity, tasked with the technical capacity and management instruments to promote the implementation of the plans and projects.
- 5.2 The Bank will contract consulting services in accordance with current policies and procedures. For this purpose, Section AM-650 of the Administrative Manual "Complementary Workforce" for individual consultants, the policy for the Selection and Contracting of Consulting Firms for Bank Executed Operational Work (GN--2765-4), and its guidelines will be applied for operations (OP-1155-4) and IDB Corporate Procurement Policy (GN-2303-28) for non-consulting services.
- 5.3 These consulting services will have the objective of assisting in the management, operation, and fulfillment of the goals and objectives proposed by this TC. Considering that the entity will be part of the credit operation and that through this TC it seeks to leave installed capacities for the execution of this loan.

## VI. Major issues

- 6.1 Limited cooperation among institutions. Lack of technical capacity on the part of the institutions and organizations in charge of development and implementation. The possible lack of articulation with the times and activities of loan operation could affect compliance with the objectives and products contemplated in this TC. To mitigate this, the TC will leverage the existing Steering Committee established as an element within the PURP to support cooperation among the stakeholders. Furthermore, the Bank will contract highly skilled professionals through consultancies to support the technical development of inputs, and act as a facilitator to ensure the information is communicated in an effective manner.

## VII. Exceptions to Bank policy

- 7.1 No exceptions to Bank policies have been identified.

## VIII. Environmental and Social Strategy

- 8.1 This TC will finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it will be classified under the scope of the Bank's "Environmental and Social Policy Framework (ESPF)".

## Required Annexes:

[Request from the Client - SU-T1162](#)

[Results Matrix - SU-T1162](#)

[Terms of Reference - SU-T1162](#)

[Procurement Plan - SU-T1162](#)