



MINISTERIE VAN FINANCIËN & PLANNING

Directoraat Planning en Ontwikkelingsfinanciering

Henck Arronstraat 36 – Paramaribo – Telefoon: (597) 471324

Email: secdirof@yahoo.com

La OF 2221874

Paramaribo, November 8, 2022.

Mr. Antonio Goncalves
Representative
Inter-American Development Bank
Country Office in Suriname
Peter van Bruneslaan 1
Paramaribo

Subject : Request for Technical Cooperation: "Support for the execution, supervision and closing of energy projects in Suriname"

Dear Mr. Goncalves,

Herewith the Ministry of Finance, as the representative of the Government of Suriname, wishes to request a technical cooperation to support the execution, supervision and closing of energy projects (SU-T1167).

This technical cooperation will support the Government of Suriname, the energy sector, and the project execution units, in the timely execution of procurements, supervision, and closing project contracts, directly contributing to the economic reactivation of the Surinamese energy sector. Main activities are related to : (i) Support the execution of energy projects with MNH and EBS with a focus on gender equality; and (ii) dissemination of IDB's operations execution best practices. We request that the Bank execute this technical cooperation.

Ms. Valerie Lalji would be the contact person about this matter representing the government's counterpart at the Ministry of Natural Resources.

We would appreciate it if you could keep us updated on the follow-up of this request.

Yours sincerely,

Drs. I. Sandel MPA
Permanent Secretary
Directorate of Planning and Development Finance

cc. Ms. V. Lalji

TC Document

I. Basic Information for TC

▪ Country/Region:	SURINAME
▪ TC Name:	Support for the execution, supervision and closing of energy projects in Suriname
▪ TC Number:	SU-T1167
▪ Team Leader/Members:	Ballon Lopez, Sergio Enrique (INE/ENE) Team Leader; Berlanda Custodio Da Silva, Cleide (VPC/FMP); Gangadin, Raijant Amarnath (CCB/CSU); Greco, Maria Sofia (LEG/SGO); Jorge Luis Malpartida (INE/ENE); Loana Vega (INE/ENE)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	SU-G1001, SU-L1039, SU-L1055.
▪ Date of TC Abstract authorization:	21 Sep 2022.
▪ Beneficiary:	Government of Suriname
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Infrastructure(W2B)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 Months
▪ Required start date:	Diciembre 2022
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/ENE-Energy
▪ Unit of Disbursement Responsibility:	CCB/CSU-Country Office Suriname
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Social inclusion and equality; Environmental sustainability; Gender equality

II. Objectives and Justification of the TC

- 2.1 The objective of this Technical Cooperation (TC) is to support the GoS, the energy sector, and the project execution units, in the timely execution of procurements, supervision, and closing project contracts, directly contributing to the economic reactivation of the Surinamese energy sector.
- 2.2 Suriname is advancing towards a more sustainable energy sector, aiming to provide affordable, secure, and clean electricity to its citizens. In Suriname, the Ministry of Natural Resources (MNH) has responsibility for energy policy and supervision of the energy sector. The Energie Bedrijven Suriname (EBS) is the state-owned utility with responsibility for the operation of the local electric power system. Both units manage and execute IDB loans and grants. On one hand, MNH manages a grant operation, [GRT/FM-13774-SU](#) - Development of Renewable Energy, Energy Efficiency, and Electrification of Suriname. On the other hand, EBS manages two loan operations: (i) [3403/OC-SU](#) - Support for the Implementation of the EBS Investment Plan, and (ii) [4931/OC-SU](#) - Consolidating a Sustainable Energy Sector. These two entities are

now running IDB's technical, supervision, administrative, financial, procurement, and environmental policies and procedures (among others) and will manage more loans and grants in the upcoming years. However, the staff and project consultants require capacity building and operational support in these policies and procedures in order to move forward toward an expedited execution of the operations they manage.

- 2.3 As in many countries, women's access to higher decision-making levels remains a challenge in most if not all government and private sectors. Women are overrepresented in lower-paying jobs with low productivity rates such as social services, restaurants, and tourism¹. Additionally, to achieve all the loan programs' outputs and outcomes and reach effectiveness at the closing stage, these entities, as well as women and men staff require specialized technical support (creating capacities) to develop all documentation, analysis, evaluation, execution, and supervision of works, until the closing of these programs.
 - 2.4 **Strategic Alignment.** The TC is aligned with the IDB's Updated Institutional Strategy 2020-2023 (AB-3190-2) through the cross-cutting issues of: (i) Climate Change and Environmental Sustainability as it will promote the development of solar energy in Suriname's rural and urban areas, which will diversify and clean its energy matrix; and (ii) Gender Equality and Diversity since the energy projects support and training will focus on increasing women's labor participation and women's capacities acquisition to reach a more balanced workforce amongst the MNH and EBS staff. This operation also aligns with the development challenges of Social Inclusion and Equality as it supports actions to bring electricity services to the city of Paramaribo and renewable energy to rural areas of Suriname that currently lack the service. Likewise, this TC is consistent with the Energy Sector Framework (GN-2830-8) by providing training and supporting the execution of various energy projects with focus on access to clean energy, sustainability, and energy security. Finally, the TC is aligned with the Operational Guidelines of the Infrastructure Fund (INF) (GN-2404-7) since it will focus, among other things, on improving the technical, financial, planning and management capacity of entities from the public energy sector of Suriname.
- III. Description of Activities/Components and Budget**
- 3.1 **Component I. Support the execution of energy projects with MNH and EBS with a focus on gender equality.** This component will finance high-level consultants (firms and individuals) to support MNH and EBS staff in the preparation and reviewing of technical documents, procurement policies, and current and new environmental procedures, enhancing staff's capacities and including gender equality when reviewing documents, policies, procedures ensuring that technical, operative, and managerial women staff receive the support.
 - 3.2 **Component II. Dissemination of IDB's operations execution best practices.** This component will finance the dissemination through at least three workshops of the best practices for projects/programs under a procurement, financial and environmental safeguards perspective, derived from component I.

¹ Based on Suriname household surveys, 2017, and data harmonized by the IDB.

- 3.3 The total cost of the project is US\$200,000, which will be financed with resources from the Ordinary Capital Strategic Development Program OC SDP, Window 2 – Infrastructure (W2A). Supervision will be the responsibility of the Energy Division (INE/ENE), in coordination with the Bank's Country Office in Suriname (CCB/CSU).

Indicative Budget

Activity/Component	IDB (W2A)	Counterpart Funding	Total Funding
Component I. Support to the execution of energy project with MNH and EBS with focus on gender equality	US\$180,000.00	US\$0.00	US\$180,000.00
Component II. Dissemination of IDB's operations execution best practices	US\$20,000.00	US\$0.00	US\$20,000.00
Total	US\$200,000.00	US\$0.00	US\$200,000.00

IV. Executing Agency and Execution Structure

- 4.1 At the request of the Government of Suriname (GoS), the Bank, through the Energy Division (INE/ENE) will be the Executing Agency (EA) of the project due to its experience in the preparation and development of both technical and operational instruments proposed for this type of operations, which will contribute more effectively to the achievement of the TC objectives in a timely manner. This is in line with Annex 10 of the "Operational Guidelines for Technical Cooperation Products" (GN-2629-2) and Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4, Annex II, C 2.2). Furthermore, the Bank and the beneficiary agree that contracting by the Bank would enhance independence under the impartiality criteria, as several stakeholders might have different interests in the various project stages of the energy projects.
- 4.2 The beneficiary of this TC will be the GoS, represented by the Ministry of Natural Resources, the Energy Authority of Suriname and the electric utility (EBS). The Bank will coordinate and engage with the main stakeholders from the beginning of the implementation of the TC, seeking feedback and regularly presenting and discussing progress reports. The designated focal point and sector specialist responsible for the execution and supervision of the TC will be the Team Leader, Sergio Ballon (INE/ENE), based in Suriname. He will have the support of the Bank's Country Office in Suriname (CCB/CSU) and the INE/ENE team.
- 4.3 **Procurement Policies.** The IDB will be responsible for the selection and contracting of consulting firms and individual consultants. Activities to be executed are included in the Procurement Plan (Annex IV) and will be contracted in accordance with Bank policies as follows: (i) Hiring of individual consultants, as established in the regulations AM-650; (ii) Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work according to GN-2765-4 and its associated operational guides (OP-1155-4); and (iii) contracting of logistics services and other services other

than consulting, according to the policy GN-2303-28. The beneficiary may provide technical inputs to the terms of reference and reports of the consultants, such inputs should be provided directly to the Bank. The Bank will have the autonomy to approve such documents. This dynamic will facilitate proper articulation between the various actors within the framework of the technical dialogue of this TC.

- 4.4 The TC does not present fiduciary management risks as it will be implemented by the Bank. Therefore, no financial audit is required. Additionally, the execution and disbursement period for this TC is estimated to be 24 months.

V. Major issues

- 5.1 The main risk of this TC is the potential delay arising from the coordination with multiple stakeholders and the potential misalignment of the outcomes with political decisions. This risk will be mitigated by involving the counterpart from the beginning of the implementation of the TC, seeking feedback, and regularly presenting and discussing progress reports. The achievement of development objectives will rely on securing financing to implement the systems.

VI. Environmental and Social Strategy

- 6.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

- Request from the client
- Results Matrix.
- Terms of Reference for activities/components to be procured*.
- Procurement Plan