

## 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, Rajant Amarnath (CCB/CSU); Greco, Maria Sofia (LEG/SGO); Jorge Luis Malpartida (INE/ENE); Loana Vega (INE/ENE); Luz Caballero (INE/ENE) Berlanda Custodio Da Silva, Cleide (VPC/FMP); Gangadin, Rajant Amarnath (CCB/CSU); Greco, Maria Sofia (LEG/SGO); Jorge Luis Malpartida (INE/ENE); Loana Vega (INE/ENE); Luz Caballero (INE/ENE)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	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:	Environmental sustainability; Gender equality; Social inclusion and equality

### II. Description of the Associated Loans

**2.1 Consolidating a Sustainable Energy Sector - SU-L1055 (4931/OC-S).** The general objective of this US\$30 million loan operation is to improve rural economic development, by ensuring adequate and modern access to sustainable electricity to enhance the living conditions for the rural population while improving the rural business environment with better provision of electricity as a public service. The specific objectives are to: (i) advance the implementation of energy reform through support to the Energie Autoriteit of Suriname (EAS) and operational management of the Energie Bedrijven Suriname (EBS); (ii) increase the reliability of the power system and promote the diversification of the energy matrix through financing pre-investment activities related to Renewable Energy (RE) and Natural Gas (NG); and (iii) expand electricity coverage through a combination of grid extension and off-grid systems, increasing the provision of RE systems. This project has three main components: institutional

framework strengthening (US\$12.7 million), critical infrastructure and energy diversification (US\$7.2 million), and electrification of rural areas (US\$7.95 million). Currently, the operation has only disbursed US\$ 401,000 due to many factors; and the Executing Unit (EU) requires support from the procurement, financial and environmental perspective.

- 2.2 **Support for the Implementation of the EBS Investment Plan - SU-L1039 (3403/OC-SU).** The general objective of this US\$ 33 million operation is to contribute to the sustainability of the power sector in Suriname by: (i) strengthening EBS's operational procedures and corporate performance; and (ii) upgrading critical infrastructure in the National Power System. The specific objectives are to: (i) support the strengthening of EBS's institutional and operational processes by financing improvements in information technology management; and (ii) contribute to the upgrade and retrofitting of the National Power System's critical infrastructure, with the aim of improving the reliability of the Electricity Supply Paramaribo and Surroundings (EPAR) sub-system. This project is made up of two components: improvement in EBS's operations, and improvement to critical infrastructure. Currently, the operation has achieved more than 95% of its execution and the project EU requires technical support in order to perform the operational closure which includes contracts termination, financial and environmental final reports.

### III. Objectives and Justification of the TC

- 3.1 The objective of this Technical Cooperation (TC) is to support the Government of Suriname (GoS), the energy sector, and the project EUs of the Ministry of Natural Resources (MNH) and the state-owned utility, EBS, in the timely execution of procurements, supervision, and closing project contracts, directly contributing to the economic reactivation of the Surinamese energy sector.
- 3.2 Suriname is advancing towards a more sustainable energy sector, aiming to provide affordable, secure, and clean electricity to its citizens. In Suriname, MNH has responsibility for energy policy and supervision of the energy sector, while EBS is responsible for the operation of the local electric power system. Both entities 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. This last operation has also MNH as the EU for the strengthening of the EAS. Both the MNH and the EBS 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 EUs' employees 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.
- 3.3 **Gender.** 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 tourism<sup>1</sup>. 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.

- 3.4 **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.
- 3.5 The TC is also aligned with the Ordinary Capital Strategic Development Program (OC SDP) Window 2, Infrastructure (W2B), specifically, with the priority areas of: (i) climate change and environmental sustainability by supporting the execution of energy projects, which will support Suriname transition towards a cleaner energy matrix; and (ii) effective, efficient, and transparent institutions by identifying and implementing best practices for projects from a procurement, financial and environmental perspective, increasing the technical capacity of the executing units employees.

#### IV. **Description of Activities/Components and Budget**

- 4.1 **Component I. Support the execution of energy projects with MNH and EBS with a focus on gender equality (US\$ 180,000.00).** The objective of this component is to finance multiple consultancies to support MNH and EBS staff in the preparation and reviewing of technical documents, procurement policies, and current and new environmental procedures, enhancing employees' capacities and gender diversity when reviewing documents, policies, procedures ensuring that technical, operative, and managerial women staff receive the support.

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<sup>1</sup> Based on Suriname household surveys, 2017, and data harmonized by the IDB.

4.2 **Component II. Dissemination of IDB's operations execution best practices (US\$ 20,000.00).** The objective of this component is to 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. This component will also guarantee that female employees receive the training.

4.3 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 (W2B). The Energy Division (INE/ENE), in coordination with the Bank's Country Office in Suriname (CCB/CSU) will be responsible for the execution of this TC.

#### Indicative Budget

Activity/Component	IDB (W2B)	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
<b>Total</b>	<b>US\$200,000.00</b>	<b>US\$0.00</b>	<b>US\$200,000.00</b>

## V. Executing Agency and Execution Structure

5.1 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.

5.2 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.

5.3 **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. The Unit of Disbursement Responsibility (UDR) is CCB/CSU, the execution and disbursement period is 24 months.

5.4 The TC does not present fiduciary management risks as it will be implemented by the Bank. Therefore, no financial audit is required.

## **VI. Major issues**

6.1 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.

## **VII. Environmental and Social Strategy**

7.1 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 - SU-T1167](#)

[Results Matrix - SU-T1167](#)

[Terms of Reference - SU-T1167](#)

[Procurement Plan - SU-T1167](#)