

**Suriname: Sixth Review Under
the Extended Arrangement
Under the Extended Fund
Facility-Press Release; Staff
Report; and Statement by the
Executive Director for Suriname**



SURINAME

July 2024

SIXTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR SURINAME

In the context of the Sixth Review Under the Extended Arrangement Under the Extended Fund Facility, Requests for Modification of Performance Criteria, Waivers of Nonobservance of Performance Criteria, and Financing Assurances Review, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on June 20, 2024, following discussions that ended on May 10, 2024, with the officials of Suriname on economic developments and policies underpinning the IMF arrangement under the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on June 6, 2024.
- A **Statement by the Executive Director** for Suriname.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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IMF Executive Board Completes Sixth Review Under the Extended Fund Facility Arrangement for Suriname

FOR IMMEDIATE RELEASE

- The Executive Board of the International Monetary Fund completed the sixth review under the Extended Fund Facility (EFF) arrangement for Suriname, allowing for an immediate purchase equivalent to SDR 46.7 million (about US\$ 61.5 million) of which SDR 19.1 million or about US\$25.2 million would be for budget support.
- The authorities' strong policy and efforts to stabilize the economy are yielding positive results: the economy is growing, inflation is on a steady downward trend, and investor confidence is returning.
- Building on the progress made thus far under the program, continued efforts are needed to entrench fiscal discipline, while protecting the poor and vulnerable, and further strengthen institutions and address governance weaknesses.

Washington, DC – June 20, 2024: The Executive Board of the International Monetary Fund (IMF) completed the sixth review under the Extended Fund Facility (EFF) for Suriname. The completion of the review allows the authorities to draw the equivalent of SDR 46.7 million (about USD 61.5 million), bringing total program disbursement to SDR 290.4 million (about USD 382.6 million). In completing the review, the Executive Board approved the authorities' request for a waiver of non-observance of the end-March 2024 performance criteria on the central government primary balance, the net international reserves and net domestic assets of the central bank based on the corrective actions the authorities have already taken and have committed to undertake.

Suriname is implementing an ambitious economic reform agenda aimed at restoring fiscal and debt sustainability through fiscal consolidation and debt restructuring, protecting the vulnerable by expanding social protection, upgrading the monetary and exchange rate policy framework, addressing banking sector vulnerabilities, and advancing the anti-corruption and governance agenda. These policies are supported by the EFF arrangement, which was approved by the Executive Board on December 22, 2021 ([see Press Release No. 21/400](#)).

Following the Executive Board discussion on Suriname, Mr. Kenji Okamura, Deputy Managing Director, and Acting Chair, issued the following statement:

"The authorities' reforms under the EFF-supported program are increasingly reflected in macroeconomic stability and improving investor perceptions. The economy is growing, inflation is declining, donor support is increasing, and international bond spreads have reached historic lows.

"The authorities' determination to carry out politically challenging reforms is commendable. Full removal of fuel subsidies, phasing out of electricity, water, and gas subsidies, broadening

the VAT base, and containing the public wage bill are politically costly but necessary reforms. Structural reforms are proceeding with a stronger impetus.

“Noteworthy progress has been made on debt restructuring. Bilateral agreements with all official creditors and most commercial creditors have been achieved. Domestic debt arrears have been cleared.

“The near-term priority is to ensure continuous fiscal consolidation, while protecting the vulnerable. Phasing out subsidies and strengthening tax administration will help finance higher social assistance and infrastructure spending. Implementing the recently finalized social assistance reform plan will promote more efficient and effective allocation of social assistance spending. Strengthening commitment controls and addressing weaknesses in cash management will contain public spending and prevent accumulation of supplier arrears.

“Monetary policy is supporting disinflation. The authorities’ demonstrated commitment to flexible, market-determined exchange rate is supporting international reserves accumulation. Finalization of the central bank recapitalization plan will help further strengthen its operational independence and financial autonomy. Timely implementation of recapitalization plans of weaker banks will bolster financial sector resilience. Additional steps to improve liquidity management, enhance risk-based supervision, and strengthen the AML/CFT framework would be important.

“The authorities should persevere with their ambitious structural reform agenda to strengthen institutions, address governance weaknesses, bolster climate resilience, and improve data quality, including with continued capacity development support from the Fund and other development partners.”



SURINAME

June 6, 2024

SIXTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVERS OF NONOBSERVANCE OF A PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. The authorities' commitment to a range of difficult policy reforms is showing results in terms of macroeconomic stability and investor perceptions. The economy is growing, inflation is declining, donor support is increasing, and international bond spreads are at historic lows.

Program implementation. The authorities' have missed fiscal and monetary targets for this review but have taken decisive actions to correct course. Supply side and institutional reforms are moving ahead with a stronger impetus.

Policy outlook. Monetary and fiscal restraint are expected to continue supporting disinflation and a reduction in the public debt. Even with binding capacity constraints, progress continues to be made in tax administration, improving spending efficiency, phasing out untargeted subsidies, expanding the social safety net, addressing governance and corruption vulnerabilities, preventing the accumulation of domestic arrears, and bolstering financial sector resilience.

Approved By
Nigel Chalk (WHD)
 and **Bergljot Barkbu**
(SPR)

Discussions were held in Paramaribo and via video conferences during April 29–May 10, 2024. The mission team comprised Anastasia Guscina (head), Olusegun Akanbi, Atif Chaudry (all WHD), Urban Sila (FAD), Riaan van Greuning (FIN), David Robinson and Novella Chan (all LEG) Yesim Aydin (MCM), Marijn Bolhuis (SPR), Charles Amo-Yartey (Resident Representative) and Ansjela Bhagwandin (Resident Representative Office). Karel Eckhorst (OED) participated in the discussions. The team met with the President, the Minister of Finance and Planning, the Minister of Justice and Police, the Minister of Home Affairs, the Minister of Spatial Planning and Environment, the Minister of Labor, the Central Bank Governor, members of parliament, other senior government officials, representatives of the private sector, and development partners.

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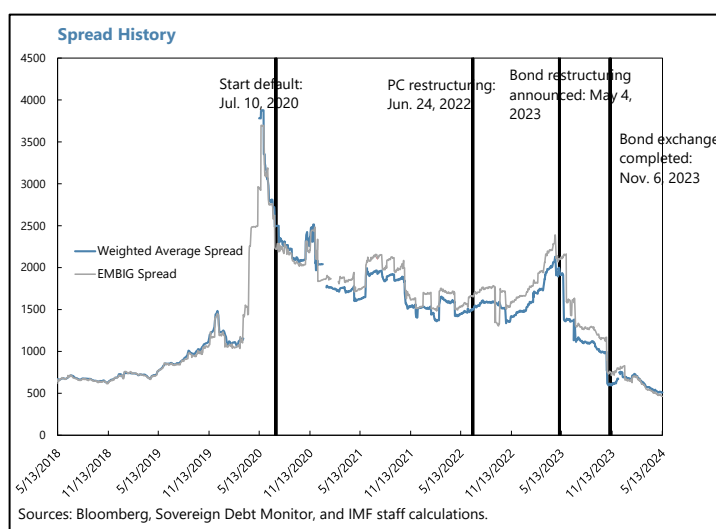
CONTEXT

1. The authorities' have implemented difficult reforms on a number of different fronts in a very challenging socio-political environment. Over the course of a year, the authorities fully eliminated fuel subsidies, started to phase out electricity, water, and gas subsidies, expanded the VAT base, and took measures to contain the public wage bill (including halting salary payments to unregistered workers and freezing hiring).

2. Economic outcomes are steadily improving.

- Growth is estimated at 2.1 percent in 2023 with a rebound in the second half of the year (led by agriculture, transportation, construction, and hospitality-related sectors), returning to around 3 percent in 2024. Nonetheless, it is expected to take several years for real activity to return to its pre-pandemic level.
- Headline inflation has fallen to 21 percent yoy in April, averaging an annualized 17 percent m/m over the past 6 months. The fall in inflation has occurred despite the scaling back of subsidies. Inflation is expected to continue falling to 14 percent y/y by end-2024.
- The 2023 external sector position is moderately stronger than the level implied by medium term fundamentals and desirable policies. The current account gap is estimated at 1.7 percent of GDP (Annex II).
- Usable international reserves now stand at close to 6 months of imports (123 percent of the ARA metric).
- Efforts to improve financial oversight have improved bank soundness. Nonetheless, important vulnerabilities remain.

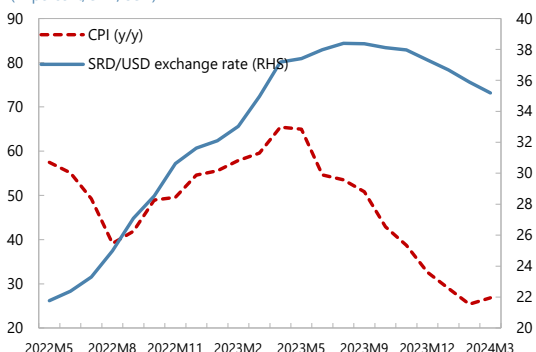
3. Spreads have fallen to the lowest levels on record, marking significant progress towards restoring market access. Debt restructuring agreements have been agreed with all official and most commercial creditors and the authorities are in active negotiations with the remaining commercial creditors (which make up 4 percent of external debt), offering the same terms as agreed with other creditors.



Suriname: Real Sector Developments

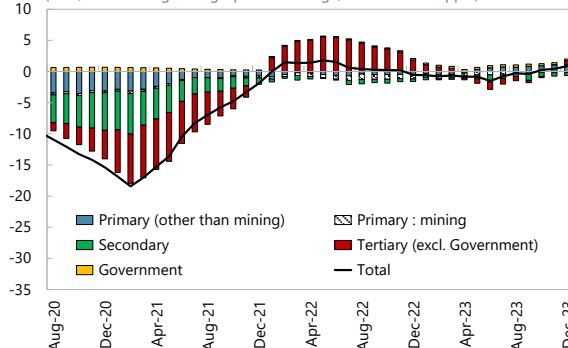
CPI Inflation and Exchange Rate

(In percent, SRD/USD)



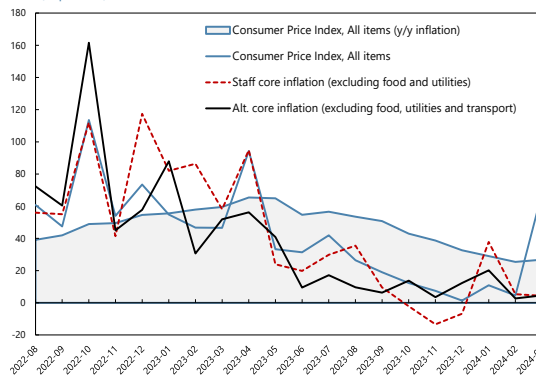
Monthly Economic Activity Indicator and Contributions

(12m/12m moving average-percent change; Contributions: ppts)



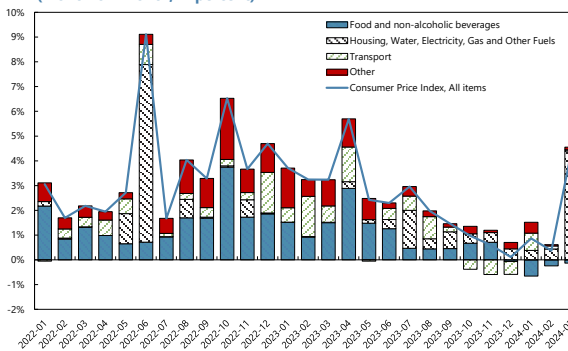
Annualized Month-on-Month Inflation

(in percent)



CPI Inflation and Contribution by Subcomponent

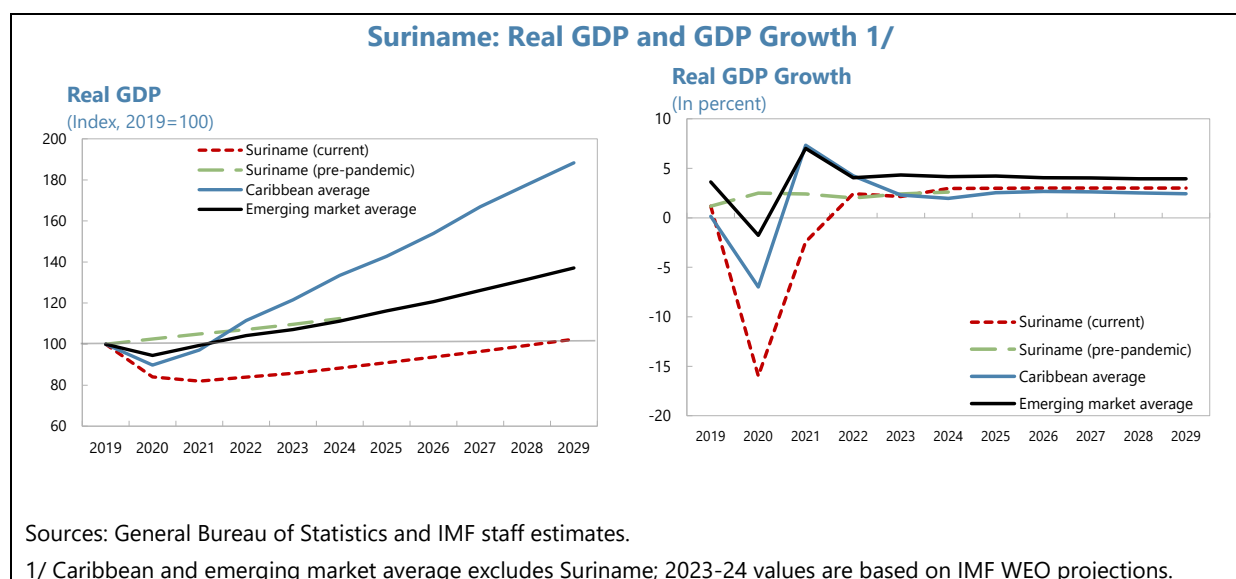
(month-on-month, in percent)



Sources: CBvS, General Bureau of Statistics, and IMF staff calculations.

4. There are important downside risks to the near-term outlook. Policy implementation challenges are the foremost risk, particularly if social and political pressures in the run-up to the election undermine the authorities' ability to implement their reform plan. Ongoing efforts to increase spending on social protection programs, improve governance and tackle corruption, as well as increases in public sector wages should help mitigate this risk. The materialization of credit losses in the banks could create deposit outflows and trigger financial instability. Finally, weak capacity poses a generalized risk to policy execution. The main external risk arises from a worsening in the terms of trade (notably from materially higher oil prices and/or lower gold prices).

5. Over the medium term there are significant upside risks. A final investment decision on the development of large new oil fields is expected by end of this year, with production scheduled to begin in 2028. These investments would boost growth and employment, raise living standards, increase export and fiscal revenues, strengthen the balance of payments, and improve debt dynamics (see Box 1 in the staff report for the fifth review). However, caution is warranted to prevent misallocation of these natural resource proceeds and/or Dutch Disease-type dynamics.



PROGRAM PERFORMANCE

6. The authorities have missed quantitative fiscal and monetary targets but have taken appropriate corrective actions. The end-March 2024 PCs on the ceiling on the central government mineral revenue in local currency, all continuous PCs, and the new IT on VAT refund arrears were met. PCs on the central government fiscal balance, NIR, and NDA of the central bank and the IT on social assistance spending were breached.

- The fiscal balance PC (measured below-the-line) was missed by SRD 1.7 billion (SRD 28 million versus an adjusted target of SRD 1755 million), or 1 percent of 2024 GDP, mainly due to the underperformance of the tax revenues (SRD 510 million) and overspending on electricity subsidies (SRD 710 million).¹ Notably, revenues from VAT and customs duty underperformed by SRD 400 million. There was also some overspending on goods and services (by SRD 60 million).
- The authorities request a waiver for non-observance of the fiscal PC based on the actions taken to cap transfers to the electricity company and correct the previous overpayment over the course of the remainder of this year. The authorities are also implementing stricter enforcement of VAT compliance (MEFP ¶ 8), stopped salary payments to unregistered civil servants. Fiscal targets for end-June and end-September are proposed to be recalibrated but the end-December target is unchanged (Table 12). Should these measures prove insufficient to achieve the needed savings as the year progresses, the authorities stand ready to curtail non-priority capital expenditure.
- The PC on the NIR floor was missed by a small margin (of USD 2.6 million) as the MoFP's clearance of foreign currency arrears to suppliers was not properly captured in the CBvS' FX

¹ The remainder of the underperformance is due to adjusters – higher-than-expected mineral revenues and lower-than-expected project finance disbursements.

cashflow projections. The ceiling on the NDA of the CBvS was also missed due to larger than projected withdrawals of government deposits for clearing domestic and foreign currency supplier arrears. The authorities request waivers for non-observance of the NIR and NDA PCs on the grounds that corrective actions to improve timeliness and quality of information sharing between MoFP and CBvS have been taken. Monetary targets are proposed to be recalibrated for the remainder of this year based on updates to the macroeconomic framework.

7. Institutional reforms are moving ahead with most pending structural benchmarks (SBs) now implemented (Table 13). The end-June SB requiring all line ministries to report the stock of arrears to the MoFP monthly was met ahead of schedule. The continuous SB on publishing the quarterly budget execution report and the end-April SB to issue a resolution that clarifies the government will not be responsible for contracts agreed with line ministries that have no prior authorization from the MOF were both met. Five SBs were implemented with delay: (i) setting common equity tier one (CET1) and capital adequacy ratio (CAR) targets for banks with capital shortages (with corresponding corrective measures the CBvS would escalate if the CET1/CAR targets are breached); (ii) issuing a state decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks; (iii) submitting a legislative amendment to the Foreign Exchange Regulation of 1947 to rectify any misalignment with the Central Bank Act; (iv) reviewing the social protection expenditures and publishing a time-bound strategic plan to improve the efficiency and effectiveness of social benefits; and (v) fully repaying all the domestic debt arrears. Two SBs are expected to be implemented in the coming weeks: (i) launching the FX trading platform, and (ii) enacting the new Procurement Law to centralize and mandate the publication of all public procurement tenders and contract awards. The continuous SB to introduce quarterly expenditure ceilings for line ministries has been delayed, as the authorities need FAD CD to implement it properly. Similarly, the end-April SB to develop a time-bound plan for the recapitalization of the CBvS has been delayed as staff comments on the draft plan are being incorporated. All in all, good progress continues to be made on a range of structural reforms, but the authorities' ambitious timeline continues to be hampered by a range of capacity constraints.

Suriname: Summary of Program Performance						
Review:	1st	2nd	3rd	4th	5th	6th
Test-date:	Dec-21	Dec-22	Jun.-23	Sep.-23	Dec. 23	Mar. 24
Quantitative Performance Criteria (QPC)						
Fiscal/debt targets						
1. Primary fiscal balance (cash basis) of central government (floor)	Met	Not Met	Met	Not Met	Met	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling)	Met	Met	Met	Met	Met	Met
3. New central government guaranteed debt (continuous ceiling)	Met	Met	Met	Met	Met	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	Met	Not Met	Not Met	Met	Met	Met
Monetary targets						
5. Gross credit to the central government by the central bank (continuous ceiling)	Met	Met	Met	Met	Met	Met
6. Net international reserves of the central bank (floor)	Met	Met	Met	Met	Met	Not Met
7. Net domestic assets of the central bank (ceiling)	Not Met	Not Met	Met	Met	Met	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (continuous ceiling)	Met	Met	Met *	Met	Met	Met
9. Central government mineral revenue in local currency (ceiling)				Met	Met	Met
Indicative Targets (IT)						
1. Social spending of central government (floor)	Not Met	Met	Not Met	Not Met	Not Met	Not Met
2. VAT refund arrears						Met

* Assessed from the 2nd review. The ceiling was breached by direct sales of US\$ 13 million in February 2023 while the program was off-track.

POLICY DISCUSSIONS

A. Improving Fiscal Sustainability While Supporting the Vulnerable

8. **Despite fiscal slippages in the first quarter of 2024, the authorities remain committed to the 2024 budget target of a primary central government surplus of 2.7 percent of GDP:**

- *Wage bill.* The authorities will maintain the wage bill at 6.7 percent of GDP in 2024. The authorities are expediting the removal of unregistered workers and chronically absent civil servants from public payrolls.²
- *VAT.* 60 percent of the consumption basket is already taxed at the standard 10 percent rate. A new 5 percent rate will be introduced on water, electricity and cooking gas in June 2024. Over 4,200 companies were registered for VAT at end-April 2024 and refund arrears are gradually being cleared. Efforts are being made to improve compliance through the imposition of late penalties and interest.³ The authorities are fast-tracking refunds for compliant taxpayers by setting up a “gold list” of top taxpayers that have filed accurately and on-time. To facilitate sharing and the cross-matching of data to identify unregistered taxpayers and underreporting, the use of fiscal identification numbers will be made mandatory for all importers and exporters by end-June.
- *Taxes on fuel.* Fuel prices are now determined by an automatic pricing mechanism based on international prices and specific taxes on fuel have been reimposed (generating 0.8 percent of GDP in additional revenues in 2024).
- *Increase in non-tax revenues.* The government increased the leasing fees for government land and started allowing the purchase of government land under lease. The government has also decided to increase rates for air navigation services (that had remained unchanged for more than 10 years). These measures are estimated to bring 0.6 percent of GDP in revenues in 2024.
- *Electricity subsidies.* Average electricity tariffs were increased by 36 percent in 2023 and by 38 percent in March 2024 (reflected in April bills). Electricity tariffs for commercial users are set to reach cost recovery in June. Further 7 percent hikes are planned for households in May, July, September, and November 2024. The exact tariff schedule will take into account the cost of electricity production, including the exchange rate and the cost of fuel. Low- and middle-income households (proxied by electricity consumption) will continue benefitting from temporary

² Around 4 percent of workers remain unregistered at end-March.

³ Late filing of tax returns and failure to pay due in June 2024 (for May 2024) and onwards will incur penalties and interest. All outstanding returns for the taxable periods January 2023 to April 2024 will have until June 30 to file and pay/or arrange for payment of VAT without penalties and interest. After that date, penalties and interest will be strictly applied.

discounts on their energy bills to cushion the effect of tariff increases, while the authorities work to address bottlenecks to a more effective cash transfer program.

- *Liquified petroleum gas subsidies.* Cumulatively, LPG prices have been increased by 27 percent by June with the subsidy to be fully eliminated by September 2025.
- *Cash transfers.* Cash transfers were increased by 0.3 percent of GDP in 2023 and a further bonus was paid in January. Despite a strong start in administering cash transfers in January and February, the government fell short of the end-March IT due to payment delays by the MoFP.⁴ The government has developed, with the help of ILO and IDB, a time-bound strategic plan to improve the efficiency and effectiveness of social benefits and continues to publish a monthly report on the number of households or individuals covered by each social program in each district and the average value of cash transfers they receive.
- *Capital spending.* Capital expenditure will increase to 3.5 percent of GDP in 2024 with climate resilience considerations integrated into the appraisal and selection of capital projects.⁵ The Surinamese and Guyanese authorities are discussing an investment in a new bridge to connect the two countries (Suriname's share of the cost would amount to 3.5 percent of GDP). The project is at a preliminary evaluation stage and any resulting expenditures are expected to be accommodated within the authorities' existing medium-term budget envelope. Staff cautioned the Surinamese authorities about the potential fiscal risks involved in such a large-scale infrastructure project, particularly given limited fiscal space.

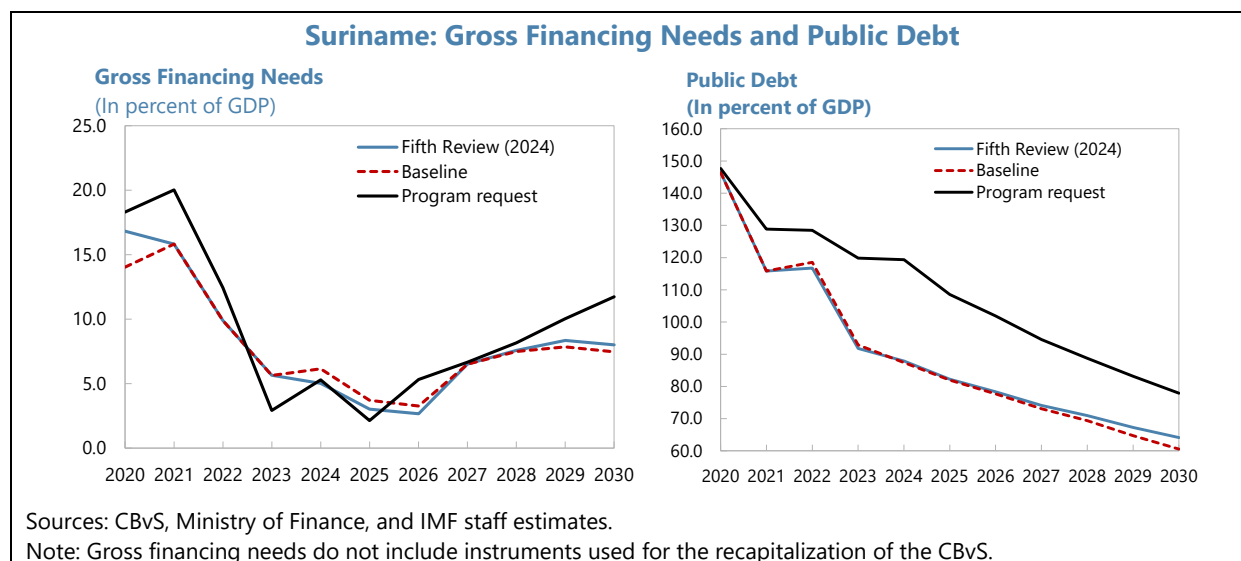
Suriname: Contributions to Fiscal Adjustment (Percent of GDP)									
	2022	2023		2024		2025		Total	
		5th review ^{1/}	Curr. Proj.	5th review	Curr. Proj.	5th review	Curr. Proj.	5th review	Curr. Proj.
Annual change of Primary Balance	1.6	0.3	0.3	1.4	1.4	0.8	0.8	4.0	4.0
Adjustment from Policy Changes	0.5	3.9	4.4	3.8	2.9	0.7	1.2	8.9	9.0
Revenue measures	-0.6	1.0	1.5	2.3	2.3	0.3	0.2	3.0	3.4
Replacing sales tax with VAT	0.0	0.4	0.4	0.6	0.6	0.2	0.2	1.2	1.2
Sales tax increase on G&S	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.4
Royalties increase for gold miners	0.3	0.2	0.2	0.3	0.3	0.0	0.0	0.9	0.9
Income tax	0.2	-0.7	-0.5	0.1	0.1	0.0	0.0	-0.4	-0.2
Corporate tax	-1.0	0.3	0.6	0.1	0.1	0.0	0.0	-0.6	-0.3
Taxes on fuel	-0.4	0.8	0.8	0.1	0.4	0.1	0.0	0.6	0.8
Scaling back exemptions	0.0	0.1	0.1	0.2	0.2	0.0	0.0	0.3	0.3
Air navigation charge increases	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.2	0.2
Land conversion and land lease fee increase	0.0	0.0	0.0	0.6	0.4	0.0	0.0	0.6	0.4
Expenditure measures	1.1	2.9	2.9	1.6	0.6	0.4	1.0	5.9	5.6
Wage bill restraint	-0.5	1.4	1.4	0.0	0.0	0.0	0.0	1.0	1.0
Goods and services expenditure	2.3	0.0	0.0	0.1	0.0	0.1	0.1	2.5	2.4
Phased electricity subsidy elimination	0.5	0.3	0.3	2.3	1.4	0.3	1.3	3.4	3.5
Phased fuel subsidy elimination	-1.8	1.4	1.4	0.4	0.4	0.0	0.0	0.0	0.0
Phased gas subsidy elimination	0.0	0.1	0.1	0.2	0.2	0.1	0.1	0.4	0.4
Social programs spending	-0.4	-0.3	-0.3	-0.8	-0.8	0.0	0.0	-1.6	-1.6
Other transfers and subsidies	1.6	0.4	0.4	0.1	0.1	0.0	0.0	2.2	2.2
Capital spending	-0.6	-0.3	-0.3	-0.8	-0.7	-0.2	-0.6	-1.9	-2.2
Contribution by Non-Policy Factors	1.1	-3.6	-4.1	-2.4	-1.5	0.1	-0.4	-4.9	-5.0
Revenue	1.1	-3.0	-3.4	-2.4	-1.5	0.1	-0.4	-4.2	-4.3
Expenditure	0.0	-0.6	-0.7	0.0	0.0	0.0	0.0	-0.7	-0.7
Memo									
Primary Balance	1.0		1.3		2.7		3.5		

Sources: Ministry of Finance and Planning and IMF staff calculations.
^{1/} See IMF Country Report No. 2024/006

⁴ There was an uptick in the number of beneficiaries in March that the MoFP wanted to verify as legitimate before processing the payment,

⁵ To safeguard public investment, climate adaptation measures are critical for Suriname given its vulnerability to natural disaster shocks. For instance, about 30 percent of the landscape is within 0 to 3 meters above sea level, making it vulnerable to coastal flooding.

9. Gross financing needs are manageable and public debt is on a firmly declining trajectory. Gross financing needs are elevated in 2024 due to the clearance of past arrears (see Annex I) but are still within the limits in the program⁶. Public debt is expected to fall below 70 percent by 2028 and Suriname's debt is judged to be sustainable on a forward-looking basis (Annex I).



10. To further strengthen fiscal institutions, the authorities are working to:

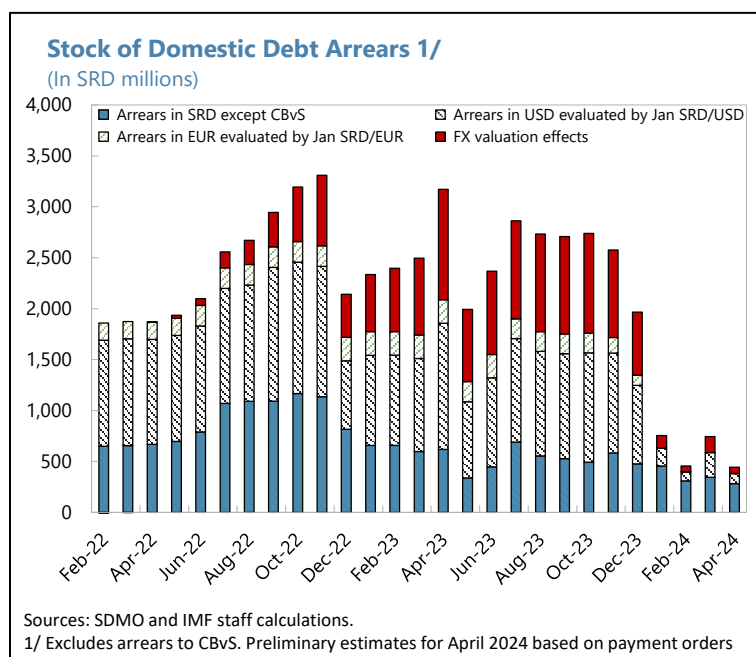
- Improve the recording, reporting, and payment of external and domestic public debt, with a particular focus on ensuring timely domestic debt payments; and build capacity of the debt management office, supported by Fund CD;
- Strengthen the quality and consistency of the quarterly budget execution reports;
- Ensure the Minister of Finance has the authority to access all banks accounts held by government entities at commercial banks;
- Establish a treasury single account for a subset of line ministries (*end-Jan 2025 SB*).
- Implement the procurement law;
- Publish a report quantifying the principal fiscal risks faced by the largest state-owned enterprises.

11. The clearance of domestic debt arrears is underway (Annex I). Legacy debts to the CBvS have been restructured into a new loan, advances from the CBvS to the central government have

⁶ The program parameters for GFN are under 12 percent of GDP in any year, and under 9 percent on average over the medium- to long-term.

been repaid, and all domestic debt arrears had been cleared. Other accounts payable, mostly to suppliers, totaled SRD 7.3 billion (4 percent of GDP) in March, while the stock of VAT refund arrears stood at roughly SRD 790 million (0.5 percent of GDP). The authorities are committed to process all VAT refund arrears by end-2024 and gradually clearing all other accounts payable by end-2027. To prevent the further accumulation of supplier arrears, the Budget Department, with the help of IMF TA, is setting quarterly commitments ceilings by line

ministry. A resolution has been issued to require line ministries to receive prior authorization from the Ministry of Finance before signing contracts. The resolution also clarifies that the government will not be held responsible for contracts agreed with line ministries without such authorization. In addition, line ministries will begin monthly reporting to the Ministry of Finance on their stock of arrears.



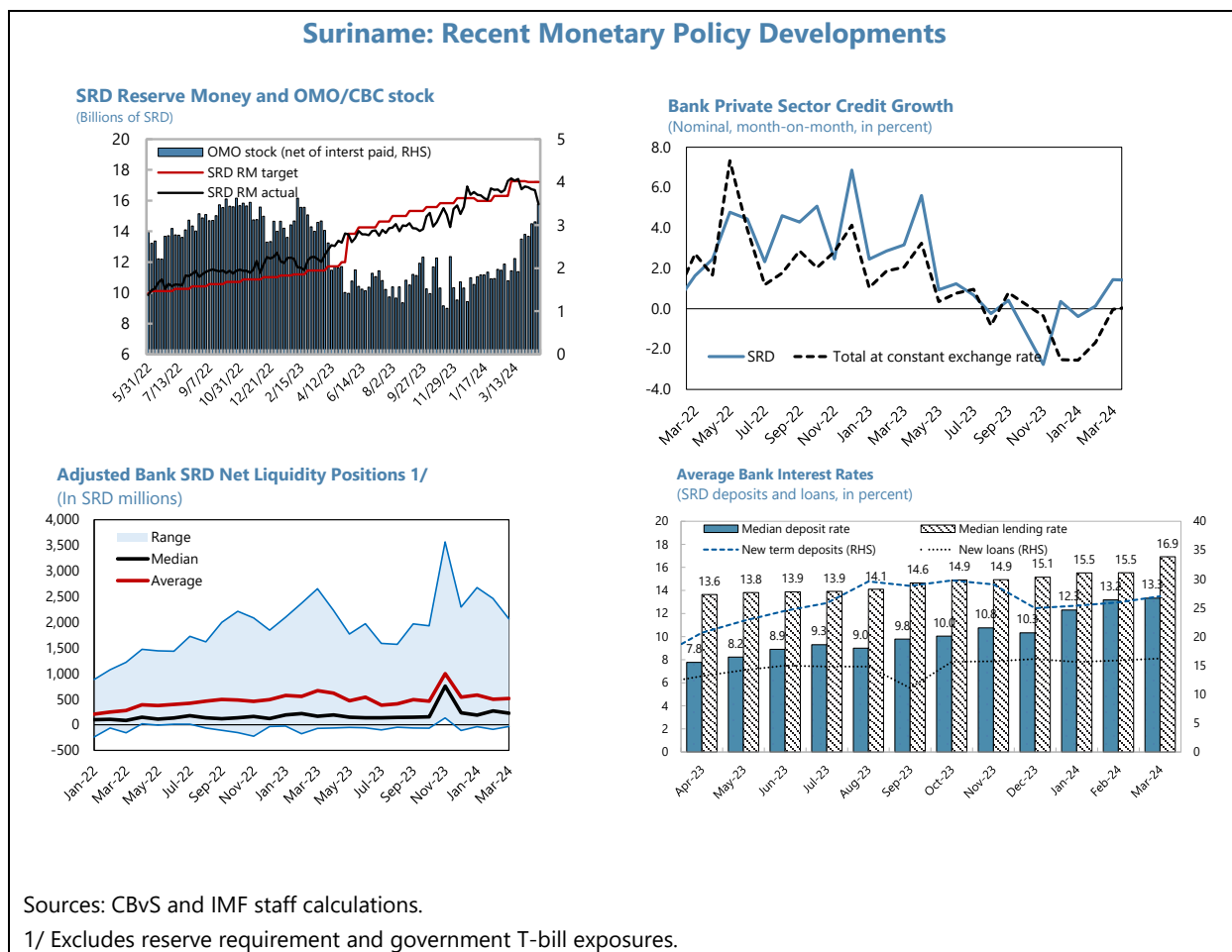
B. Bringing Down Inflation

12. Inflation is falling as a result of restrictive macroeconomic policies. The CBvS has continued to target a decline in the monetary base in real terms by undertaking open market operations to keep growth rate below that of nominal GDP, consistent with inflation target. Private sector credit growth collectively in FX and SRDs has slowed to 6 percent yoy as limits on domestic currency liquidity have become binding. However, a more uniform distribution of liquidity among banks from an improved interbank activity, accompanied by better liquidity management practices, and better forecasting of liquidity—including the schedule for repayment of domestic currency arrears by the government—is needed to more effectively meet the central bank’s monetary targets. Monetary targets have been recalibrated to maintain the tight monetary policy stance while taking into account anticipated disinflationary trends.

13. There is little activity in the interbank market leading some banks to maintain large precautionary buffers.⁷ In response to tighter liquidity conditions, deposit rates are gradually rising but the adjustment is slow, and rates remain negative in ex post real terms. Banks prefer to gradually

⁷ The CBvS’ standing lending and intraday facilities are in place to help banks cover sudden short-term liquidity gaps. Additionally, banks can request from the CBvS to have access to their reserve averaging facility to meet their short-term liquidity needs. However, these facilities are underused (the SLF was last used in April 2023). Instead, banks borrow bilaterally from other banks through FX/SRD swaps.

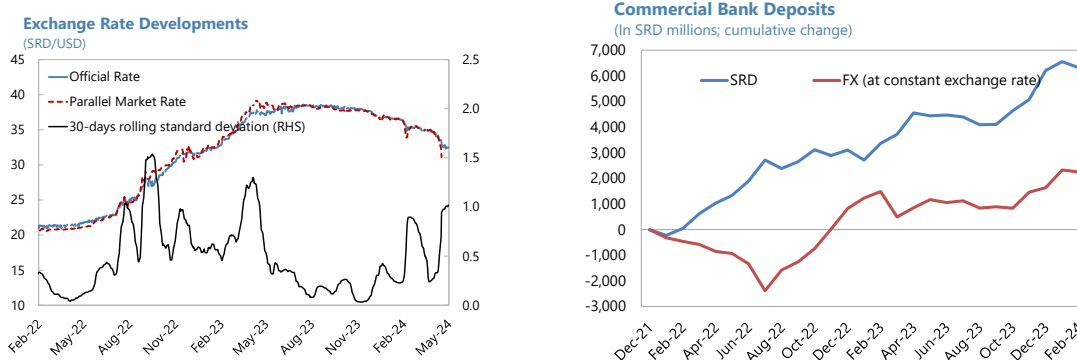
raise loan rates due to credit quality concerns. Allowing banks’ Term Deposits held at the central bank to be used as a collateral for CBvS liquidity facilities (with appropriate haircuts) could increase the willingness of banks to invest in central bank paper and scale back their precautionary buffers. The existence of the two separate systems for holding reserves at the CBvS should be reviewed and simplified, in line with the recommendations of the most recent liquidity management CD. The clearance of domestic arrears will help restore domestic market access and support the development of domestic debt markets. Gradually moving some government SRD deposits to the CBvS, as a first step in implementation of TSA, would also help facilitate the CBvS’s liquidity management operations.



14. Electronic FX trading is expected to be launched in June, helping improve market transparency, liquidity and price discovery. The CBvS is working to strengthen its FX reserves management and operations, drawing on Fund CD. The SB on amendments to the Foreign Exchange Regulation—to ensure it is consistent with the new Central Bank Act—has been implemented delay.⁸

⁸ The authorities are also undertaking a full review of the FX Regulation of 1947 and are in discussions with staff on the scope of possible capacity development support in this area.

Suriname: Recent Foreign Exchange and International Reserve Developments



Sources: CBvS and IMF staff calculations.

Suriname: FX Cash Flow Projections (Millions of USD)

	2022	2023	2024	2025	Total
Inflow of FX (CBvS and Central Government)	590	694	667	517	2,468
Govt mineral and other FX revenues 1/	260	160	224	326	969
IFI financing (budget support)	200	190	150	25	565
IMF financing	54	157	251	63	580
Other (incl. project financing)	76	186	42	103	408
Outflow of FX (CBvS and Central Government)	386	292	657	521	1,856
Debt service 2/	134	165	372	330	1,000
Other FX outflows (incl. use of project financing)	97	127	286	191	702
PBOC swap reversal	154	0	0	0	154
Private sector (net)	-2	-250	0	0	-252
Commercial banks' transfers (net) 3/	-2	-250	0	0	-252
FX purchases by CBvS	0	0	0	0	0
FX sales to private sector by CBvS and Central Government 4/	0	0	0	0	0
Change in Gross Foreign Reserves of CBvS (+: Increase)	202	152	9	-4	359
Private sector	-2	-250	0	0	-252
Public sector	204	402	9	-4	612

Sources: CBvS and IMF staff estimates.

1/ Government mineral and other revenue received in foreign currency that are transferred to the CBvS.

2/ Debt service to all external and domestic obligations of the central government and CBvS denominated in FX.

3/ Commercial banks' transfers to/from their accounts at the CBvS from/to their Nostro account abroad.

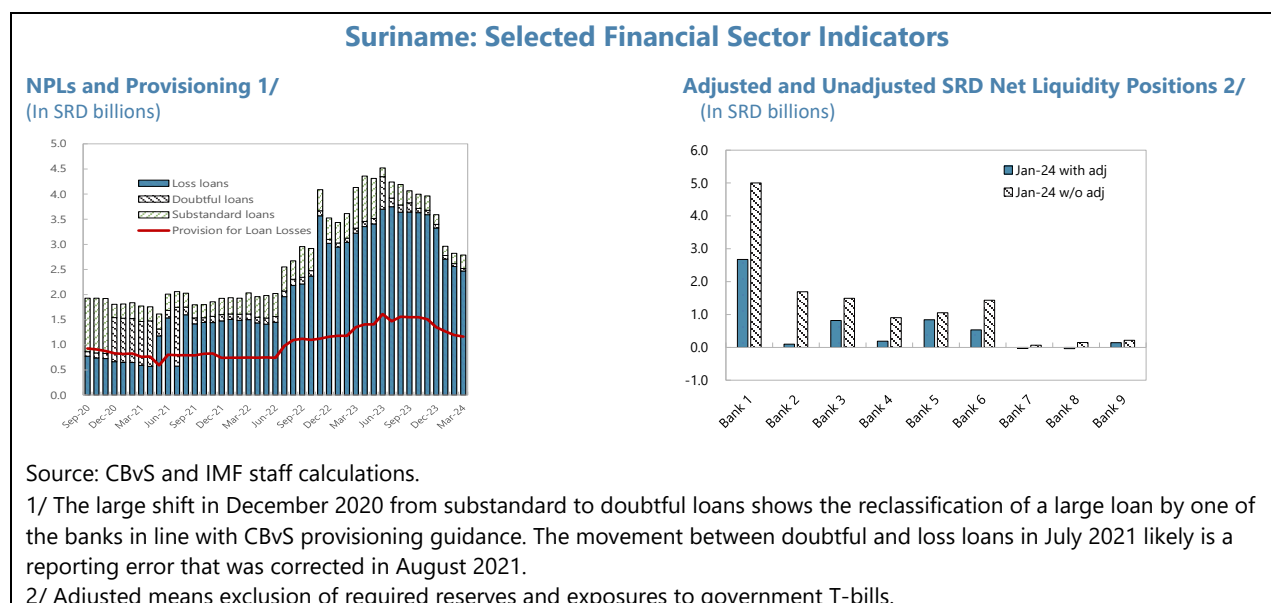
4/ Direct FX sale by the central government to fuel importers in February 2023.

C. Addressing Banking Sector Risks

15. The CBvS should continue to carefully monitor the significant vulnerabilities in the banking system. Nonperforming loans (NPLs) are falling (10.4 percent of loans at end-March 2024)

along with the reduction in loan loss provisions (LLPs)⁹. The authorities should maintain robust provisioning services given that NPLs still remain high. The banking system remains liquid with liquid assets comprising 54.2 percent of total assets although liquidity is skewed toward the two systemic banks. Retail depositors have been switching FX deposits to invest in CBCs.

16. Timely completion of bank recapitalization plans is essential to preserve the stability in the banking system. The reported level of capital adequacy ratio for the banking system is 21.6 percent as of March 2024. In line with the post-AQR roadmap, banks with capital shortages (accounting for 5.4 percent of the total banking sector assets) have submitted recapitalization plans to the CBvS and are expected to reach the regulatory minimum for common equity tier one (CET1) and capital adequacy (CAR) by the end of 2024 and 2026, respectively. To ensure that these plans are effectively implemented and followed, the CBvS has established interim CET1 and CAR targets for these banks and outlined the prompt corrective actions that would be escalated if these targets are not met. Any public support to private banks will have strict conditionality to minimize cost, enhance public confidence, and provide a clear exit strategy for the government. A new governance framework has been established for government-owned banks to ensure they are run on a fully commercial basis, providing for a level-playing field with private banks. Furthermore, the recapitalization of the state-owned bank will take place in 2025 coinciding with the reform of its board and senior management structure and a strengthening of internal audit systems.



D. AML/CFT and Governance

17. To strengthen central bank governance, the CBvS' Council and Executive Board have been fully constituted and efforts continue to establish a regular cycle for external audits. The

⁹ Loan loss provisions are falling because of a reduction in legacy NPLs of one systemically important bank and reduction in government arrears for most banks.

FY2021 and 2022 financial statements are expected to be published by end-June and end-September 2024, respectively and the MoFP and CBvS are developing a plan to recapitalize the central bank. Staff is providing input into these plans which will delay their implementation to end-June.

18. Other key governance reforms are progressing:

- The authorities expect to enact by end-June amendments to the anti-corruption legal framework to bring it into line with the requirements of Chapter III of the UN Convention against Corruption and by end-September amend the legal framework to require: (i) income and asset declarations of politically exposed persons; (ii) the routine verification of these declarations; (iii) publication of income and asset declarations; and (iv) the establishment of proportionate and dissuasive sanctions regime for non-compliance.
- A new procurement law is expected to be enacted in June and will require the publication of all tenders and contracts awards, all procurement contracts, the names of the awarded entities and their beneficial owners, the names of the public officials awarding the contracts, and an ex-post validation of delivery of the contracted services.
- Suriname has been placed on enhanced follow up by the CFATF¹⁰ and there is a need to: (i) enhance AML/CFT supervision for all financial institutions; (ii) develop and implement risk based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit; (iv) increase ML/TF related investigations, prosecutions and confiscations; and (v) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions on Terrorism and Proliferation Financing. Work is underway in these areas and a new national risk assessment is planned for mid-2024.

E. Improving the Quality and Dissemination of Economic Statistics

19. **Progress is being made in improving the quality and timeliness of monetary, financial and balance of payment statistics.** The authorities have increased the budget of the statistics office, but further efforts are needed to improve the production and timeliness of GDP statistics and provide more disaggregated data on consumer prices.

PROGRAM ISSUES

20. **Staff proposes modifications to program conditionality as follows:**

¹⁰ Suriname received low effectiveness rating by CFATF in all areas except one. Negative assessment ratings can result in reputational risks and have a negative impact on correspondent banking relationships (CBRs).

- To adjust the QPCs on NIR and NDA for the remainder of 2024 to align them with revisions in the macro-framework and changing macroeconomic circumstances¹¹.
- To adjust the QPC on the primary balance of the central government for end-June 2024 and end-September 2024, keeping the end-December target unchanged. This will give time for the authorities' corrective actions to work to return the fiscal position to the previous consolidation path.
- To reformulate the end-June 2024 SB on mandating the use of Fiscal Identification Number to clarify that this is applicable to importers and exporters only.

21. Access and capacity to repay. Suriname's capacity to repay continues to be assessed as adequate under the program baseline but subject to significant risks. Successful implementation of the program will be critical to mitigate these risks. Fund credit outstanding will peak in 2025 at 50 and 12½ percent of usable reserves and GDP, respectively, and will remain elevated through 2030 (Table 11). Annual debt service to the Fund peaks in 2029 at 4.1 percent of exports of goods and services. Out of the SDR 46.7 million scheduled for the sixth review, SDR 19.1 million (41 percent) would be made available for budget support.

22. Lending into arrears. Staff assess that good faith efforts are being made to reach a collaborative agreement with the remaining external creditors. These creditors are not deemed to be a holdout risk and the arrears to these creditors do not undermine the medium-term external viability of Suriname's balance of payments and its capacity to repay the Fund. As such, the requirements of the lending into arrears policy are judged to have been met.

23. Program financing. Suriname's program continues to be fully financed with firm commitments of financing for the next 12 months and good prospects for adequate financing for the remaining program period.¹²

¹¹ Rising yields on USD assets are prompting banks to transfer more FX to correspondent banks abroad and leading to a slower accumulation of reserves despite a higher CA balance. Project-related external financing flows at end-2023 are expected to unwind in the second half of 2024 as government uses the accumulated USD dollar deposits for payments to suppliers. The government is also clearing domestic and external supplier arrears, reducing both the SRD and USD denominated deposits at the central bank. In addition, with the m-o-m inflation is now close to the long-term inflation target, interest rates on open market instruments are not showing any signs of decline from an average of 40 percent. Broad money and reserve money are decreasing in real terms, private sector credit growth has slowed down, and the exchange rate has appreciated sharply in recent months that could be a risk to financial stability amid long forex positions of the banks. All these factors prompt a recalibration of both NIR and NDA targets.

¹² The IDB commits to providing budget support of at least USD 150 million in 2024 conditional on the IMF program review and its own conditionality. Similarly, the CDB will provide USD 25 million in budget support in 2025. Other IFIs commit to disbursing agreed project loans conditional on the IMF program review and their own conditionality.

Suriname: Proposed Program Financing 1/						
(In millions of US dollars)						
	2021	2022	2023	2024	2025	Total
Financing gap	237	421	307	400	88	1,453
Official financing	34	253	308	400	88	1,082
O/w: IMF	34	53	158	250	63	557
Purchases	55	53	158	250	63	578
O/w: for budget support	55	53	103	103	26	339
Repurchases	21	0	0	0	0	21
O/w: IFIs	0	200	150	150	25	525
Financing from external arrears accumulation (net)	203	168	-1	0	0	371

Source: IMF staff calculations.
1/ Excludes financing from external debt restructuring.

STAFF APPRAISAL

24. Despite a challenging socio-political environment and binding institutional capacity constraints the authorities have been able to implement an impressive range of reforms.

Eliminating fuel subsidies, phasing out electricity and gas subsidies, removing unregistered and chronically absent employees from the public payroll, and broadening the VAT base are all politically costly but necessary reforms. They attest to the government's commitment to put public finances on a solid footing, improve spending efficiency, channel resources to the most vulnerable, and lower the debt burden.

25. The authorities missed the end-March primary fiscal target but are taking decisive actions to correct course. Capacity constraints in tax administration curbed effective tax collection from the new VAT. Lack of control over the mechanism of direct settlement by the state oil company charged against liabilities owed to the government resulted in overspending on electricity subsidies. Clearance of legacy arrears have contributed to higher spending on goods and services.

26. The phase out of electricity subsidies and the shift to targeted social support will create fiscal space for more productive fiscal spending. Correcting the 2024Q1 overpayment to the electricity company over the course of the year will help keep electricity subsidies within the agreed budget envelope. Making faster progress on the public sector reform will help with attracting and retaining qualified civil servants. Strengthening tax administration is of the highest priority if government is to collect the needed revenues to finance priority expenditures. The VAT law in particular must be strictly enforced, with penalties and interest imposed on companies that do not file or pay on time.

27. Recent macroeconomic stability is not an accident, but a direct result of prudent fiscal and monetary policies. The government should continuously communicate this message to all stakeholders, working with the SEOB. Resisting political pressures to raise spending, lower taxes, and more generally backtrack on policy reforms is critical to maintain the stability that has been so

painstakingly secured. There is scope to modestly relax monetary targets but the central bank should monitor liquidity conditions and rigorously use all its sterilization tools to meet these revised reserve money targets.

28. Work is underway to prevent the future accumulation of supplier arrears. Recent reforms will require line ministries to report their planned expenditures and arrears on a monthly basis. The Treasury will also have to pre-authorize all large contracts. These steps will help address weaknesses that in cash management and spending control.

29. There is scope to improve the efficiency and effectiveness of the social safety net. Repeated underspending of social assistance programs makes it more difficult to maintain social cohesion during this period of adjustment. Greater investment is needed to reach eligible beneficiaries outside of Paramaribo where poverty is especially acute.

30. The restructuring of Suriname's debt is largely complete. Negotiations with the remaining small group of private external creditors are ongoing. The restructuring of domestic debts—including those to the central bank has been finalized and domestic debt arrears have been eliminated. However, vulnerabilities in the current debt management strategy should be addressed, including through greater coordination between SDMO, the MoFP, and CBvS for processing domestic debt service payments. In the medium term, restoring domestic market access and strengthening debt management remains a priority, including through the development of a medium-term debt strategy.

31. A strong CBvS balance sheet is crucial for operational independence and the robust implementation of monetary policy. There have been delays in the development of the recapitalization plan but the combined efforts of the MoFP and the CBvS will be needed to finalize the plan. A successful recapitalization will also help the CBvS manage its liabilities more effectively and send a positive signal to financial markets.

32. The transmission of monetary policy remains weak. Improving banks' understanding of how to access CBvS liquidity facilities and expediting bank requests for liquidity support will help lower the precautionary balances that they currently maintain. Establishing a Treasury Single Account held at the central bank will make liquidity forecasting easier. The central bank commitment to a fully flexible exchange rate is welcome and the electronic FX trading platform should soon be operational.

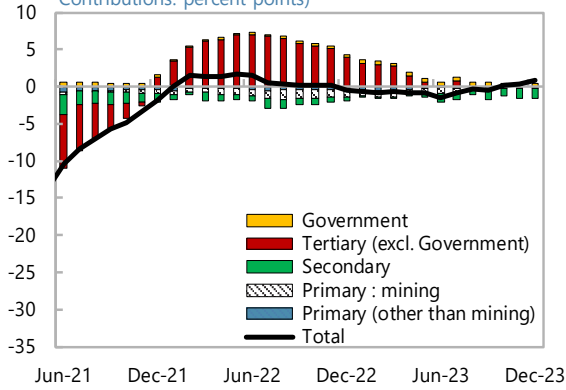
33. The CBvS is monitoring the timely implementation of recapitalization plans of the two banks with capital shortages. Improved risk-based supervision will help strengthen oversight of financial institutions and allow for the timely identification and mitigation of vulnerabilities. The CBvS should increase its monitoring of non-bank financial institutions, particularly with respect to their interconnectedness with the banking system. The resolution framework—put in place under the recently enacted Bank Resolution Act—should now be operationalized through the issuance of relevant regulations and guidelines. Ongoing efforts to strengthen AML/CFT will support financial system integrity and prevent the potential loss of corresponding banking relationships.

34. Staff supports the authorities' request for the completion of the sixth review under the EFF arrangement and the completion of the financing assurances review. The authorities are committed at the highest level to restoring macroeconomic and financial stability. In view of the commitments made by the Surinamese authorities and the significant policy efforts made to date coupled with corrective actions taken, staff supports the authorities' request for the modification of performance criteria and the request for waivers for the nonobservance of performance criteria. Implementation of corrective actions would also not impede successful implementation of the program.

Figure 1. Suriname: Recent Economic Developments

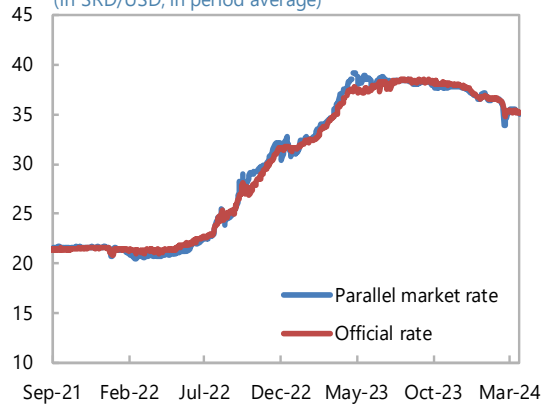
Monthly Economic Activity Indicator and Contributions

(MEA: 12m/12m moving average- In percent change;
Contributions: percent points)



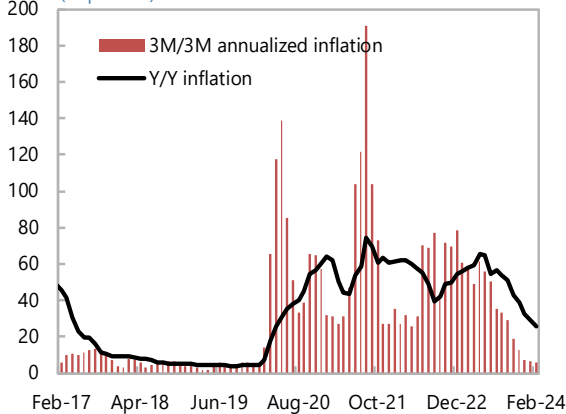
Exchange Rate

(In SRD/USD; in period average)



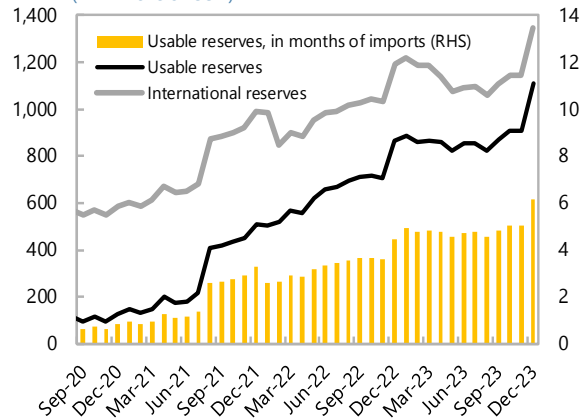
Inflation

(In percent)



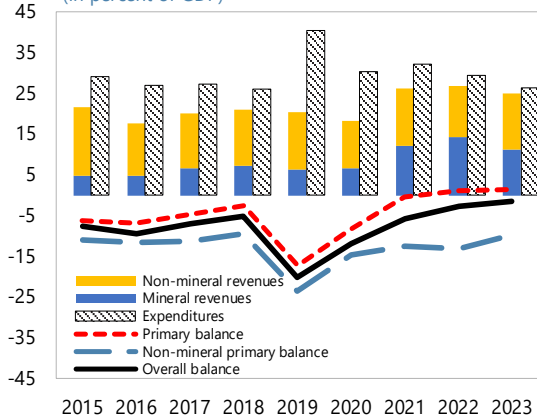
Gross International Reserves

(In millions of USD)



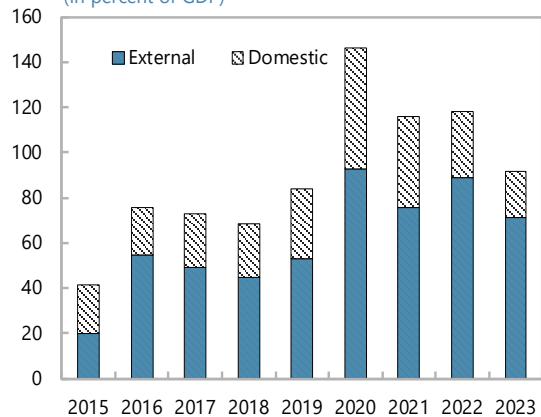
Fiscal Outcomes

(In percent of GDP)



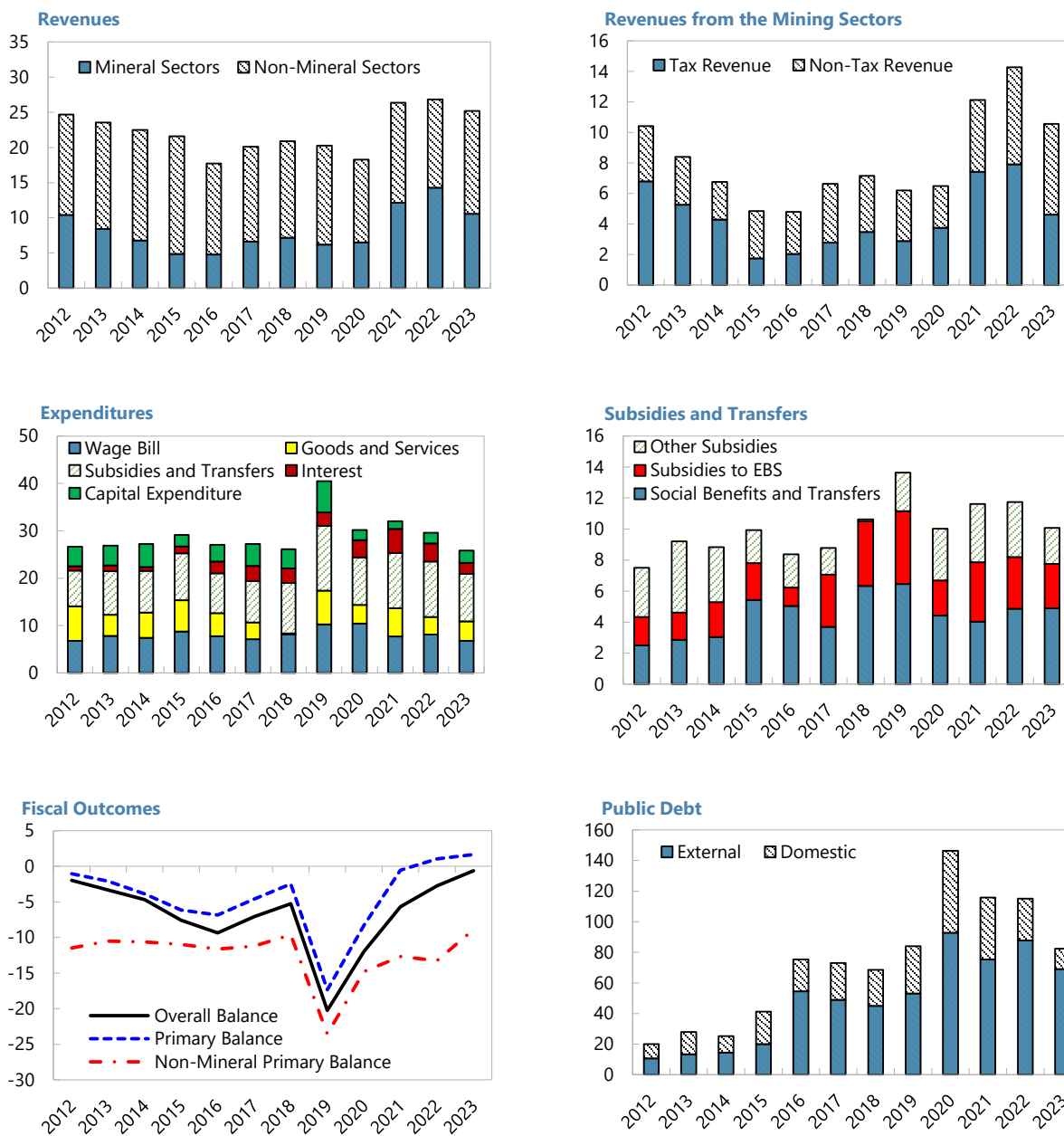
Public Debt

(In percent of GDP)



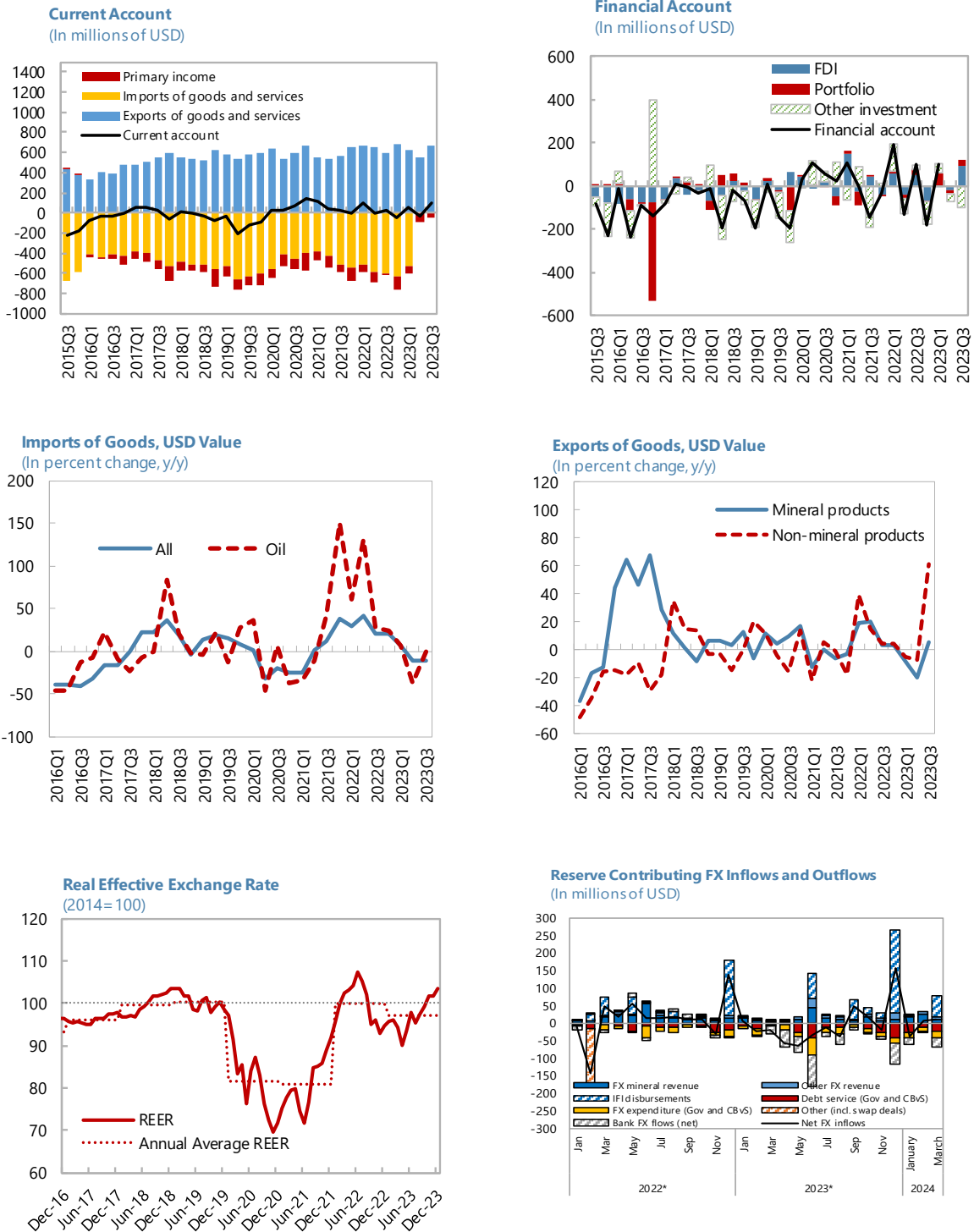
Sources: Central Bank of Suriname, General Bureau of Statistics, Ministry of Finance; SDMO and IMF staff estimates.

Figure 2. Suriname: Fiscal Developments, 2012–23
(In percent of GDP)



Sources: Ministry of Finance; and IMF staff estimates.

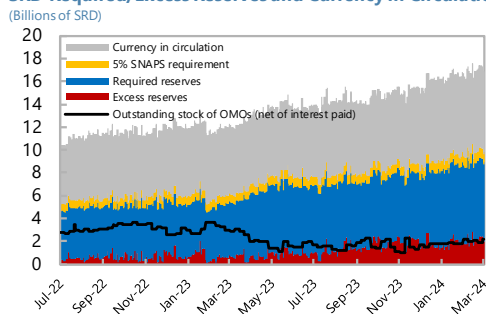
Figure 3. Suriname: External Sector Developments



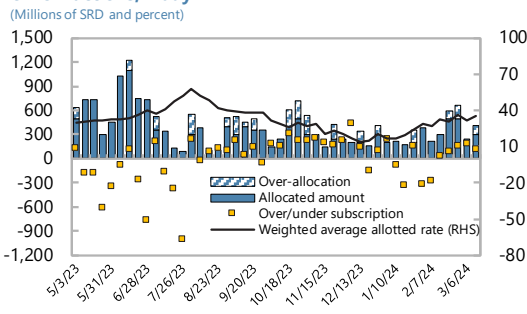
Sources: International Financial Statistics (IFS); Central Bank of Suriname; and IMF staff estimates.

Figure 4. Suriname: Monetary Developments

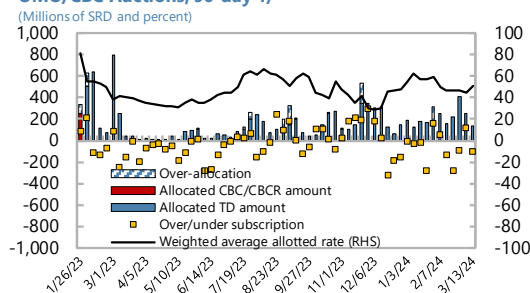
SRD Required/Excess Reserves and Currency in Circulation



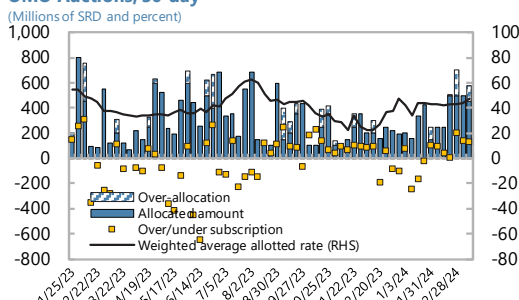
OMO Auctions, 7-day



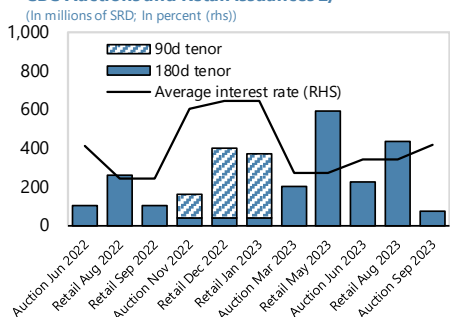
OMO/CBC Auctions, 90-day 1/



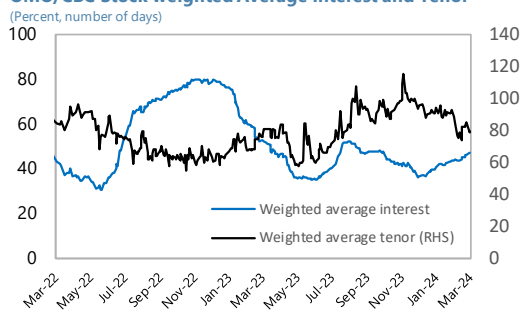
OMO Auctions, 30-day



CBC Auctions and Retail Issuances 2/



OMO/CBC Stock weighted Average Interest and Tenor



Sources: Central Bank of Suriname and IMF staff calculations.

1/ Nov 28 was a wholesale CBC auction.

2/ For individual tenors the retail issuances follow the auction interest rate.

Table 1. Suriname: Selected Economic Indicators

	2019		2020		Est.		Proj.		2025		2026		2027		2028		2029	
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2028	2029	2029	2029	2029
Real sector (percent change)																		
Real GDP	1.2	-16.0	-2.4	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nominal GDP	6.4	22.0	56.9	47.3	54.6	54.6	21.4	21.4	16.7	16.7	12.1	10.6	8.1	8.2				
GDP deflator	5.2	45.2	60.8	43.8	51.4	51.4	17.9	17.9	13.3	13.3	8.9	7.4	5.0	5.0				
Consumer prices (period average)	4.4	34.9	59.1	52.4	51.6	51.6	20.7	20.7	14.8	14.8	9.7	7.6	5.0	5.0				
Consumer prices (end of period)	4.2	60.7	60.7	54.6	32.6	32.6	14.2	14.2	11.0	11.0	8.0	6.6	5.0	5.0				
Labor market (percent)																		
Unemployment rate	8.8	11.1	11.2	10.9	10.6	10.6	10.3	10.3	10.0	10.0	9.9	8.7	8.2	7.7				
Labor force participation rate	60.7	58.8	58.2	58.7	59.0	59.0	59.4	59.4	59.8	59.8	60.2	60.6	61.0	61.4				
Money and credit (percent change)																		
Broad money	4.7	65.0	45.3	45.1	19.5	19.5	8.1	4.7	16.9	11.7	13.7	11.6	7.9	6.1				
Broad money (percent of GDP)	60.7	82.1	76.0	74.9	57.9	57.9	51.6	50.0	51.6	47.8	48.5	48.9	48.8	47.9				
Reserve money	92.8	33.6	48.0	44.8	4.9	4.9	8.8	7.8	13.5	13.1	12.1	10.2	7.3	7.0				
Reserve money (percent of GDP)	30.2	33.1	31.2	30.7	20.8	20.8	18.7	18.5	18.2	17.9	17.9	17.9	17.7	17.5				
Private sector credit	0.4	27.2	18.5	65.7	15.2	18.6	18.2	19.8	12.6	17.6	12.1	9.8	7.8	6.3				
Private sector credit (in real terms)	-3.6	-20.9	-26.3	7.2	-13.1	-10.6	3.5	4.9	1.4	5.9	3.9	2.9	2.6	1.2				
Private sector credit (percent of GDP)	23.0	24.0	18.1	20.4	15.2	15.6	14.8	15.4	14.3	15.5	15.5	15.4	15.4	15.1				
Central government (percent of GDP)																		
Revenue and grants	20.3	18.2	26.4	26.8	24.9	24.9	24.8	25.7	25.1	25.5	25.5	25.5	25.5	25.5				
Total expenditure	40.5	30.2	32.1	29.5	26.4	26.4	25.8	26.7	25.4	25.5	25.6	25.8	25.7	25.5				
Of which: Primary expenditure	37.6	26.6	26.9	25.8	23.6	23.6	22.0	23.0	21.6	22.0	22.0	22.0	22.0	22.0				
Statistical discrepancy	3.5	-5.5	0.2	1.9	-3.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Overall balance (net lending/borrowing) 1/	-20.2	-12.0	-5.7	-2.7	-1.5	-1.5	-1.0	-0.9	-0.2	0.0	-0.2	-0.3	-0.2	0.0				
Primary balance	-17.3	-8.3	-0.5	1.0	1.3	1.3	2.7	2.7	3.5	3.5	3.5	3.5	3.5	3.5				
Non-resource primary balance	-23.5	-14.8	-12.7	-13.2	-9.3	-9.9	-6.7	-7.4	-6.3	-6.6	-6.6	-6.6	-6.6	-6.6				
Net acquisition of financial assets 2/	-2.7	2.2	-0.4	5.2	0.1	3.6	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0				
Net incurrence of liabilities	14.0	19.7	5.0	6.0	5.1	5.0	1.0	1.5	0.2	0.0	0.0	0.1	-0.2	-0.7				
Net domestic financing	9.1	17.8	0.7	-2.3	-2.9	-3.0	-5.3	-4.5	-1.1	-0.8	-0.6	1.3	1.8	2.2				
Net external financing	4.9	0.3	-1.8	3.6	8.0	8.0	6.3	6.0	1.3	0.8	0.6	-1.2	-2.0	-2.9				
External arrears (net)	0.0	1.7	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Central government debt 3/ (percent of GDP)	84.0	146.4	115.8	118.5	91.8	92.9	87.9	87.4	82.2	82.0	77.7	73.1	69.4	64.7				
Domestic	30.9	53.6	40.4	30.7	20.3	21.3	17.2	17.2	12.9	13.6	12.1	12.8	14.1	15.6				
o/w: change due to GDP deflator movement	-1.2	-9.6	-20.3	-12.3	-9.8	-10.4	-3.1	-3.2	-2.0	-2.0	-1.1	-0.8	-0.6	-0.7				
External	53.2	92.8	75.4	87.8	71.5	71.6	70.7	70.2	69.3	68.4	65.5	60.3	55.3	49.1				
o/w: change due to exchange rates movement	5.0	48.0	12.1	27.1	9.2	9.3	...	...	...	...	...	...	...	...
o/w: change due to GDP deflator movement	-2.2	-16.6	-35.1	-23.0	-29.8	-29.8	-10.9	-10.9	-8.3	-8.2	-5.6	-4.5	-2.9	-2.7				
External sector (percent of GDP)																		
Current account balance	-11.2	8.9	5.7	2.1	2.4	3.9	2.1	3.0	1.8	2.5	2.3	2.2	2.1	2.0				
Capital and financial account	-12.7	6.5	4.4	10.8	6.5	6.9	7.1	12.1	3.2	3.6	1.1	0.9	1.1	1.5				
Overall balance	-5.8	-1.8	1.1	-9.8	-4.2	-5.1	-5.0	-9.0	-1.4	-1.2	1.2	1.3	1.0	0.5				
Financing	5.8	1.8	-1.1	9.8	4.2	5.1	5.0	9.0	1.4	1.2	-1.2	-1.3	-1.0	-0.5				
Change in reserves (- = increase)	6.3	3.2	-8.8	-1.9	-4.0	-3.1	-4.8	-0.2	-0.5	-0.8	-1.4	-0.8	0.1	1.2				
Official financing	-0.5	-1.4	1.1	7.0	8.2	8.2	9.8	9.2	1.9	1.9	0.2	-0.4	-1.0	-1.7				
External arrears (net)			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Memorandum items																		
GDP at current prices (SRD billions)	31.7	38.7	60.7	89.5	138.4	138.3	168.0	167.9	196.0	196.0	219.7	243.0	262.7	284.2				
Terms of trade (percent change)	7.6	28.7	-20.1	-9.2	1.4	1.4	-2.8	-2.8	-2.2	-2.2	-1.4	-0.9	-1.1	-1.2				
Gross international reserves (USD millions)	648	585	992	1,195	1,346	1,346	1,554	1,355	1,580	1,390	1,461	1,503	1,499	1,432				
In percent of Reserve adequacy (risk-weighted measure) 4/	77	73	112	135	149	150	169	149	168	151	158	164	166	162				
In months of imports	4.2	3.7	5.1	6.5	7.2	7.3	8.0	7.0	7.8	6.8	7.1	7.0	6.7	6.1				
Usable gross international reserves (USD millions) 5/	505	129	512	865	1,112	1,112	1,320	1,121	1,345	1,156	1,227	1,268	1,265	1,198				
In percent of Reserve adequacy (risk-weighted measure)	60	16	58	98	123	124	144	123	143	125	133	139	140	135				
In months of imports	3.3	0.8	2.6	4.7	5.9	6.0	6.8	5.8	6.6	5.7	5.9	5.9	5.6	5.1				
REER based on weighted average ER (percent change, + = apprecia)	0.7	-19.0	-0.6	8.4	-2.7	-2.7	...	...	...	...	...	...	...	...
Nominal effective exchange rate (percent change, + = apprecia)	-1.5	-37.0	-36.5	-20.1	-33.2	-33.2	...	...	...	...	...	...	...	...
Inflation differential	2.2	28.6	56.6	35.6	45.6	45.6	...	...	...	...	...	...	...	...
REER based on official ER (percent change, + = appreciation) 6/	4.5	12.4	-20.4	8.4	-2.7	-2.7	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	31.7	36.7	36.7	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	24.6	36.9	36.9	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	31.7	36.7	36.7	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, period average) 6/	7.9	13.3	19.7	24.6	36.9	36.9	...	...	...	...	...	...	...	...
Gold production (growth rate)	-3.7	-10.3	-6.6	4.5	12.5	12.5	1.6	1.6	1.2	1.2	1.3	1.3	1.3	1.3				
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,943	1,943	2,061	2,061	2,151	2,151	2,284	2,326	2,326	2,326				
Growth Rate	9.7	27.1	1.7	0.1	7.9	7.9	6.1	6.1	4.3	4.3	6.2	1.8	0.0	0.0				
Oil price (USD per barrel)	61.4	41.8	69.2	96.4	80.6	80.6	77.7	77.7	73.8	73.8	70.9	69.0	67.9	67.4				
Growth Rate	-10.4	-32.0	65.8	39.2	-16.4	-16.4	-3.6	-3.6	-5.0	-5.0	-4.0	-2.7	-1.6	-0.7				

Sources: Surinamese authorities and Fund staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy.

2/ Includes acquisition of stake in gold mine and loans to state-owned enterprises.

3/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

4/ Based on IMF, 2015, "Assessing Reserve Adequacy."

5/ Excluding the PBOC swap and ring-fenced reserves.

6/ The weight of the official exchange rate is 30 percent and that of the parallel market exchange rate is 70 percent in this measure. Fiscal and monetary sectors in this macro-framework use the official rate (except for public debt which uses the weighted average exchange rate), and real and BOP sectors use the weighted average exchange rate. The official and parallel market exchange rates converged in June 2021.

Table 2. Suriname: Real Sector, by Expenditures 1/
(Percent change, unless otherwise indicated)

	Est.					Proj.					
	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
		5th Review		5th Review		5th Review					
Growth rates (constant prices)											
Real GDP	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Private Absorption	4.4	0.0	1.9	1.9	0.4	3.5	3.1	2.9	2.9	3.2	3.0
Public Consumption	-16.6	-7.0	-5.8	-0.9	-0.8	0.7	0.7	2.2	2.9	3.0	3.0
Public Gross Investment	44.8	25.8	26.6	31.3	26.6	8.7	19.2	3.0	3.0	3.0	3.0
Exports	7.8	8.1	2.0	4.4	9.5	2.9	3.0	2.3	3.6	2.8	3.5
Imports	8.0	2.1	0.6	3.2	4.7	4.3	4.3	1.7	3.4	3.2	3.5
Contributions (constant prices)											
Real GDP growth	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Private Absorption	3.6	0.0	1.6	1.5	0.4	2.9	2.6	2.4	2.4	2.6	2.4
Public Consumption	-2.1	-0.7	-0.6	-0.1	-0.1	0.1	0.1	0.2	0.3	0.3	0.3
Public Gross Investment	0.7	0.6	0.6	0.9	0.8	0.3	0.7	0.1	0.1	0.1	0.1
Net Exports	0.1	2.3	0.6	0.6	1.9	-0.3	-0.3	0.3	0.3	0.0	0.2
Growth rates (current prices)											
Nominal GDP	47.3	54.6	54.6	21.4	21.4	16.7	16.7	12.1	10.6	8.1	8.2
Private Absorption	63.5	46.6	52.8	24.1	20.1	20.0	19.4	13.0	11.2	9.3	9.1
Public Consumption	27.2	42.7	42.7	19.8	20.9	15.6	15.6	12.1	10.6	8.1	8.2
Public Gross Investment	108.2	90.4	91.6	54.8	49.2	23.2	35.1	12.1	10.6	8.1	8.2
Exports	41.4	54.6	45.9	7.2	12.5	10.7	10.8	8.9	8.3	6.1	5.8
Imports	56.1	43.9	41.8	9.1	10.7	14.7	14.7	9.7	9.0	7.7	7.0
Contributions (current prices)											
Nominal GDP growth	47.3	54.6	54.6	21.4	21.4	16.7	16.7	12.1	10.6	8.1	8.2
Private Absorption	45.1	36.7	41.6	18.0	15.6	15.3	14.9	10.2	8.9	7.4	7.3
Public Consumption	3.7	5.0	5.0	2.2	2.3	1.7	1.7	1.3	1.1	0.9	0.9
Public Gross Investment	1.8	2.1	2.1	1.5	1.4	0.8	1.2	0.5	0.4	0.3	0.3
Net Exports	-3.3	10.8	5.9	-0.3	2.1	-1.1	-1.2	0.1	0.1	-0.5	-0.4
Deflators (Growth Rates)											
GDP	43.8	51.4	51.4	17.9	17.9	13.3	13.3	8.9	7.4	5.0	5.0
Private Absorption	56.7	46.7	50.0	21.9	19.6	15.9	15.8	9.8	8.1	5.9	6.0
Public Consumption	52.4	53.5	51.6	20.8	21.8	14.8	14.8	9.7	7.5	5.0	5.0
Public Gross Investment	43.8	51.4	51.4	17.9	17.9	13.3	13.3	8.9	7.4	5.0	5.0
Exports of goods and services	31.3	43.0	43.0	2.7	2.7	7.6	7.6	6.4	4.5	3.2	2.2
Imports of goods and services	44.6	41.0	41.0	5.7	5.7	10.0	10.0	7.9	5.4	4.4	3.4
CPI	52.4	51.6	51.6	20.7	20.7	14.8	14.8	9.7	7.6	5.0	5.0
GDP (current prices, USD billions)	3.6	3.8	3.8	...	...	...	...	...	...	...	...
GDP (current prices, SRD billions)	89.5	138.4	138.3	168.0	167.9	196.0	196.0	219.7	243.0	262.7	284.2
GDP deflator (index = 100 in 2015)	593	898	898	1059	1059	1200	1200	1306	1402	1472	1546

Sources: IMF staff calculations and projections.

1/ Historical values are not shown due to lack of official GDP estimates by expenditure.

Table 3. Suriname: Central Government Operations
(Millions of SRD)

	Est.		Proj.											
	2019	2020	2021	2022	2023	2024	2024	2025	2025	2026	2027	2028	2029	
					5th Review	5th Review	5th Review	5th Review						
Revenues	6,434	7,066	16,010	24,021	34,431	34,480	41,602	43,184	49,275	49,948	56,005	61,933	66,962	72,453
Taxes	4,717	5,133	11,831	16,649	22,159	21,976	27,552	28,171	33,345	32,894	36,779	40,270	44,077	48,424
Direct taxes	2,543	2,924	8,137	11,126	12,460	12,204	14,680	14,635	17,837	16,806	18,640	20,064	22,004	24,630
Of which: mineral taxes	910	1,452	4,502	7,070	6,308	7,167	6,875	8,185	8,732	9,280	10,200	10,731	11,913	13,712
Indirect taxes	2,173	2,209	3,693	5,523	9,699	9,772	12,872	13,536	15,508	16,087	18,139	20,207	22,073	23,795
Grants	0	0	140	87	363	375	443	443	0	0	0	0	0	0
Non-tax revenues	1,718	1,934	4,039	7,285	11,910	12,129	13,607	14,570	15,930	17,055	19,226	21,663	22,886	24,029
Of which:														
Mineral resource revenues	1,054	1,058	2,864	5,706	8,308	8,308	8,924	8,925	10,565	10,565	12,081	13,907	14,500	14,956
Expenditures	12,852	11,695	19,465	26,427	36,549	36,578	43,293	44,754	49,699	50,018	56,340	62,659	67,456	72,479
Primary expenditures	11,939	10,283	16,339	23,099	32,626	32,650	36,989	38,571	42,416	43,090	48,315	53,429	57,768	62,505
Compensation of employees	3,251	4,035	4,664	7,274	9,332	9,332	11,252	11,251	13,126	13,129	14,721	16,279	17,601	19,045
Other primary current expenditure	6,596	5,404	10,693	13,778	19,397	19,397	19,705	21,469	21,860	22,055	24,730	27,347	29,568	31,992
Of which: fuel and electricity subsidies			2,326	4,590	4,657	4,657	800	2,400	0	0	0	0	0	0
Of which: cash transfer programs		604	892	1,717	3,077	3,077	5,122	5,122	5,975	5,977	6,592	7,289	7,881	8,528
Net acquisition of nonfinancial assets	2,092	845	983	2,047	3,897	3,921	6,032	5,851	7,430	7,906	8,864	9,802	10,598	11,468
Interest	913	1,411	3,126	3,329	3,923	3,928	6,304	6,183	7,283	6,928	8,025	9,230	9,688	9,975
Overall balance (net lending/borrowing) 1/	-6,418	-4,629	-3,455	-2,406	-2,118	-2,098	-1,691	-1,570	-424	-70	-335	-726	-493	-26
Of which: primary balance	-5,505	-3,217	-329	923	1,805	1,830	4,613	4,613	6,859	6,859	7,690	8,504	9,195	9,949
of which overdue VAT refunds 2/	0	0	0	594	594	594	0	0	0	0	0	0	0	0
Overall balance (with VAT refunds on accrual basis)	-2,712	-2,692	-1,691	-1,570	6,859	6,859	7,690	8,504	9,195	9,949				
Net financial transactions	-5,315	-6,771	-3,325	-704	-6,921	-1,929	-1,691	-1,570	-424	-70	-335	-726	-493	-26
Net acquisition of financial assets 3/	-869	869	-267	4,631	130	4,935	0	1,000	0	0	0	0	0	0
Net incurrence of liabilities	4,446	7,640	3,058	5,334	7,050	6,863	1,691	2,570	424	70	81	281	-649	-1,928
Domestic (Net)	1,947	6,000	-2,328	-5,225	-7,537	-7,537	-2,339	-2,482	1,341	535	989	5,208	4,722	6,226
Amortizations	-1,257	0	-2,846	-1,474	-4,796	-4,796	-2,410	-4,584	-1,493	-2,270	-2,000	-3,900	-5,764	-5,960
Central bank	0	0	0	0	0	0	0	0	0	-224	-337	-337	-337	-337
Commercial banks	-1,204	0	-1,954	-629	-2,942	-2,942	-1,205	-2,097	-635	-440	-606	-1,574	-2,457	-2,630
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other domestic 4/	-53	0	-892	-844	-1,854	-1,854	-1,205	-2,487	-635	-1,605	-1,058	-1,989	-2,971	-2,993
Disbursements	3,205	6,000	518	-3,751	-2,741	-2,741	71	2,102	2,834	2,805	2,989	9,108	10,487	12,186
Central bank	1,451	4,986	-1,478	-4,463	-3,629	-3,629	0	2,000	4,000	2,850	0	0	0	0
Claims on government	1,391	6,232	252	0	0	0	0	0	0	0	0	0	0	0
Liabilities to government	-60	1,247	1,730	4,463	3,629	3,629	0	-2,000	-4,000	-2,850	0	0	0	0
Commercial banks	1,261	862	796	-168	85	85	36	51	-583	-23	1,495	4,554	5,243	6,093
Suppliers credit	439	152	0	0	0	0	0	0	0	0	0	0	0	0
Other domestic 4/	53	0	1,200	880	803	803	36	51	-583	-23	1,495	4,554	5,243	6,093
Domestic arrears	938	877	2,748	3,200	3,529	3,343	-6,601	-4,997	-3,481	-2,095	-2,333	-1,944	0	0
of which: VAT Refund arrears 2/	938	877	3,359	3,200	5,078	5,046	0	0	0	0	0	0	0	0
Payment of arrears	0	0	-611	0	-1,549	-1,704	-6,601	-4,997	-3,481	-2,095	-2,333	-1,944	0	0
of which: payment of VAT Refund arrears 2/					-611	-611								
Foreign (Net)	1,561	107	-1,086	3,214	11,081	11,081	10,631	10,049	2,564	1,630	1,425	-2,984	-5,371	-8,154
Amortizations	-722	-431	-2,922	-4,968	-2,449	-2,449	-4,327	-4,192	-4,008	-4,951	-4,309	-10,557	-11,887	-13,685
IFIs	-353	-349	-1,119	-1,960	-2,126	-2,126	-2,123	-2,313	-2,827	-3,125	-3,397	-3,474	-4,233	-3,897
Official bilateral	-212	-47	-257	-1,446	-316	-316	-2,204	-1,365	-1,181	-1,073	-1,666	-1,494	-1,545	-3,004
Commercial	-157	-35	-1,546	-1,563	-7	-7	0	-514	0	-753	-746	-5,588	-6,109	-6,784
Disbursements	2,432	914	1,014	1,954	4,215	4,215	4,200	4,198	4,409	4,418	5,198	8,644	9,263	10,324
IFIs	303	530	1,006	1,954	4,215	4,215	4,200	4,198	4,409	4,409	4,394	4,252	3,941	3,553
Official bilateral	1,059	200	8	0	0	0	0	0	0	0	0	0	0	0
Commercial	1,070	184	0	0	0	0	0	0	9	804	4,392	5,323	6,679	
Official financing	-149	-376	822	6,228	9,314	9,314	10,758	10,042	2,163	2,163	536	-1,071	-2,748	-4,701
O/w: IMF	-149	-376	822	1,299	3,781	3,781	3,979	3,979	1,098	1,098	-612	-1,071	-2,748	-4,701
Purchases	0	0	1,204	1,299	3,781	3,781	3,979	3,979	1,098	1,098	0	0	0	0
Repurchases	-149	-376	-381	0	0	0	0	0	0	0	-612	-1,071	-2,748	-4,701
O/w: IFIs	0	0	0	4,928	5,533	5,533	6,778	6,062	1,065	1,065	1,148	0	0	0
External arrears (net)	0	656	3,724	4,145	-23	-23	0	0	0	0	0	0	0	0
Statistical discrepancy	1,103	-2,142	131	1,702	-4,803	169	0	0	0	0	0	0	0	0
Memorandum items:														
Electricity subsidy financed through the budget	1,492	881	2,326	2,986	4,082	4,082	800	2,400	0	0	0	0	0	0
Non-resource balance	-8,382	-7,138	-10,821	-13,440	-16,734	-17,813	-17,490	-18,802	-19,721	-20,181	-22,921	-25,699	-27,244	-28,999
Non-resource primary balance	-7,469	-5,727	-7,695	-11,853	-12,811	-13,645	-11,186	-12,496	-12,437	-12,986	-14,591	-16,134	-17,219	-18,719
Public (central government) debt 5/	26,664	56,699	70,344	106,062	126,984	128,499	147,682	146,777	161,164	160,628	170,657	177,620	182,339	183,897
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	24.6	36.9	36.9	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	31.7	36.7	36.7	...	...	...	...	...	...	...	...
Total central government debt interest rate (effective)	3.4	2.5	1.6	1.5	3.4	3.4	4.4	4.4	4.5	4.4	4.8	5.2	5.3	5.4
Domestic central government debt interest rate (effective)	2.4	4.7	1.4	1.0	15.8	15.6	11.2	10.1	7.7	7.7	7.0	6.4	6.3	5.9
External central government debt interest rate (effective)	4.2	1.5	1.6	1.5	2.2	2.2	3.4	3.6	4.1	4.0	4.4	5.0	5.1	5.3

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy. Note, 2021 balances were revised based on new information from authorities.

2/ The VAT refund arrears are converted to debt that is fully amortized in 2024, thereby not affecting the overall balance (cash basis 2024 onwards)

3/ Includes acquisition of stake in gold mine and loans to state owned enterprises.

4/ Comprised of holding of T-bills and notes by non-bank financial institutions.

5/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

Table 4. Suriname: Central Government Operations
(In percent of GDP)

	2019	2020	Est.		Proj.										
			2021	2022	2023		2024	2024	2025		2025	2026	2027	2028	2029
					5th Review	5th Review			5th Review	5th Review					
Revenues	20.3	18.2	26.4	26.8	24.9	24.9	24.8	25.7	25.1	25.5	25.5	25.5	25.5	25.5	
Taxes	14.9	13.3	19.5	18.6	16.0	15.9	16.4	16.8	17.0	16.8	16.7	16.6	16.8	17.0	
Direct taxes	8.0	7.6	13.4	12.4	9.0	8.8	8.7	8.7	9.1	8.6	8.5	8.3	8.4	8.7	
Of which: mineral taxes	2.9	3.7	7.4	7.9	4.6	5.2	4.1	4.9	4.5	4.7	4.6	4.4	4.5	4.8	
Indirect taxes	6.8	5.7	6.1	6.2	7.0	7.1	7.7	8.1	7.9	8.2	8.3	8.3	8.4	8.4	
Grants	0.0	0.0	0.2	0.1	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	
Non-tax revenues	5.4	5.0	6.7	8.1	8.6	8.8	8.1	8.7	8.1	8.7	8.8	8.9	8.7	8.5	
Of which:															
Mineral resource revenues	3.3	2.7	4.7	6.4	6.0	6.0	5.3	5.3	5.4	5.4	5.5	5.7	5.5	5.3	
Expenditures	40.5	30.2	32.1	29.5	26.4	26.4	25.8	26.7	25.4	25.5	25.6	25.8	25.7	25.5	
Primary expenditures	37.6	26.6	26.9	25.8	23.6	23.6	22.0	23.0	21.6	22.0	22.0	22.0	22.0	22.0	
Compensation of employees	10.2	10.4	7.7	8.1	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	
Other primary current expenditure	20.8	14.0	17.6	15.4	14.0	14.0	11.7	12.8	11.2	11.3	11.3	11.3	11.3	11.3	
Of which: fuel and electricity subsidies			3.8	5.1	3.4	3.4	0.5	1.4	0.0	0.0	0.0	0.0	0.0	0.0	
Of which: cash transfer programs		1.6	1.5	1.9	2.2	2.2	3.0	3.1	3.0	3.1	3.0	3.0	3.0	3.0	
Net acquisition of nonfinancial assets	6.6	2.2	1.6	2.3	2.8	2.8	3.6	3.5	3.8	4.0	4.0	4.0	4.0	4.0	
Interest	2.9	3.6	5.1	3.7	2.8	2.8	3.8	3.7	3.7	3.5	3.7	3.8	3.7	3.5	
Overall balance (net lending/borrowing) 1/	-20.2	-12.0	-5.7	-2.7	-1.5	-1.5	-1.0	-0.9	-0.2	0.0	-0.2	-0.3	-0.2	0.0	
Of which: primary balance	-17.3	-8.3	-0.5	1.0	1.3	1.3	2.7	2.7	3.5	3.5	3.5	3.5	3.5	3.5	
of which overdue VAT refunds 2/	-	-	-	-	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Overall balance (with VAT refunds on accrual basis)	-	-	-	-	-2.0	-1.9	-1.0	-0.9	-0.2	0.0	-0.2	-0.3	-0.2	0.0	
Net financial transactions	-16.7	-17.5	-5.5	-0.8	-5.0	-1.4	-1.0	-0.9	-0.2	0.0	-0.2	-0.3	-0.2	0.0	
Net acquisition of financial assets 3/	-2.7	2.2	-0.4	5.2	0.1	3.6	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	
Net incurrence of liabilities	14.0	19.7	5.0	6.0	5.1	5.0	1.0	1.5	0.2	0.0	0.0	0.1	-0.2	-0.7	
Domestic (Net)	6.1	15.5	-3.8	-5.8	-5.4	-5.4	-1.4	-1.5	0.7	0.3	0.5	2.1	1.8	2.2	
Amortizations	-4.0	0.0	-4.7	-1.6	-3.5	-3.5	-1.4	-2.7	-0.8	-1.2	-0.9	-1.6	-2.2	-2.1	
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	
Commercial banks	-3.8	0.0	-3.2	-0.7	-2.1	-2.1	-0.7	-1.2	-0.3	-0.2	-0.3	-0.6	-0.9	-0.9	
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other domestic 4/	-0.2	0.0	-1.5	-0.9	-1.3	-1.3	-0.7	-1.5	-0.3	-0.8	-0.5	-0.8	-1.1	-1.1	
Disbursements	10.1	15.5	0.9	-4.2	-2.0	-2.0	0.0	1.3	1.4	1.4	1.4	3.7	4.0	4.3	
Central bank	4.6	12.9	-2.4	-5.0	-2.6	-2.6	0.0	1.2	2.0	1.5	0.0	0.0	0.0	0.0	
Claims on government	4.4	16.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities to government	-0.2	3.2	2.8	5.0	2.6	2.6	0.0	-1.2	-2.0	-1.5	0.0	0.0	0.0	0.0	
Commercial banks	4.0	2.2	1.3	-0.2	0.1	0.1	0.0	0.0	-0.3	0.0	0.7	1.9	2.0	2.1	
Suppliers credit	1.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other domestic 4/	0.2	0.0	2.0	1.0	0.6	0.6	0.0	0.0	-0.3	0.0	0.7	1.9	2.0	2.1	
Domestic arrears	3.0	2.3	4.5	3.6	2.6	2.6	-3.9	-3.0	-1.8	-1.1	-1.1	-0.8	0.0	0.0	
Accumulation of arrears	3.0	2.3	5.5	3.6	3.7	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
of which: VAT Refund arrears	-	-	-	-	0.4	0.4	-	-	-	-	-	-	-	-	
Payment of arrears	0.0	0.0	-1.0	0.0	-1.1	-1.2	-3.9	-3.0	-1.8	-1.1	-1.1	-0.8	0.0	0.0	
of which: payment of VAT Refund arrears	-	-	-	-	-	-	-0.4	-0.4	-	-	-	-	-	-	
Foreign (Net)	4.9	0.3	-1.8	3.6	8.0	8.0	6.3	6.0	1.3	0.8	0.6	-1.2	-2.0	-2.9	
Amortizations	-2.3	-1.1	-4.8	-5.6	-1.8	-1.8	-2.6	-2.5	-2.0	-2.5	-2.0	-4.3	-4.5	-4.8	
IFIs	-1.1	-0.9	-1.8	-2.2	-1.5	-1.5	-1.3	-1.4	-1.4	-1.6	-1.5	-1.4	-1.6	-1.4	
Official bilateral	-0.7	-0.1	-0.4	-1.6	-0.2	-0.2	-1.3	-0.8	-0.6	-0.5	-0.1	-0.6	-0.6	-1.1	
Commercial	-0.5	-0.1	-2.5	-1.7	0.0	0.0	0.0	-0.3	0.0	-0.4	-0.3	-2.3	-2.3	-2.4	
Disbursements	7.7	2.4	1.7	2.2	3.0	3.0	2.5	2.5	2.2	2.3	2.4	3.6	3.5	3.6	
IFIs	1.0	1.4	1.7	2.2	3.0	3.0	2.5	2.5	2.3	2.3	2.0	1.8	1.5	1.3	
Official bilateral	3.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Commercial	3.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.8	2.0	2.3	
Official financing	-0.5	-1.0	1.4	7.0	6.7	6.7	6.4	6.0	1.1	1.1	0.2	-0.4	-1.0	-1.7	
O/w: IMF	-0.5	-1.0	1.4	1.5	2.7	2.7	2.4	2.4	0.6	0.6	-0.3	-0.4	-1.0	-1.7	
Purchases	0.0	0.0	2.0	1.5	2.7	2.7	2.4	2.4	0.6	0.6	0.0	0.0	0.0	0.0	
Repurchases	-0.5	-1.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.4	-1.0	-1.7	
O/w: IFIs	0.0	0.0	0.0	5.5	4.0	4.0	3.6	3.6	0.5	0.5	0.5	0.0	0.0	0.0	
External arrears (net)	0.0	1.7	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Statistical discrepancy	3.5	-5.5	0.2	1.9	-3.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Memorandum items:															
Electricity subsidy financed through the budget	4.7	2.3	3.8	3.3	3.0	3.0	0.5	1.4	0.0	0.0	0.0	0.0	0.0	0.0	
Non-resource balance	-26.4	-18.4	-17.8	-15.0	-12.1	-12.9	-10.4	-11.2	-10.1	-10.3	-10.4	-10.6	-10.4	-10.2	
Non-resource primary balance	-23.5	-14.8	-12.7	-13.2	-9.3	-9.9	-6.7	-7.4	-6.3	-6.6	-6.6	-6.6	-6.6	-6.6	
Public (central government) debt 5/	84.0	146.4	115.8	118.5	91.8	92.9	87.9	87.4	82.2	82.0	77.7	73.1	69.4	64.7	
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	24.6	36.9	36.9	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	31.7	36.7	36.7	...	...	...	...	...	...	...	...
Domestic debt interest rate (effective)	2.4	4.7	1.4	1.0	15.8	15.6	11.2	10.1	7.7	7.7	7.0	6.4	6.3	5.9	
External debt interest rate (effective)	4.2	1.5	1.6	1.5	2.2	2.2	3.4	3.6	4.1	4.0	4.4	5.0	5.1	5.3	

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy. Note, 2021 balances were revised based on new information from authorities.

2/ The VAT refund arrears are converted to debt that is fully amortized in 2024, thereby not affecting the overall balance (cash basis 2024 onwards)

3/ Includes acquisition of stake in gold mine and loans to state owned enterprises.

4/ Comprised of holding of T-bills and notes by non-bank financial institutions.

5/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

Table 5. Suriname: Balance of Payments
(In millions of U.S. dollars, unless otherwise indicated)

	Est.				Proj.				2025	2026	2027	2028	2029
	2019	2020	2021	2022	2023	2023	2024	2024					
					5th Review		5th Review	5th Review					
Current account	-448	260	176	76	89	147	92	131	85	113	111	109	109
Exports of goods and services	2,287	2,447	2,300	2,600	2,686	2,534	2,742	2,714	2,760	2,734	2,763	2,855	2,930
Imports of goods and services	2,413	1,845	1,876	2,342	2,251	2,218	2,339	2,339	2,439	2,438	2,483	2,584	2,692
Trade balance, goods	532	1,061	865	755	895	775	829	803	742	717	687	672	629
Exports, f.o.b.	2,129	2,344	2,204	2,457	2,515	2,360	2,506	2,478	2,482	2,456	2,455	2,506	2,536
Of which: gold, petroleum	1,903	2,114	1,996	2,218	2,282	2,089	2,263	2,236	2,234	2,208	2,203	2,221	2,243
Imports, f.o.b.	1,598	1,282	1,338	1,701	1,620	1,585	1,677	1,675	1,741	1,739	1,767	1,834	1,908
Trade balance, services	-658	-460	-442	-497	-461	-460	-426	-428	-421	-422	-408	-401	-390
Exports	157	103	96	143	170	173	236	236	277	277	308	349	394
Imports	815	563	538	640	631	633	662	663	698	700	716	750	784
Primary income, net	-412	-466	-393	-308	-461	-308	-416	-394	-337	-324	-302	-286	-253
Credit	21	8	7	12	12	47	13	48	13	48	49	50	51
Debit	433	474	400	320	473	355	429	442	350	372	352	336	305
Secondary income, net	90	124	146	126	116	139	106	149	101	142	135	124	124
Capital and financial account	-508	189	135	392	245	261	310	523	148	166	54	46	58
Capital account	-3	0	37	0	0	1	0	0	0	0	0	0	0
Financial account	-505	189	98	392	245	260	310	523	148	166	54	46	58
Foreign direct investment	8	0	124	-3	69	65	39	56	7	24	38	6	15
Portfolio investment	-117	-35	-47	19	0	46	0	0	0	0	0	0	0
Central government	125	0	0	0	0	0	0	0	0	0	0	1	2
Other investment	-397	225	21	376	176	149	271	466	141	142	16	40	43
Net Acquisition of Assets	-244	168	-43	-36	0	-61	0	0	0	0	0	0	0
Net Incurrence of Liabilities	152	-57	-64	-411	-176	-210	-271	-466	-141	-142	-16	-40	-43
Central government	104	52	-104	-122	48	48	-3	0	9	-13	19	-40	-53
Disbursements	201	98	55	79	114	114	108	103	104	103	113	180	186
IFIs	41	57	55	79	114	114	108	108	103	103	96	88	79
Official bilateral	142	21	0	0	0	0	0	0	0	0	0	0	0
Commercial	19	20	0	0	0	0	0	0	0	0	18	91	107
Amortization	97	46	159	202	66	66	112	108	94	116	94	220	239
IFIs	47	37	61	80	58	58	55	60	66	73	74	72	85
Official bilateral	28	5	14	59	9	9	57	35	28	25	4	31	31
Commercial	21	4	84	63	0	0	13	0	18	16	116	123	133
Other Sectors (including SOE)	48	-109	40	-289	-224	-258	-267	-466	-150	-129	-35	0	10
Errors and omissions	-289	-123	-81	-39	0	-78	0	0	0	0	0	0	0
Overall balance	-234	-53	34	-354	-156	-189	-217	-392	-63	-53	57	64	51
Financing	234	53	-34	354	156	189	217	392	63	53	-57	-64	-51
Change in reserves (- = increase)	254	93	-271	-68	-152	-118	-208	-9	-25	-35	-69	-41	4
Official financing	-20	-40	34	254	308	308	426	401	88	88	12	-22	-55
O/w: IMF	-20	-40	34	54	158	158	251	251	63	63	-13	-22	-55
Purchases	0	0	55	54	158	158	251	251	63	63	0	0	0
O/w: for budget support	0	0	56	53	103	103	103	103	26	26	0	0	0
Repurchases	20	40	21	0	0	0	0	0	0	0	13	22	55
O/w: IFIs	0	0	0	200	150	150	175	150	25	25	25	0	0
External arrears (net) 1/			203	168	-1	-1	0	0	0	0	0	0	0
Memorandum items:													
Gross international reserves	648	585	992	1,195	1,346	1,346	1,554	1,355	1,580	1,390	1,461	1,503	1,499
In months of imports of goods and services	4.2	3.7	5.1	6.5	7.2	7.3	8.0	7.0	7.8	6.8	7.1	7.0	6.7
In percent of Reserve adequacy (risk-weighted measure) 2/	77	73	112	135	149	150	169	149	168	151	158	164	166
Usable gross international reserves 3/	505	129	512	865	1,112	1,112	1,320	1,121	1,345	1,156	1,227	1,268	1,265
In months of imports of goods and services	3.3	0.8	2.6	4.7	5.9	6.0	6.8	5.8	6.6	5.7	5.9	5.9	5.6
In percent of Reserve adequacy (risk-weighted measure) 2/	60	16	58	98	123	124	144	123	143	125	133	139	140
Reserve adequacy (risk-weighted measure), USD millions 2/	843	804	886	886	902	895	919	912	938	922	922	914	904
In months of imports	5.5	5.1	4.5	4.8	4.6	4.6	4.5	4.5	4.5	4.5	4.3	4.1	3.9
GDP (in millions of USD)	4,016	2,912	3,084	3,630.9	3,751	3,751	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,943	1,943	2,061	2,061	2,151	2,151	2,284	2,326	2,326
Oil price (USD per barrel)	61	42	69	96	81	81	78	78	74	74	71	69	68
Weighted average exchange rate (SRD per USD, period average)	7.9	13.3	19.7	24.6	36.9	36.9	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	31.7	36.7	36.7	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+ = appreciation; percent change; period average)	0.7	-19.0	-0.6	8.4	-2.7	-2.7	...	...	...	...	...	...	...
External Debt 4/	3,779	3,650	4,088	4,181	4,285	4,289	4,431	4,413	4,525	4,483	4,442	4,321	4,182
External debt (Percent of GDP)	99.0	163.4	140.2	148.1	113.8	113.9	106.6	106.2	102.7	101.7	95.3	87.0	80.2
O/w: Change in external debt due to exchange rate movements	9.8	86.7	21.8	50.3	15.2	15.3	...	...	...	...	...	...	...

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ External arrears in 2020 are implicitly covered in errors and omissions.

2/ Based on IMF, 2015, "Assessing Reserve Adequacy."

3/ Excluding the PBOC swap and ring-fenced reserves.

4/ Includes both private and public sector debt.

Table 6. Suriname: Balance of Payments
(Percent of GDP)

	2019	2020	Est. 2021	2022	Proj. 2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
					5th Review		5th Review		5th Review					
Current account	-11.2	8.9	5.7	2.1	2.4	3.9	2.1	3.0	1.8	2.5	2.3	2.2	2.1	2.0
Exports of goods and services	56.9	84.0	74.6	71.6	71.6	67.6	63.2	62.6	60.0	59.4	57.7	56.5	55.4	54.2
Imports of goods and services	60.1	63.4	60.8	64.5	60.0	59.1	53.9	53.9	53.0	53.0	51.9	51.1	50.9	50.4
Trade balance, goods	13.2	36.5	28.1	20.8	23.9	20.7	19.1	18.5	16.1	15.6	14.4	13.3	11.9	10.3
Exports, f.o.b.	53.0	80.5	71.5	67.7	67.1	62.9	57.8	57.2	54.0	53.4	51.3	49.6	48.0	46.0
Of which: gold, petroleum	47.4	72.6	64.7	61.1	60.8	55.7	52.2	51.6	48.6	48.0	46.0	44.0	42.4	40.5
Imports, f.o.b.	39.8	44.0	43.4	46.9	43.2	42.3	38.7	38.6	37.8	37.8	36.9	36.3	36.1	35.6
Trade balance, services	-16.4	-15.8	-14.3	-13.7	-12.3	-12.3	-9.8	-9.9	-9.1	-9.2	-8.5	-7.9	-7.4	-6.5
Exports	3.9	3.5	3.1	3.9	4.5	4.6	5.4	5.4	6.0	6.0	6.4	6.9	7.5	8.3
Imports	20.3	19.3	17.4	17.6	16.8	16.9	15.3	15.3	15.2	15.2	15.0	14.8	14.8	14.7
Primary income, net	-10.3	-16.0	-12.7	-8.5	-12.3	-8.2	-9.6	-9.1	-7.3	-7.0	-6.3	-5.7	-4.8	-4.1
Credit	0.5	0.3	0.2	0.3	0.3	1.3	0.3	1.1	0.3	1.1	1.0	1.0	1.0	0.9
Debit	10.8	16.3	13.0	8.8	12.6	9.5	9.9	10.2	7.6	8.1	7.3	6.7	5.8	5.0
Secondary income, net	2.2	4.3	4.7	3.5	3.1	3.7	2.4	3.4	2.2	3.1	2.8	2.5	2.3	2.2
Capital and financial account	-12.7	6.5	4.4	10.8	6.5	6.9	7.1	12.1	3.2	3.6	1.1	0.9	1.1	1.5
Capital account	-0.1	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-12.6	6.5	3.2	10.8	6.5	6.9	7.1	12.1	3.2	3.6	1.1	0.9	1.1	1.5
Foreign direct investment	0.2	0.0	4.0	-0.1	1.8	1.7	0.9	1.3	0.2	0.5	0.8	0.1	0.3	0.8
Portfolio investment	-2.9	-1.2	-1.5	0.5	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other investment	-9.9	7.7	0.7	10.3	4.7	4.0	6.2	10.8	3.1	3.1	0.3	0.8	0.8	0.7
Net Acquisition of Assets	-6.1	5.8	-1.4	-1.0	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	3.8	-2.0	-2.1	-11.3	-4.7	-5.6	-6.2	-10.8	-3.1	-3.1	-0.3	-0.8	-0.8	-0.7
Central government	2.6	1.8	-3.4	-3.4	1.3	1.3	-0.1	0.0	0.2	-0.3	0.4	-0.8	-1.0	-1.2
Disbursements	5.0	3.4	1.8	2.2	3.0	3.0	2.5	2.5	2.2	2.3	2.4	3.6	3.5	3.6
IFIs	1.0	2.0	1.8	2.2	3.0	3.0	2.5	2.5	2.3	2.3	2.0	1.8	1.5	1.3
Official bilateral	3.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	0.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.8	2.0	2.3
Amortization	2.4	1.6	5.2	5.6	1.8	1.8	2.6	2.5	2.0	2.5	2.0	4.3	4.5	4.8
IFIs	1.2	1.3	2.0	2.2	1.5	1.5	1.3	1.4	1.4	1.6	1.5	1.4	1.6	1.4
Official bilateral	0.7	0.2	0.5	1.6	0.2	0.2	1.3	0.8	0.6	0.5	0.1	0.6	0.6	1.1
Commercial	0.5	0.1	2.7	1.7	0.0	0.0	0.0	0.3	0.0	0.4	0.3	2.3	2.3	2.4
Other Sectors (including SOE)	1.2	-3.7	1.3	-8.0	-6.0	-6.9	-6.2	-10.8	-3.3	-2.8	-0.7	0.0	0.2	0.5
Errors and omissions	-7.2	-4.2	-2.6	-1.1	0.0	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-5.8	-1.8	1.1	-9.8	-4.2	-5.1	-5.0	-9.0	-1.4	-1.2	1.2	1.3	1.0	0.5
Financing	5.8	1.8	-1.1	9.8	4.2	5.1	5.0	9.0	1.4	1.2	-1.2	-1.3	-1.0	-0.5
Change in reserves (- = increase)	6.3	3.2	-8.8	-1.9	-4.0	-3.1	-4.8	-0.2	-0.5	-0.8	-1.4	-0.8	0.1	1.2
Official financing	-0.5	-1.4	1.1	7.0	8.2	8.2	9.8	9.2	1.9	1.9	0.2	-0.4	-1.0	-1.7
O/w: IMF	-0.5	-1.4	1.1	1.5	4.2	4.2	5.8	5.8	1.4	1.4	-0.3	-0.4	-1.0	-1.7
Purchases	0.0	0.0	1.8	1.5	4.2	4.2	5.8	5.8	1.4	1.4	0.0	0.0	0.0	0.0
O/w: for budget support	0.0	0.0	1.8	1.5	2.7	2.7	2.4	2.4	0.6	0.6	0.0	0.0	0.0	0.0
Repurchases	0.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	1.0	1.7
O/w: IFIs	0.0	0.0	0.0	5.5	4.0	4.0	4.0	3.5	0.5	0.5	0.5	0.0	0.0	0.0
External arrears (net) 1/			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:														
Gross international reserves	648	585	992	1,195	1,346	1,346	1,554	1,355	1,580	1,390	1,461	1,503	1,499	1,432
In months of imports of goods and services	4.2	3.7	5.1	6.5	7.2	7.3	8.0	7.0	7.8	6.8	7.1	7.0	6.7	6.1
In percent of Reserve adequacy (risk-weighted measure) 2/	77	73	112	135	149	150	169	149	168	151	158	164	166	162
Usable gross international reserves 3/	505	129	512	865	1,112	1,112	1,320	1,121	1,345	1,156	1,227	1,268	1,265	1,198
In months of imports of goods and services	3.3	0.8	2.6	4.7	5.9	6.0	6.8	5.8	6.6	5.7	5.9	5.9	5.6	5.1
In percent of Reserve adequacy (risk-weighted measure) 2/	60	16	58	98	123	124	144	123	143	125	133	139	140	135
Reserve adequacy (risk-weighted measure), USD millions 2/	843	804	886	886	902	895	919	912	938	922	922	914	904	886
In months of imports	5.5	5.1	4.5	4.8	4.6	4.6	4.5	4.5	4.5	4.5	4.3	4.1	3.9	3.6
GDP (in millions of USD)	4,016	2,912	3,084	3,631	3,751	3,751	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,943	1,943	2,061	2,061	2,151	2,151	2,284	2,326	2,326	2,326
Oil price (USD per barrel)	61	42	69	96	81	81	78	78	74	74	71	69	68	67
Weighted average exchange rate (SRD per USD, period average)	7.9	13.3	19.7	24.6	36.9	36.9	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	31.7	36.7	36.7	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+ = appreciation; percent change)	0.7	-19.0	-0.6	8.4	-2.7	-2.7	...	...	...	...	...	...	...	...
External Debt 4/	3,779	3,650	4,088	4,181	4,285	4,289	4,431	4,413	4,525	4,483	4,442	4,321	4,182	3,991
External debt (Percent of GDP)	99.0	163.4	140.2	148.1	113.8	113.9	106.6	106.2	102.7	101.7	95.3	87.0	80.2	71.9
o/w: Change in external debt due to exchange rate movements	9.8	86.7	21.8	50.3	15.2	15.3	...	...	...	...	...	...	...	...

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ External arrears in 2020 are implicitly covered in errors and omissions.

2/ Based on IMF, 2015, "Assessing Reserve Adequacy."

3/ Excluding the PBOC swap and ring-fenced reserves.

4/ Includes both private and public sector debt.

Table 7. Suriname: Gross External Financing Requirements
(In millions of US. dollars, unless otherwise indicated)

	Est.					Proj.								
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
					5th Review		5th Review		5th Review					
1. Gross external financing requirements	557	-119	82	239	201	25	287	444	184	157	68	135	121	132
A. Current account deficit	448	-260	-176	-76	-89	-147	-92	-131	-85	-113	-111	-109	-109	-110
B. Public sector debt amortization	122	146	259	308	166	166	212	208	119	141	144	245	240	271
(i) Central government	97	46	159	202	66	66	112	108	94	116	94	220	239	269
(ii) CBVS	0	0	0	0	0	0	0	0	0	0	0	0	1	2
(iii) SOEs	25	100	100	107	100	100	100	100	25	25	50	25	0	0
C. Other outflows	-13	-5	-1	7	124	5	167	366	150	129	35	0	-10	-30
2. Sources of financing	611	-48	197	-77	-65	-198	69	-111	121	68	125	199	172	158
A. Asset sales (net) (Other investment account)	244	-168	43	36	0	61	0	0	0	0	0	0	0	0
B. Foreign direct investment (net)	-8	0	-124	3	-69	-65	-39	-56	-7	-24	-38	-6	-15	-46
C. Portfolio flows (net)	117	35	47	-19	0	-46	0	0	0	0	0	0	0	0
(i) Central government	125	0	0	0	0	0	0	0	0	0	0	0	1	2
(ii) SOEs	0	51	0	0	0	0	0	0	0	0	0	0	0	0
(iii) Other	-9	-16	47	-19	0	-46	0	0	0	0	0	0	-1	-2
D. Public sector debt financing	201	98	55	79	114	114	108	108	103	104	113	180	186	201
(i) Central government	201	98	55	79	114	114	108	108	103	104	113	180	186	201
(ii) SOEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E. Other inflows (net)	57	-14	176	-176	-111	-263	0	-163	25	-11	50	25	1	2
<i>Balance (2-1) excluding expected accumulation of gross reserves; Gap (-)</i>	54	71	115	-315	-267	-223	-217	-555	-63	-89	57	64	51	26
<i>Surplus (+)</i>														
3. Expected change in gross reserves of the CBVS; accumulation (-)	254	93	-271	-68	-152	-118	-208	-9	-25	-35	-69	-41	4	66
4. Errors and omissions	-289	-123	-81	-39	0	-78	0	0	0	0	0	0	0	0
5. Financing needs -(2-1+3+4)	-20	-40	237	423	418	418	426	563	88	124	12	-22	-55	-92
Allocation by:														
(i) Official financing	-20	-40	34	254	308	308	426	401	88	88	12	-22	-55	-92
a. IMF	-20	-40	34	54	158	158	251	251	63	63	-13	-22	-55	-92
Purchases	0	0	55	54	158	158	251	251	63	63	0	0	0	0
O/w: for budget support	0	0	56	53	103	103	103	103	26	26	0	0	0	0
Repurchases	20	40	21	0	0	0	0	0	0	0	13	22	55	92
b. IFIs	0	0	0	200	150	150	175	150	25	25	25	0	0	0
(ii) External arrears (net)			203	168	-1	-1	0	0	0	0	0	0	0	0
(iii) Financing from external debt restructuring 1/					111	111	0	163	0	36				
							(In percent of GDP)							
1. Gross external financing requirements	13.9	-4.1	2.7	6.6	5.4	0.7	6.6	10.2	4.0	3.4	1.4	2.7	2.3	2.4
A. Current account deficit	11.2	-8.9	-5.7	-2.1	-2.4	-3.9	-2.1	-3.0	-1.8	-2.5	-2.3	-2.2	-2.1	-2.0
B. Public sector debt amortization	3.0	5.0	8.4	8.5	4.4	4.4	4.9	4.8	2.6	3.1	3.0	4.8	4.5	4.9
(i) Central government	2.4	1.6	5.2	5.6	1.8	1.8	2.6	2.5	2.0	2.5	2.0	4.3	4.5	4.8
(ii) CBVS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) SOEs	0.6	3.4	3.2	2.9	2.7	2.7	2.3	2.3	0.5	0.5	1.0	0.5	0.0	0.0
C. Other outflows	-0.3	-0.2	0.0	0.2	3.3	0.1	3.9	8.5	3.3	2.8	0.7	0.0	-0.2	-0.5
2. Sources of financing	15.2	-1.6	6.4	-2.1	-1.7	-5.3	1.6	-2.6	2.6	1.5	2.6	3.9	3.3	2.8
A. Asset sales (net) (Other investment account)	6.1	-5.8	1.4	1.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign direct investment (net)	-0.2	0.0	-4.0	0.1	-1.8	-1.7	-0.9	-1.3	-0.2	-0.5	-0.8	-0.1	-0.3	-0.8
C. Portfolio flows (net)	2.9	1.2	1.5	-0.5	0.0	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Central government	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) SOEs	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Other	-0.2	-0.5	1.5	-0.5	0.0	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Public sector debt financing	5.0	3.4	1.8	2.2	3.0	3.0	2.5	2.5	2.2	2.3	2.4	3.6	3.5	3.6
(i) Central government	5.0	3.4	1.8	2.2	3.0	3.0	2.5	2.5	2.2	2.3	2.4	3.6	3.5	3.6
(ii) SOEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. Other inflows (net)	1.4	-0.5	5.7	-4.8	-3.0	-7.0	0.0	-3.8	0.5	-0.2	1.0	0.5	0.0	0.0
<i>Balance (2-1) excluding expected accumulation of gross reserves; Gap (-)</i>	1.3	2.4	3.7	-8.7	-7.1	-5.9	-5.0	-12.8	-1.4	-1.9	1.2	1.3	1.0	0.5
<i>Surplus (+)</i>														
3. Expected change in gross reserves of the CBVS; accumulation (-)	6.3	3.2	-8.8	-1.9	-4.0	-3.1	-4.8	-0.2	-0.5	-0.8	-1.4	-0.8	0.1	1.2
4. Errors and omissions	-7.2	-4.2	-2.6	-1.1	0.0	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Financing needs -(2-1+3+4)	-0.5	-1.4	7.7	11.6	11.1	11.1	9.8	13.0	1.9	2.7	0.2	-0.4	-1.0	-1.7
Allocation by:														
(i) Official financing	-0.5	-1.4	1.1	7.0	8.2	8.2	9.8	9.2	1.9	1.9	0.2	-0.4	-1.0	-1.7
a. IMF	-0.5	-1.4	1.1	1.5	4.2	4.2	5.8	5.8	1.4	1.4	-0.3	-0.4	-1.0	-1.7
Purchases	0.0	0.0	1.8	1.5	4.2	4.2	5.8	5.8	1.4	1.4	0.0	0.0	0.0	0.0
O/w: for budget support	0.0	0.0	1.8	1.5	2.7	2.7	2.4	2.4	0.6	0.6	0.0	0.0	0.0	0.0
Repurchases	0.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	1.0	1.7
b. IFIs	0.0	0.0	0.0	5.5	4.0	4.0	4.0	3.5	0.5	0.5	0.5	0.0	0.0	0.0
(ii) External arrears (net)			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Financing from external debt restructuring 1/					3.0	3.0	0.0	3.8	0.0	0.8	0.0	0.0	0.0	0.0

Sources: Fund staff estimates and projections.

1/ Calculated as a difference between the debt restructuring scenario and a scenario without debt restructuring.

Table 8. Suriname: Depository Corporations Survey and Central Bank Accounts
(Millions of SRD)

	2017	2018	2019	2020	2021	2022	Proj.					
							2023	2023	2024	2024	2025	2025
							5th Review		5th Review		5th Review	
Monetary Survey												
Net foreign assets	6,365	8,430	5,867	11,674	23,827	47,473	70,057	69,449	77,091	72,481	89,101	79,191
Net international reserves (Held by the CBvS)	2,515	3,685	4,345	7,905	20,727	36,876	46,903	46,296	51,636	45,135	58,000	47,820
Net other foreign assets	3,850	4,745	1,522	3,769	3,100	10,596	23,154	23,154	25,455	27,346	31,101	31,371
Net domestic assets	10,669	9,976	13,430	20,119	22,358	19,544	10,046	10,654	9,511	11,401	12,115	14,487
Net claims on the public sector	3,726	3,462	4,787	11,310	10,682	4,684	-4,661	-4,661	-5,976	-5,060	-3,454	-3,237
Of which: on central government	3,912	3,612	5,055	11,360	10,501	5,301	-3,973	-3,973	-5,241	-4,292	-2,619	-2,391
From CBvS	1,947	1,797	3,248	8,234	6,877	780	-5,497	-5,497	-6,909	-5,953	-4,687	-4,398
From Commercial Banks	1,964	1,815	1,807	3,126	3,624	4,521	1,524	1,524	1,669	1,661	2,068	2,007
Net claims LC	1,186	1,053	78	985	390	-385	-2,088	-2,088	-2,095	-2,187	-2,146	-2,196
Net claims FC	779	762	1,729	2,141	3,234	4,906	3,612	3,612	3,764	3,848	4,214	4,203
(In USD millions)	105	103	234	153	155	154	98	100	96	95	95	95
Credit to the private sector	7,618	7,278	7,310	9,299	11,019	18,255	21,034	21,641	24,865	25,917	28,004	30,466
Other items, net	-675	-764	1,334	-490	657	-3,395	-6,326	-6,327	-9,377	-9,456	-12,435	-12,743
Broad money 1/	17,030	18,403	19,269	31,793	46,185	67,016	80,103	80,103	86,602	83,882	101,216	93,678
Currency in circulation	1,288	1,504	1,973	3,498	4,397	5,578	6,654	6,654	7,113	6,547	7,966	7,595
Local currency deposits	4,783	5,731	6,842	8,473	10,623	13,321	16,676	16,676	18,286	16,834	21,019	19,531
Foreign currency deposits	10,959	11,168	10,454	19,823	31,165	48,117	56,774	56,774	61,203	60,501	72,231	66,551
Central Bank (CBvS)												
Net foreign assets	512	1,992	2,394	4,039	11,266	28,020	36,719	36,111	40,638	33,831	45,489	35,342
(In USD millions)	69	269	324	288	539	882	999	995	1,036	837	1,023	795
Net international reserves	2,515	3,685	4,345	7,905	20,727	36,876	46,903	46,296	51,636	45,135	58,000	47,820
(In USD millions)	340	498	587	564	992	1,161	1,277	1,276	1,317	1,117	1,305	1,076
Of which:												
Gross International Reserves	3,140	4,296	4,790	8,199	20,730	37,934	49,460	48,852	60,959	54,785	70,224	60,088
(In USD millions)	424	581	648	585	992	1,194	1,346	1,346	1,554	1,356	1,580	1,352
Liabilities	-625	-611	-445	-294	-3	-1,058	-2,557	-2,557	-9,324	-9,649	-12,224	-12,268
(In USD millions)	-84	-82	-60	-21	0	-33	-70	-70	-238	-239	-275	-276
Net other foreign assets	-398	-1,694	-1,951	-3,866	-9,461	-8,856	-10,184	-10,184	-10,997	-11,304	-12,511	-12,478
Gross Other foreign assets	360	256	21	44	63	95	125	125	121	155	137	170
(In USD millions)	49	35	3	3	3	3	3	3	3	4	3	4
Gross other foreign liabilities	-1,944	-1,950	-1,971	-3,910	-9,524	-8,951	-10,309	-10,309	-11,119	-11,459	-12,648	-12,648
(In USD millions)	-263	-264	-267	-279	-456	-282	-281	-284	-284	-284	-284	-284
SDR allocations	-900	-906	-901	-1,779	-6,189	-8,947	-10,305	-10,305	-11,114	-11,454	-12,642	-12,642
(In USD millions)	-122	-123	-122	-127	-296	-282	-280	-284	-283	-283	-284	-284
Other (incl. RMB Swap with PBoC)	-1,043	-1,043	-1,070	-2,131	-3,335	-5	-5	-5	-5	-5	-6	-6
(In USD millions)	-141	-141	-145	-152	-160	0	0	0	0	0	0	0
Net domestic assets	3,162	2,983	7,198	8,766	7,689	-565	-7,341	-7,341	-9,290	-2,770	-9,914	-227
Net claims on public sector	1,947	1,797	3,248	8,234	6,877	780	-5,497	-5,497	-6,909	-5,953	-4,687	-4,398
Of which: central government	1,947	1,797	3,248	8,234	6,877	780	-5,497	-5,497	-6,909	-5,953	-4,687	-4,398
Net claims on commercial banks	186	39	264	-2,496	-4,731	-7,380	-7,941	-7,941	-7,081	-1,434	-8,266	2,084
Other items, net	1,029	1,147	3,686	3,027	5,544	6,035	6,097	6,096	4,701	4,617	3,039	2,087
Reserve money	3,674	4,975	9,593	12,817	18,967	27,470	28,816	28,816	31,348	31,061	35,575	35,115
Currency in circulation	1,550	1,757	2,263	3,861	4,792	6,084	7,215	7,215	7,714	7,100	8,639	8,237
Bankers deposits	2,007	3,109	7,211	8,869	14,054	21,229	21,331	21,331	23,371	23,671	26,648	26,565
Other demand deposits in national currency	74	68	90	19	23	14	75	75	75	75	75	75
Gold certificates	43	42	28	67	97	143	194	194	188	216	214	238
Memorandum items:	(12-month percent change, unless otherwise indicated)											
Monetary survey												
Velocity (GDP/broad money; end of period)	1.6	1.6	1.6	1.2	1.3	1.3	1.7	1.7	1.9	2.0	1.9	2.1
Broad money	9.0	8.1	4.7	65.0	45.3	45.1	19.5	19.5	8.1	4.7	16.9	11.7
Broad money (constant exchange rate)	8.6	8.1	4.7	16.4	60.2	11.7	12.1	12.8	5.1	-2.0	9.5	8.4
Broad money (local currency portion only)	12.4	19.2	21.8	35.8	25.5	25.8	23.4	23.4	8.9	0.2	14.1	16.0
Broad money (in real terms)	-0.3	2.5	0.5	2.6	-9.6	-6.1	-9.9	-9.9	-5.4	-8.3	5.3	0.6
Broad money (Percent of GDP)	63.3	61.7	60.7	82.1	76.0	74.9	57.9	57.9	51.6	50.0	51.6	47.8
FX deposits	6.6	1.9	-6.4	0.0	5.5	1.6	2.0	3.3	1.0	-4.3	4.1	0.0
Credit to the private sector	1.2	-4.5	0.4	27.2	18.5	65.7	15.2	18.6	18.2	19.8	12.6	17.6
Credit to private sector (in real terms)	-7.4	-9.4	-3.6	-20.9	-26.3	7.2	-13.1	-10.6	3.5	4.9	1.4	5.9
Credit to private sector (Percent of GDP)	28.3	24.4	23.0	24.0	18.1	20.4	15.2	15.6	14.8	15.4	14.3	15.5
Central bank												
Reserve money	22.3	35.4	92.8	33.6	48.0	44.8	4.9	4.9	8.8	7.8	13.5	13.1
Reserve money (constant exchange rate)	24.4	37.1	144.1	-5.6	24.3	21.8	10.5	10.9	7.6	7.3	8.9	12.1
Reserve money (local currency portion only)	19.3	33.1	19.1	42.7	26.3	32.3	35.1	35.1	9.5	12.0	10.2	15.1
Reserve money (in real terms)	11.9	28.4	85.0	-16.9	-7.9	-6.3	-20.9	-20.9	-4.8	-5.6	2.2	1.8
Reserve money (Percent of GDP)	13.7	16.7	30.2	33.1	31.2	30.7	20.8	20.8	18.7	18.5	18.2	17.9
Money multiplier (SRD broad money/reserve mor	1.9	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.4	1.3	1.5	1.3

Sources: Central Bank of Suriname; and IMF staff calculations and projections.

1/ The definition of broad money excludes deposits of public nonfinancial corporations (which are included in net claims on the public sector).

Table 9. Suriname: Financial Soundness Indicators
(In percent)

	2018	2019	2020	2021	2022*	2023*	2023	2023	2023	2024
	Dec.	Dec.	Dec.	Dec.	Dec.	Jun	Sep	Oct	Dec	Mar
Capital Adequacy										
Regulatory capital to risk-weighted assets	9.6	11.4	11.8	14.5	16.8	18.4	18.7	18.9	20.3	21.6
Regulatory Tier 1 capital to risk-weighted assets	9.0	10.8	10.5	13.1	15.5	17.3	16.7	16.9	18.4	19.9
Tier 1 capital to total assets (leverage ratio)	4.9	4.9	4.3	5.7	6.1	7.4	7.1	7.2	7.7	8.3
Asset Quality										
NPL to gross loans	12.0	10.6	14.6	12.8	12.4	16.1	14.3	14.0	13.0	10.4
NPL net of provisions to Tier 1 capital	39.0	34.9	68.1	43.6	35.2	45.5	40.6	39.9	33.7	32.1
Provisions to total NPLs	61.6	60.5	46.0	...	39.9	35.7	..	..	..	..
Large exposures to capital	272.5	228.7	306.5	178.3	150.2	112.8	113.5	115.4	95.2	79.2
Foreign currency loans to total loans	62.8	59.2	49.1	55.5	61.5	61.3	61.5	61.0	60.3	58.6
Earnings and Profitability										
Return on assets (ROA, annualized)	0.1	1.0	2.0	1.8	2.7	1.2	2.0	2.2	2.7	0.7
Return on equity (ROE, annualized)	1.9	16.7	34.8	29.6	44.8	16.0	27.4	29.9	36.5	9.3
Net interest income to gross income	70.6	69.2	47.7	53.5	61.7	63.3	66.2	67.0	67.0	76.6
Spread between lending and deposit rates (ppts)	8.0	7.4	7.4	7.7	8.1	8.4	8.3	8.5	8.5	8.7
Liquidity										
Liquid assets to total assets	40.2	46.8	51.5	58.8	54.3	52.3	53.7	53.2	53.6	54.2
Liquid assets to short-term liabilities	82.1	93.4	101.3	117.0	114.0	102.7	106.7	104.6	102.6	103.6
Total loans to total deposits *	44.6	47.9	40.2	...	35.1	35.2	..	35.8	34.1	33.0
Sensitivity to market risk										
Net open positions in foreign currency to capital 1/	22.2	11.5	20.8	39.4	23.2	21.0	16.8	21.7	20.6	17.7
Foreign currency liabilities to total liabilities	66.5	60.9	69.2	71.6	74.1	75.0	75.3	74.6	73.3	71.8

Source: Central Bank of Suriname

1/ The increase in net asset position in 2020 and 2021 includes a valuation effect attributable to significant depreciation.

* IMF staff calculations

Table 10. Suriname: Schedule of Reviews and Available Purchases

Availability Date	Millions of SDR	Percent of Quota	Conditions
12/22/2021	39.4	30.6	Board Approval of the Extended Arrangement
3/15/2022	39.4	30.6	First review and continuous and end-December 2021 performance criteria
6/14/2023	39.4	30.6	Second review and continuous, end-December 2022 performance criteria
9/14/2023	39.4	30.6	Third review and continuous and end-June 2023 performance criteria
12/14/2023	39.4	30.6	Fourth review and continuous and end-September 2023 performance criteria
3/14/2024	46.7	36.3	Fifth review and continuous and end-December 2023 performance criteria
6/14/2024	46.7	36.3	Sixth review and continuous and end-March 2024 performance criteria
9/14/2024	46.7	36.3	Seventh review and continuous and end-June 2024 performance criteria
12/6/2024	46.8	36.3	Eight review and continuous and end-September 2024 performance criteria
3/14/2025	46.8	36.3	Ninth and final review and continuous and end-December 2024 performance criteria
Total	430.7	334.1	
Memo:			
Quota	128.9		

Table 11. Suriname: Program Monitoring—Indicators of Fund Credit Under the EFF Supported Program
(In millions of SDR, unless otherwise indicated)

	Proj.												
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prospective Drawings	39.4	118.2	186.9	46.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of quota	30.6	91.7	145.0	36.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	9.8	16.4	40.6	67.9	71.8	71.8	61.9	55.4	31.2
Total Interest / Charges	2.0	8.5	18.1	28.8	30.0	29.1	28.2	25.2	19.6	14.8	11.3	8.2	5.6
Total Debt Services	2.0	8.5	18.1	28.8	39.8	45.6	68.8	93.1	91.4	86.6	73.2	63.5	36.8
Percent of exports	0.1	0.4	0.9	1.4	1.9	2.1	3.2	4.1	3.9	3.6	2.9	2.4	1.3
Percent of usable reserves	0.3	1.0	2.2	3.5	4.5	5.0	7.6	10.8	11.1	12.0	11.6	11.3	6.8
Percent of GDP	0.1	0.3	0.6	0.8	1.1	1.2	1.8	0.1	0.1	0.1	0.1	0.0	0.0
Percent of quota	1.6	6.6	14.1	22.3	30.9	35.3	53.4	72.2	70.9	67.2	56.8	49.3	28.5
Outstanding Credit (eop)	78.8	197.0	383.9	430.7	420.9	404.4	363.8	295.9	224.2	152.4	90.4	35.1	3.9
Percent of exports	4.1	10.4	18.9	21.1	20.5	19.1	16.7	13.2	9.6	6.2	3.6	1.3	0.1
Percent of usable reserves	12.2	23.6	45.8	51.7	47.6	44.3	40.0	34.4	27.2	21.2	14.3	6.3	0.7
Percent of GDP	2.9	7.0	11.8	12.6	11.8	10.8	9.3	7.1	5.1	3.3	1.8	0.7	0.1
Percent of quota	61.1	152.8	297.8	334.1	326.5	313.8	282.2	229.6	173.9	118.2	70.2	27.2	3.0
Memo items:													
Quota	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9
Exports of G&S (US\$ million)	2,600	2,534	2,714	2,734	2,763	2,855	2,930	3,031	3,154	3,284	3,427	3,585	3,759
Gross International Reserves (US\$ million)	1,195	1,346	1,356	1,352	1,423	1,464	1,461	1,394	1,345	1,204	1,088	989	964
as percent of ARA	135	150	149	147	154	160	162	157	159	144	132	121	119
Gross International Usable Reserves (excluding PBoC swap and ring-fenced reserves (US\$ million)	865	1,112	1,121	1,117	1,188	1,230	1,227	1,160	1,111	970	854	755	730
as percent of ARA	98	124	123	121	129	135	136	131	131	116	103	92	90
Nominal GDP (SRD million)	89,472	138,344	167,930	195,958	219,719	242,976	262,706	284,248	307,355	332,324	359,415	388,666	420,321

Source: IMF staff calculations and projections.

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/
(In millions of Suriname dollars, unless otherwise indicated)

	2020		2021				2022				2022						
	Act.	PC	end-Dec		Met/Not met	end-Jan.		Met/Not met	end-Feb.		Met/Not met	end-Mar.		Met/Not met			
			Act.	PC		IT	Adj. IT		Act.	IT		Adj. IT	Act.		PC	Adj. PC	
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
2. Stock of VAT refunds outstanding (ceiling)																	
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14,018	14,018		14,018		14,018		14,018		14,018		14,018		14,018		14,018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Apr.				2022 end-May.				end Jun.			
	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	442	166	-111	Not Met	552	300	8	Not Met	663	707	660	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	118	49	13	Not Met	122	104	92	Not Met	156	150	156	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,040	-67	134	Not Met	-941	-691	-246	Not Met	-1,263	-1,188	-591	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									742		832	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	21,223		19,110		21,856		20,025		22,390		20,280	
Reserve money (local currency portion only)	9,801		9,516		9,954		9,860		10,107		10,411	
Reserve money (constant exchange rates)	16,306		16,136		16,459		16,676		16,612		16,879	
NFA (constant exchange rates)	8,220		7,022		8,277		7,943		8,739		8,490	
Gross international reserves (millions of U.S. dollar)	1,000		886		1,004		951		1,094		983	
Usable international reserves (millions of U.S. dollar) 5/	674		558		678		620		768		656	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Jul.				2022 end-Aug.				end Sep.			
	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	773	1,005	311	Not Met	884	946	346	Not Met	994	1,218	345	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	158	159	169	Met	160	168	192	Met	192	169	193	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,142	-1,161	-91	Not Met	-1,016	-1,124	-77	Not Met	-1,316	-986	-14	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,112		1,315	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	22,912		21,413		23,444		22,654		23,858		23,723	
Reserve money (local currency portion only)	10,260		11,098		10,413		11,359		10,566		11,450	
Reserve money (constant exchange rates)	16,765		17,587		16,918		18,084		17,071		18,424	
NFA (constant exchange rates)	8,778		8,698		8,811		9,182		9,253		9,458	
Gross international reserves (millions of U.S. dollar)	1,097		991		1,099		1,018		1,187		1,029	
Usable international reserves (millions of U.S. dollar) 5/	771		667		773		698		862		713	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Oct.				2022 end-Nov.				end-Dec.			
	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,105	1,788	657	Not Met	1,215	2,111	1,174	Not Met	1,326	2,625	1,150	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0.02	Not Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	194	169	204	Met	196	150	179	Met	226	313	332	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,193	-845	-111	Not Met	-1,063	-425	435	Not Met	-1,332	-2,548	-1,080	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,483		1,717	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	24,277		25,205		24,660		26,514		25,047		27,470	
Reserve money (local currency portion only)	10,718		11,507		10,871		11,632		11,024		12,263	
Reserve money (constant exchange rates)	17,224		18,583		17,377		18,710		17,529		19,414	
NFA (constant exchange rates)	9,289		9,714		9,316		9,296		9,478		11,514	
Gross international reserves (millions of U.S. dollar)	1,190		1,045		1,192		1,031		1,260		1,194	
Usable international reserves (millions of U.S. dollar) 5/	864		716		866		707		934		865	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,013	Met	1,338	1,693	2,181	Met	1,529	1,826	1,856	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Sep.				2023 end-Oct.				end-Nov.				end-Dec.			
	PC	Adj. PC	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met				
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,721	1,790	1,773	Not Met	1,912	1,550	2,088	Met	2,103	1,306	2,133	Met	2,294	637	2,029	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		-1,042.3	Met	0		-1,042	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57	-39	5	Met	-73	-61	-7	Met	-6	22	152	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214	3,967	2,995	Met	4,722	4,554	3,743	Met	4,121	3,733	1,986	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		15	Met	25		18	Met	30		20	Met
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		3,077	Not Met
2. Stock of VAT refunds outstanding (ceiling)																
Memorandum items																
Reserve money	29,440		26,720		30,049		27,660		30,670		28,647		31,374		28,816	
Reserve money (local currency portion only)	15,320		14,208		15,573		15,111		15,831		15,621		16,162		16,566	
Reserve money (constant exchange rates)	20,589		19,167		20,857		20,000		21,130		20,708		21,477		21,523	
NFA (constant exchange rates)	8,797		8,819		8,742		9,212		8,507		9,223		9,455		11,264	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		1,141		1,112		1,142		1,234		1,346	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		908		873		908		995		1,112	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	2024															
	end-Jan.				end-Feb.				end-Mar.				end-April.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384	661	-123	Not Met	769	1,618	306	Not Met	1,153	1,755	28	Not Met	1,538	TBD	TBD	
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0			Met	0		0	Met	0		0	Met	0	TBD	TBD	
3. New central government guaranteed debt (continuous ceiling)	0			Met	0		0	Met	0		0	Met	0	TBD	TBD	
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0			Met	0		0	Met	0		0	Met	0	TBD	TBD	
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	-1,662	Met	0	0	-1,662	Met	0	0	-1,662	Met	0	0	-1,662	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-10	-14	Not Met	-25	-1	-2	Not Met	-65	-19	-22	Not Met	-29	-11	-29	Not Met
7. Net domestic assets of the central bank (ceiling) 2/	454	494	378	Met	1,041	702	855	Not Met	1,423	773	1,346	Not Met	1,066	804	1,209	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0		TBD	TBD
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/ 7/	30	30	23	Met	30	30	25	Met	30	30	27	Met	30	30	TBD	TBD
Indicative Targets																
1. Social spending of central government (floor) 2/									1,308	1,308	1,086	Not Met				
2. Stock of VAT refunds outstanding (ceiling)													909	909	748	Met
Memorandum items																
Reserve money	28,866		29,074		29,300		29,226		29,699		28,810		29,526		28,238	
Reserve money (local currency portion only)	15,978		16,841		16,298		17,416		16,582		17,627		17,202		17,389	
Reserve money (constant exchange rates)	20,761		21,639		21,085		21,817		21,373		22,442		22,110		22,160	
NFA (constant exchange rates)	9,112		11,101		8,849		11,270		8,682		10,826		10,656		10,773	
Gross international reserves (millions of U.S. dollar)	1,188		1,328		1,169		1,334		1,225		1,365		1,365		1,364	
Usable international reserves (millions of U.S. dollar) 5/	955		1,093		936		1,100		991		1,131		1,131		1,130	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024																			
	end-May.			end-Jun.			end-Jul.			end Aug.		end Sep.		end Oct.		end Nov.		end Dec.		
	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC					
Quantitative Performance Criteria																				
Fiscal/debt targets																				
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,922	2,307	692	1,346	1,999	4,705	2,653	3,306	3,960	4,613	4,613									
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. New central government guaranteed debt (continuous ceiling)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary targets																				
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-14	-62	-96	-122	-160	-21	-171	-196	-232	-43	-258									
7. Net domestic assets of the central bank (ceiling) 2/	980	1,854	2,277	2,781	3,437	1,711	3,707	4,178	4,714	2,232	5,183									
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 6/	0	0		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Indicative Targets																				
1. Social spending of central government (floor) 2/		2,617	2,617			3,785	3,785			5,122	5,122									
2. Stock of VAT refunds outstanding (ceiling)		722	722			443	443			163	164									
Memorandum items																				
Reserve money	28,004	30,067	30,127	30,312	30,490	30,824	30,660	30,821	30,909	31,348	31,061									
Reserve money (local currency portion only)	17,570	17,524	17,749	17,912	18,067	17,950	18,215	18,356	18,423	18,142	18,556									
Reserve money (constant exchange rates)	22,312	22,439	22,463	22,596	22,724	22,878	22,844	22,957	22,996	23,082	23,101									
NFA (constant exchange rates)	11,073	10,197	9,926	9,557	9,028	10,779	8,877	8,520	8,023	10,462	7,659									
Gross international reserves (millions of U.S. dollar)	1,396	1,400	1,382	1,356	1,318	1,509	1,375	1,349	1,314	1,554	1,356									
Usable international reserves (millions of U.S. dollar) 5/	1,162	1,166	1,148	1,121	1,084	1,275	1,140	1,115	1,080	1,320	1,121									
Program exchange rate	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018									

Source: Authorities and IMF staff calculations and projections.

1/ Targets as defined in the Technical Memorandum of Understanding.

2/ Cumulative flows from beginning of the year.

3/ The 2020 figure is a stock as of end-June 2021.

4/ The 2020 figure is a stock as of end-December 2020.

5/ Official reserve assets excluding the PBOC swap and ring-fenced reserves.

6/ Non-observance for the month February 2023

7/ Table adjusted to incorporate cumulative flows from 2023

Table 13. Suriname: Structural Benchmarks Under the EFF

Measure	SR 1	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v)		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters.	14	September 2023	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	17	June 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	17	September 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	17	April 2024	Not met	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	14	December 2023	Not met; implemented with delay in May 2024	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	16	December 2023	Not met; implemented with delay in February	Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility		October 2023	Not met; implemented with delay in December	Improve strength of the financial sector.
CBvS, in consultation with IMF, to set common equity tier one and capital adequacy ratio targets for banks and outline the corrective measures it would escalate if CET1/CAR	16	March 2024	Not met; implemented with delay in April 2024	Improve strength of the financial sector.

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Table 13. Suriname: Structural Benchmarks Under the EFF (continued)

Measure	SR 1	Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met; audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	8	December 2023	Not met; implemented with delay in May 2024	Strengthen social spending.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption		July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.		October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detailed procedures) to halt payments of salaries for unregistered workers.		October 2023	Not Met; implemented with delay in November 2023	Strengthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	10	March 2024	Not Met; implemented with delay in April 2024	Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	10	Continuous	Met	Strengthen PFM.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments		January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	8	January 2024	Met	Improve governance and increase transparency.
Mandate that all tax declarations and transactions use a Fiscal Identification Number	8	June 2024	Proposed to be reformulated as below	Improve tax administration.
Mandate that all importers/exporters use a Fiscal Identification Number.	8	June 2024	New proposed SB	Improve tax administration.
Implement a pilot Treasury Single Account for a limited set of ministries.	10	January 2025		Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	11	Continuous	Not Met	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears	11	March 2024	Not Met; implemented with delay in May 2024	Improve debt management and financial stability
Issue a resolution to clarify that government will not be responsible for for contracts agreed with line ministries that have no prior authorization from the MoF.	11	April 2024	Met	Strengthen PFM and avoid new expenditure arrears.
Mandate all line ministries to report the stock of arrears to the MoF	11	June 2024	Met	Improve debt management and financial stability

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Table 13. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure	SR 1	Target date	Status	Objective
Governance (anti-corruption)				
Ratify the United Nations Convention Against Corruption (UNCAC).		January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish proportionate sanctions for non-compliance.		June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC.		March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	19	June 2024		Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to create a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	19	September 2024		Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)				
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	19	September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)				
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).		August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.
Source: IMF staff.				Concluded
1/ The target dates for all structural benchmarks are the end of the month.				

Table 14. Suriname: Decomposition of Public Debt and Debt Service by Creditor
(2023–26)

	Debt Stock incl. arrears end-2023			Debt Stock excl. arrears end-2023		Debt Service					
	(In USD)	(Percent Total debt)	(Percent GDP)	(In USD)	(In USD)	2024	2025	2026	2024	2025	2026
						(In USD)			(Percent GDP)		
Total	3,497	100	93	2,999	498	390	313	287	9	7	6
External	2,694	77	72	2,503	191	203	228	223	5	5	5
Multilateral creditors	1,319	38	47	1,319	0	117	136	143	3	3	3
IMF	265	8	9	265	0	14	23	31	0	0	1
World Bank	19	1	1	19	0	1	2	2	0	0	0
IADB	847	24	30	847	0	77	87	85	2	2	2
Other Multilaterals	188	5	7	188	0	25	25	24	1	1	1
o/w Caribbean Development Bank	116	3	4	116	0	15	15	15	0	0	0
o/w European Investment Bank	1	0	0	1	0	0	0	0	0	0	0
o/w Islamic Development Bank	41	1	1	41	0	5	5	5	0	0	0
o/w The OPEC Fund for International Development	30	1	1	30	0	4	4	4	0	0	0
Official Creditors	605	17	21	480	125	51	43	20	1	1	0
Bilateral Creditors	428	12	15	356	72	44	33	11	1	1	0
o/w: Paris Club	32	1	1	32	0	0	4	4	0	0	0
China	385	11	14	313	72	41	29	7	1	1	0
India	12	0	0	12	0	3	0	0	0	0	0
ECA-backed loans	177	5	6	124	54	7	11	9	0	0	0
o/w: Paris Club	56	2	2	56	0	4	7	6	0	0	0
China	98	3	3	45	53	3	3	3	0	0	0
India	23	1	1	23	0	0	0	0	0	0	0
Private Creditors	769	22	27	704	66	36	49	60	1	1	1
Eurobonds	660	19	23	660	0	24	34	45	1	1	1
o/w: Oppenheimer	660	19	23	660	0	24	34	45	1	1	1
Other private creditors	110	3	4	44	66	12	15	15	0	0	0
o/w: ABN-AMRO Bank N.V.	21	1	1	0	21	1	1	5	0	0	0
o/w: Israel Discount Bank	10	0	0	1	9	1	0	0	0	0	0
o/w: Credit Suisse	11	0	0	7	3	2	2	2	0	0	0
o/w: ICBC	65	2	2	33	33	7	12	8	0	0	0
o/w: KBC	3	0	0	3	0				0	0	0
Domestic	803	23	21	496	307	187	85	64	4	2	1
Held by Central Bank	253	7	7	253	0	42	23	23	1	0	0
Held by Local Banks	117	3	3	82	35	95	13	13	2	0	0
Held by Local Non-Banks	433	12	11	160	272	50	49	28	1	1	1
o/w other accounts payable, incl. supplier arrears	242	7	6	-	242						

Source: IMF staff estimates from Suriname Debt Management Office (SDMO).

The table assumes the following:

- For external debts whose bilateral restructuring agreements were not completed by end-2023, reported debt stocks and debt services are based on original contracts. For external debt whose bilateral restructuring agreements were completed by end-2023, reported debt stocks and debt services are based on these agreements. In the latter case, arrear repayments are included in the projected debt services.
- For domestic debts, the restructuring with CBvS is reflected to calculate domestic debt service.
- The figures are based on existing debts as of end-2023, and debt service from newly contracted debt in 2024 onward are not reflected.

Annex I. Debt Sustainability Analysis

Annex I. Figure 1. Suriname: Risk of Sovereign Stress

Horizon	Mechanical signal	Final assessment	Comments
Overall	...	High	The overall risk of sovereign stress is high.
Near term 1/	n.a.	n.a.	Not applicable
Medium term	High	High	Medium-term risks are assessed as high. The GFN tool suggests low risk due to declining GFN path and contained bank exposure to the government.
Fanchart	High	...	On the other hand, the fanchart tool gives a high risk signal mainly driven by the width of the chart suggesting a high historical volatility of the macro-fiscal shocks.
GFN	Low	...	
Stress test	...	...
Long term	...	Moderate	Long-term risks are assessed as moderate. In the long-term, public debt to GDP is expected to continue declining but GFN to GDP is gradually increasing until 2033, mainly due to repayments to IFIs including the Fund and restructured debts. This underscores the importance of maintaining fiscal discipline in the long term.
Sustainability assessment 2/	...	Sustainable	The projected debt path is expected to stabilize and GFNs will remain at manageable levels.
Debt stabilization in the baseline			Yes
<p>Commentary: The authorities' debt restructuring scenario suggests that public debt and GFNs would be sustainable. However, even after restructuring, public debt would remain high (above 80 percent of GDP) until end-2024 and highly vulnerable to macro-fiscal shocks, including recapitalization needs of the Central Bank of Suriname (CBvS). The vulnerability is particularly highlighted by the high risk signal of the fanchart, which is mainly caused by the past fluctuations in real exchange rate and inflation. The FX vulnerability can be mitigated by the significant share of government revenues received in foreign currency and potential future oil revenues that are not incorporated in the DSA following the international practice.</p>			
<p>Source: Fund staff.</p> <p>Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.</p> <p>1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.</p> <p>2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.</p>			

Annex I. Figure 2. Suriname: Debt Coverage and Disclosures

						Comments				
1. Debt coverage in the DSA: 1/										
			CG	GG	NFPS	CPS	Other			
1a. If central government, are non-central government entities insignificant?						No				
2. Subsectors included in the chosen coverage in (1) above:										
Subsectors captured in the baseline						Inclusion				
CPS	NFPS	GG: expected	CG	1	Budgetary central government	Yes				
				2	Extra budgetary funds (EBFs)	No	Not applicable			
				3	Social security funds (SSFs)	No	Not applicable			
				4	State governments	No	Not applicable			
				5	Local governments	No	Not applicable			
				6	Public nonfinancial corporations	No	Not applicable			
				7	Central bank	No	Not applicable			
				8	Other public financial corporations	No	Not applicable			
3. Instrument coverage:						Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/
4. Accounting principles:						Basis of recording		Valuation of debt stock		
						Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/
5. Debt consolidation across sectors:						Consolidated	Non-consolidated			

Color code: chosen coverage Missing from recommended coverage Not applicable

Reporting On Intra-Government Debt Holdings

Issuer	Holder	Budget. central govt	Extra-budget. funds	Social security funds	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
		1	Budget. central govt							
2	Extra-budget. funds									0
3	Social security funds									0
4	State govt.									0
5	Local govt.									0
6	Nonfin pub. corp.									0
7	Central bank									0
8	Oth. pub. fin. corp									0
Total		0	0	0	0	0	0	0	0	0

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.

2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.

3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.

4/ Includes accrual recording, commitment basis, due for payment, etc.

5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).

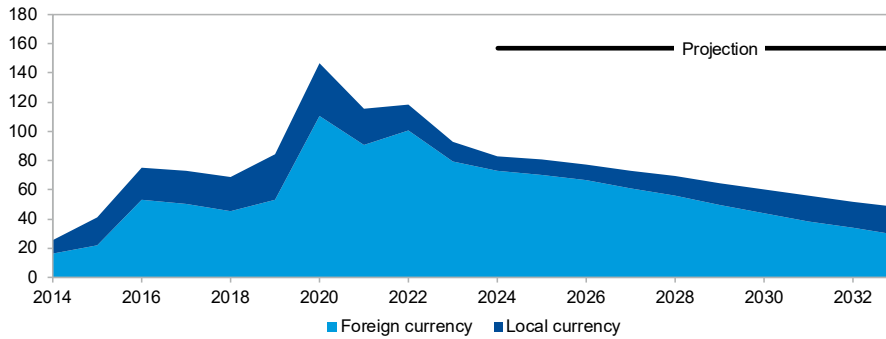
6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.

7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: Suriname's public debt under the DSA refers to central government debt including loans to IMF and CBVs. There is no estimate of local governments' and social security funds' debts but they should be considered minimal if any. There is no estimate of SOE debts, but the government has passed a law to expand the legal mandate of SDMO to include the whole NFPC and tracks the financial positions of the 10 largest state-owned enterprises.

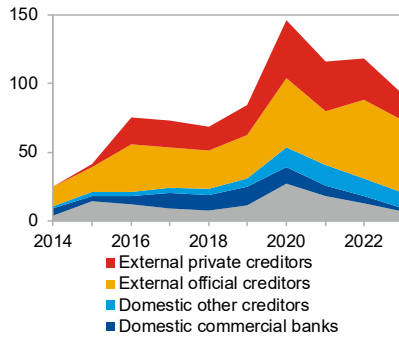
Annex I. Figure 3. Suriname: Public Debt Structure Indicators

Debt By Currency (Percent Of GDP)



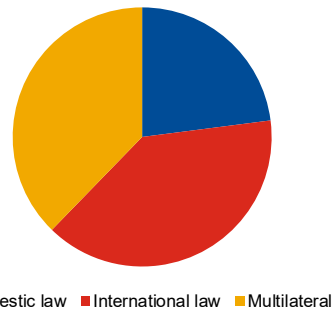
Note: The perimeter shown is central government.

Public Debt By Holder (Percent Of GDP)



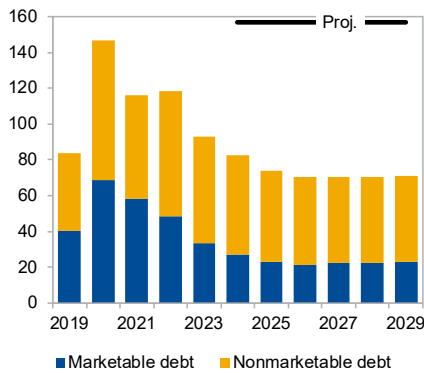
Note: The perimeter shown is general government.

Public Debt By Governing Law, 2023 (Percent)



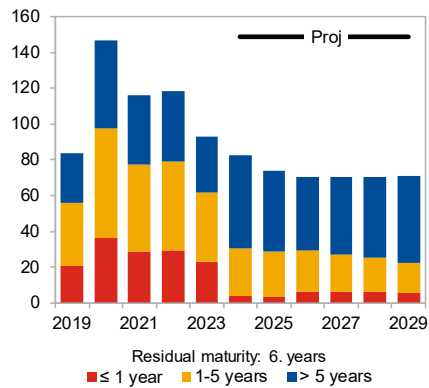
Note: The perimeter shown is general government.

Debt By Instruments (Percent Of GDP)



Note: The perimeter shown is general government.

Public Debt By Maturity (Percent Of GDP)



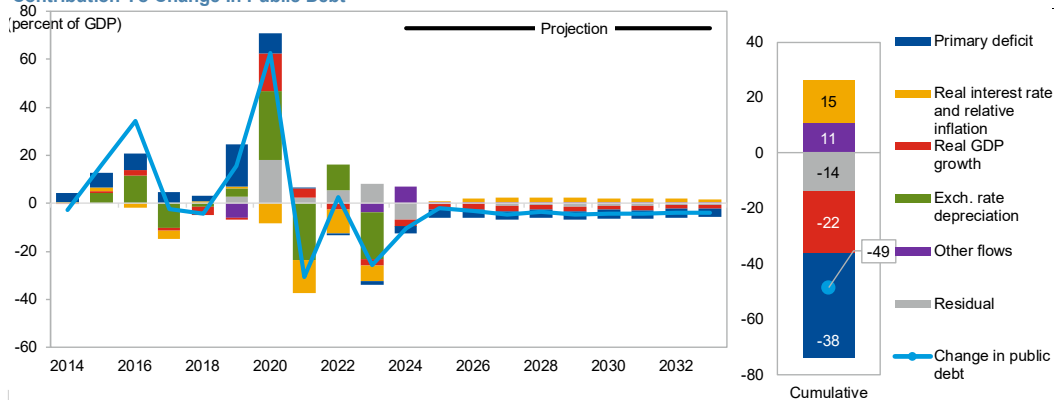
Note: The perimeter shown is general government.

Staff commentary: Public debt is 92.9 percent of GDP as of end-2023, out of which FX debt explains 79 percent of GDP and external public debt explains 72 percent of GDP. Multilateral debt accounted for 35 percent of GDP in 2023, about 2/3 of which is owed to Inter-American Development Bank (IADB). Other official debt includes bilateral debt (11 percent of GDP) and ECA-backed debt (5 percent of GDP). Among the official creditors, China is the largest at 13 percent of GDP, followed by the Paris Club at 2 percent of GDP and India at 1 percent of GDP. Private debt is comprised of bonds and loans, of which the restructured eurobonds account for 18 percent of GDP and other private creditors account for only 3 percent of GDP. External arrears amount to 5 percent of GDP. Domestic debt is estimated to be 21 percent of GDP as of end-2023, of which debt owed to CBvS accounts for 7 percent of GDP, debt to commercial banks accounts for 2 percent of GDP, debt to non-banking institutions accounts for 4 percent of GDP. Domestic arrears, including supplier arrears, as of end-2023 are estimated at 8 percent of GDP.

Annex I. Figure 4. Suriname: Baseline Scenario
(Percent of GDP unless indicated otherwise)

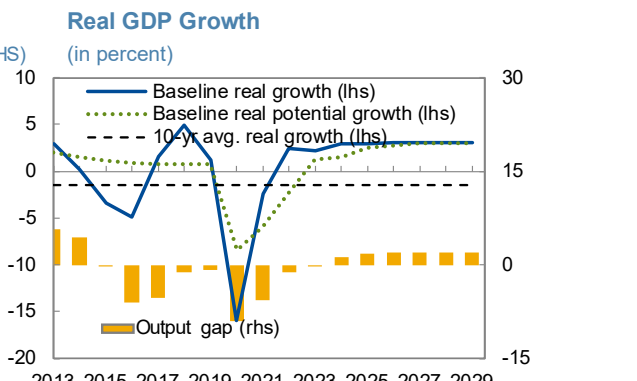
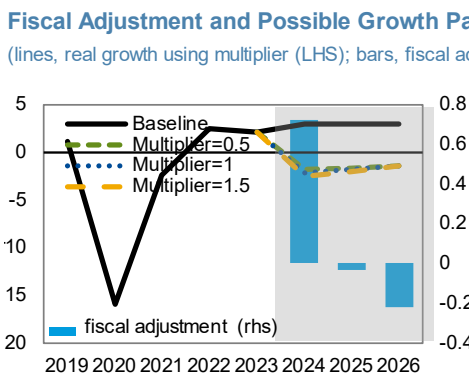
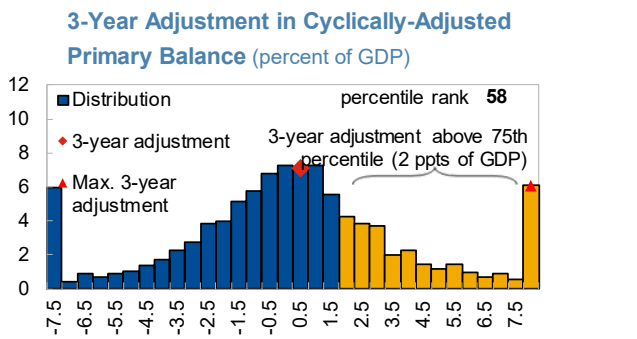
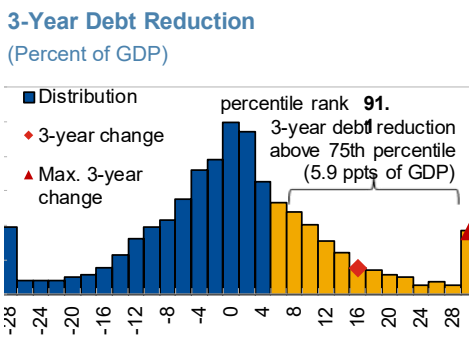
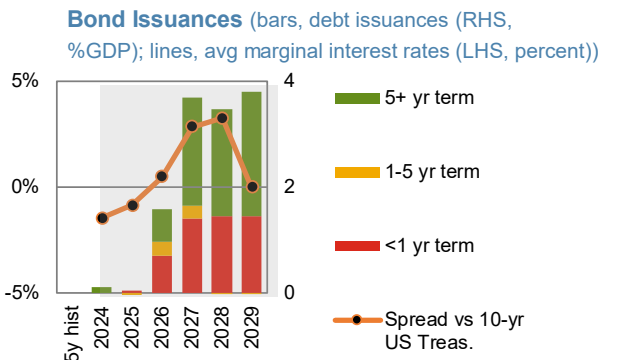
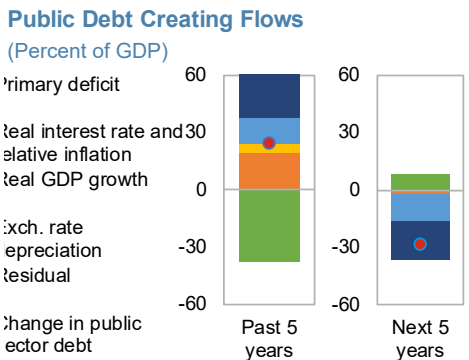
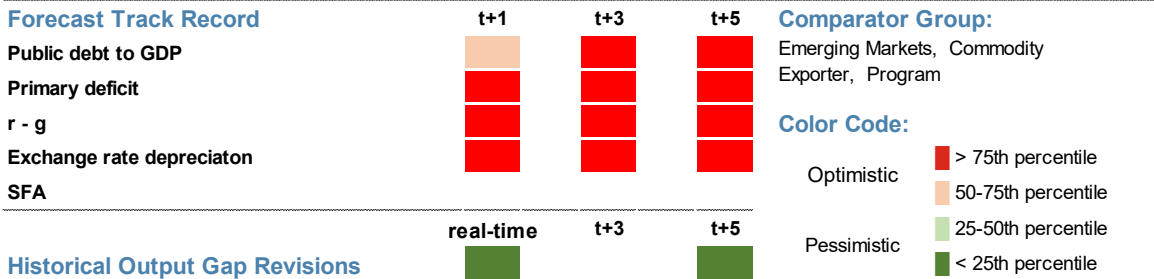
	Actual	Medium-term projection						Extended projection			
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Public debt	92.9	87.4	82.0	77.7	73.1	69.4	64.7	60.5	56.1	52.1	48.1
Change in public debt	-25.7	-5.5	-5.4	-4.3	-4.6	-3.7	-4.7	-4.2	-4.4	-4.0	-4.0
Contribution of identified flows	-30.3	1.4	-5.0	-3.8	-3.4	-3.2	-3.3	-3.3	-3.3	-3.3	-3.2
Primary deficit	-1.3	-2.7	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5
Noninterest revenues	24.9	25.7	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5
Noninterest expenditures	23.6	23.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Automatic debt dynamics	-28.7	-2.8	-1.8	-0.9	-0.4	-0.1	-0.2	-0.2	-0.2	-0.1	-0.1
Real interest rate and relative inflation	-6.7	-0.1	0.7	1.5	1.9	2.0	1.9	1.7	1.6	1.5	1.4
Real interest rate	-36.5	-10.1	-6.2	-2.7	-1.4	0.3	0.3	0.3	0.4	0.4	0.5
Relative inflation	29.8	10.0	6.9	4.2	3.3	1.7	1.6	1.4	1.2	1.1	0.9
Real growth rate	-2.5	-2.7	-2.5	-2.4	-2.3	-2.1	-2.0	-1.9	-1.8	-1.6	-1.5
Real exchange rate (evaluated by eop FX)	-19.5	...	...	...	...	...	...	...	...	...	...
Other identified flows	-0.2	6.9	0.3	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Other accounts payable, incl. supplier arrears	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit increase	2.6	-1.2	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CBvS restructuring	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal haircut by restructuring	-6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recap assumption	0.0	4.7	1.2	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
IMF finance: BOP	1.5	3.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution of residual	4.6	-6.9	-0.4	-0.5	-1.2	-0.5	-1.4	-0.9	-1.1	-0.7	-0.8
Gross financing needs (incl. arrear clearance)	5.6	6.2	3.7	3.2	6.5	7.5	7.9	7.5	7.9	7.9	8.1
of which: debt service	7.0	8.8	6.9	6.6	9.7	10.5	10.9	10.3	10.8	10.8	11.1
Local currency	1.5	1.3	0.5	0.9	1.5	2.3	2.3	2.5	2.9	3.4	3.8
Foreign currency	5.5	7.5	6.4	5.7	8.2	8.2	8.6	7.9	7.9	7.4	7.2
Memo:											
Real GDP growth (percent)	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Inflation (GDP deflator; percent)	51.4	17.9	13.3	8.9	7.4	5.0	5.0	5.0	5.0	5.0	5.0
Nominal GDP growth (percent)	54.6	21.4	16.7	12.1	10.6	8.1	8.2	8.1	8.1	8.2	8.1
Effective interest rate (percent)	3.7	4.7	4.5	5.1	5.4	5.4	5.5	5.5	5.7	5.8	5.9

Contribution To Change In Public Debt



Staff commentary: Public debt stands at 92.9 percent of GDP as of end-2023. It is projected to decline below 90 percent of GDP by 2024 due to fiscal adjustment efforts as well as restructuring agreements, and it would be placed on a steady downward trend over the medium and long term, falling to below 70 percent in 2028, and below 50 percent by 2033. Gross financing needs peak in 2024 due to clearance of domestic debt arrears. GFNs are expected to trough in 2026 and projected to gradually increase in the medium to long run towards 8 percent of GDP in 2033 because amortization of restructured external debts as well as the IMF loans would commence after grace periods. The GFN path is anchored by sustained primary surpluses and it is essential to continue fiscal adjustment efforts in the medium to long term. In addition, it is important to keep a liquidity buffer, including the government's deposits, against the increasing financing needs. Note that the recapitalization assumption, which has not been realized, adds 4.7 percent of GDP to the public debt stock in 2024 (4.3 percent for the CBvS and 0.4 percent for commercial banks), while the nominal haircut by bondholders had an impact to reduce the public debt stock by 7 percent in 2023. The IMF's BOP finance component is added to the debt stock. The GFN underlying the GFN tool and restructuring targets reflects arrear clearances.

Annex I. Figure 5. Suriname: Realism of Baseline Assumptions



Commentary: The tools alert to a rapid reduction in public debt and improvement in primary balance, but their projections are underpinned by the authorities' strong commitments to fiscal adjustment, ongoing debt restructuring as well as recovery from COVID-19. The interest-growth gap also shows optimism, but this is partly explained by the fact that about half of total financing is expected to come from IFIs without external market access until 2026. In the long term, the real exchange rate is assumed to converge to an appreciation of 0.6 percent per year due to Balassa-Samuelson effects.

Annex I. Figure 6. Suriname: Medium-Term Risk Analysis

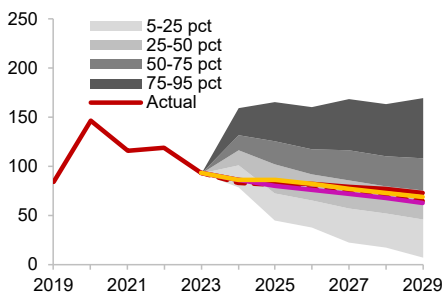
Debt Fanchart And GFN Financeability Indexes

(percent of GDP unless otherwise indicated)

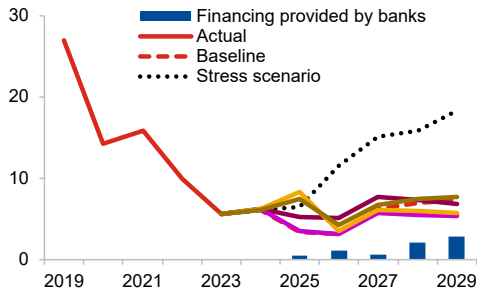
Module	Indicator	Value	Risk index	Risk signal	EM, Com. Exp, Program				
					0	25	50	75	100
Debt fanchart module	Fanchart width	162.5	2.4	...	[Bar chart showing interquartile range and Suriname position]				
	Probability of debt not stabilizing (pct)	10.0	0.1	...	[Bar chart showing interquartile range and Suriname position]				
	Terminal debt level x institutions index	58.5	1.3	...	[Bar chart showing interquartile range and Suriname position]				
	Debt fanchart index	...	3.7	High					
GFN financeability module	Average GFN in baseline	5.5	1.9	...	[Bar chart showing interquartile range and Suriname position]				
	Bank claims on government (pct bank assets)	4.4	1.4	...	[Bar chart showing interquartile range and Suriname position]				
	Chg. in claims on govt. in stress (pct bank assets)	7.7	2.6	...	[Bar chart showing interquartile range and Suriname position]				
	GFN financeability index	...	5.9	Low					

Legend: Interquartile range (grey bar), Suriname (red vertical bar)

Final Fanchart (Percent Of GDP)



Gross Financing Needs (Percent Of GDP)

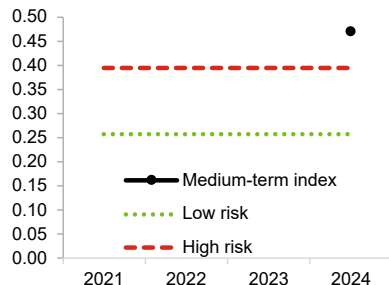


Triggerred stress tests (stress tests not activated in gray)

Banking crisis (red), Commodity prices (purple), Exchange rate (orange), Contingent liab. (green), Natural disaster (yellow)

Medium-Term Index

(index number)



Medium-Term Risk Analysis

	Low risk threshold	High risk threshold	Weight in MTI	Normalized level
Debt fanchart index	1.1	2.1	0.5	0.8
GFN financeability index	7.6	17.9	0.5	0.1
Medium-term index (MTI)	0.3	0.4	...	0.5, High

Prob. of missed crisis, 2024-2029 (if stress not predicted): 54.5 pct.
 Prob. of false alarm, 2024-2029 (if stress predicted): 3.4 pct.

Commentary: The Debt Fanchart Module points to high risk of debt distress mainly driven by the wide width of the fanchart. Suriname experienced large fluctuations in real exchange rate and inflation in the past, which contributes to the wide width; however, the flexible exchange rate regime and adjustments under the program are expected to mitigate such risks. The risk from debt-non stabilization is relatively contained because of the steady decline in public debt and fiscal adjustment efforts in the medium term, though the terminal debt level in 2029 still stands at a relatively high level (i.e., above 60 percent of GDP). The GFN financeability module suggests low risk of debt distress, supported by a declining GFN path in the medium term. The risk from the change in government's claims is relatively contained because exposure to external private creditors is limited in the medium term; however, the current fragile state of domestic banks could bring about additional risks in liquidity. In addition, the GFN could be larger than expected due to the recapitalization needs for CBvS which is highlighted by stress scenario in the chart. The recapitalization should be planned to avoid excessive risks in solvency and liquidity, while ensuring the financial health of CBvS and commercial banks. The modalities used in orchestrating the recapitalization will impact the GFN, with direct equity injections resulting in a significant increase of immediate GFN needs while the use of securities could reduce immediate GFN needs and would spread the financing of the recapitalization over a longer period of time. On the other hand, the risks on public debt can be mitigated by the significant share of government revenues received in foreign currency as well as potential future oil revenues. In line with the best international practice, the DSA does not incorporate impact of potential oil production since available information, so far, does not provide assurances about the economic viability of the oil reserves. Overall, the medium-term risk and overall risk are considered to be high even under the restructuring scenario, considering vulnerability to macro-fiscal shocks and potentially higher GFN needs from the recapitalization.

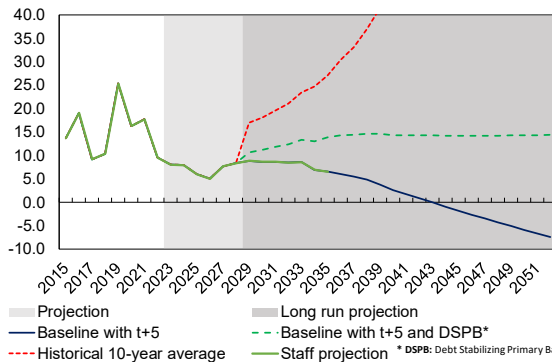
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis

Large Amortization Trigger

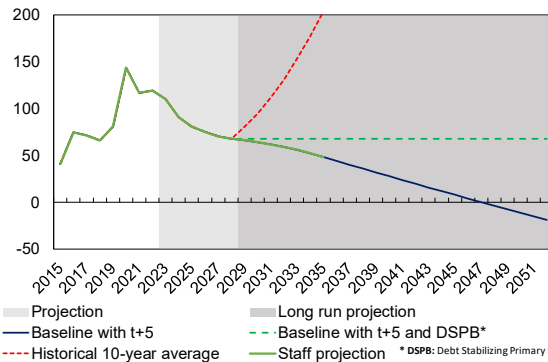
Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio	Green
	Amortization-to-GDP ratio	Red
	Amortization	Red
Medium-term extrapolation with debt stabilizing	GFN-to-GDP ratio	Green
	Amortization-to-GDP ratio	Red
	Amortization	Red
Historical average assumptions	GFN-to-GDP ratio	Green
	Amortization-to-GDP ratio	Red
	Amortization	Red
Overall Risk Indication		Green

Alternative Baseline Long-term Projections

GFN-to-GDP ratio



Total public debt-to-GDP ratio

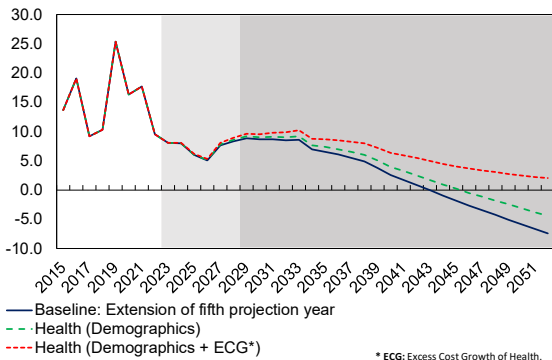


The long-term analysis indicates that GFN to GDP and public debt to GDP diverge very quickly if the government followed the past 10 year path. The historical 10-year average scenario is less informative because the scenario includes macro-fiscal shocks during the crisis period of 2020-22; nevertheless, it highlights the importance of keeping sufficient PB surplus to achieve declining GFN to GDP and public debt to GDP in the medium to long term. The staff's projection is in line with the case of "Baseline with t+5", and it suggests that GFN to GDP goes back to just below 10 percent from 2029 to 2033 due to repayments to restructured external debts as well as to the IFIs including the Fund. Therefore, it is essential to continue fiscal reforms and keep sufficient liquidity buffer in the medium term.

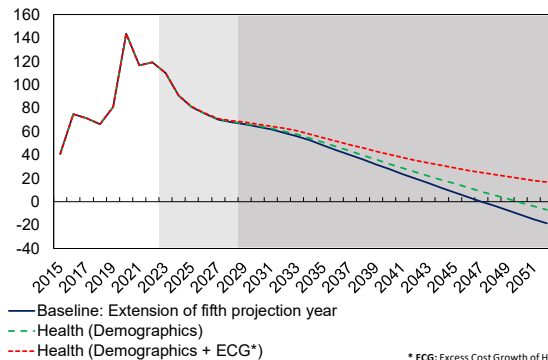
Note: staff projection shows the baseline until 2035. The staff projection deviates from the long-term module's (mechanical) baseline because the former reflects below-the-line transactions (e.g., arrear clearances, debt restructuring).

Demographics: Health

GFN-to-GDP ratio



Total public debt-to-GDP ratio

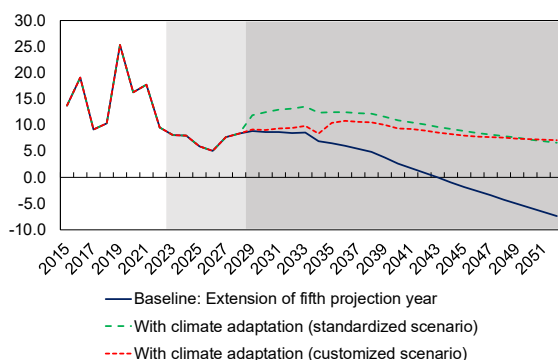


Health cost based on demographic changes could provide additional risks in the long-term but this would not have a material impact given that GFN to GDP and public debt to GDP keep declining paths based on continued fiscal efforts.

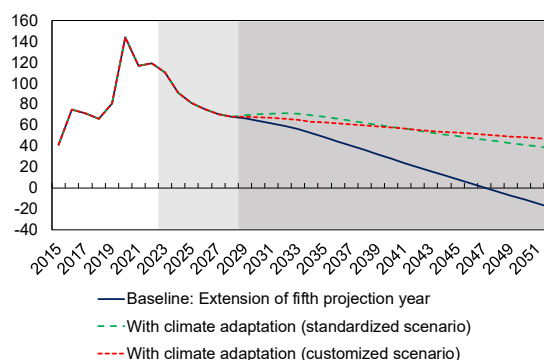
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis (concluded)

Climate Change: Adaptation

GFN-to-GDP ratio



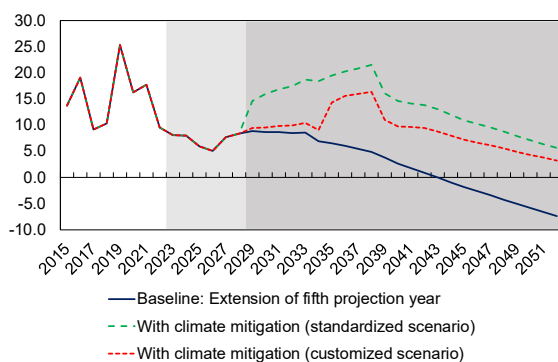
Total public debt-to-GDP ratio



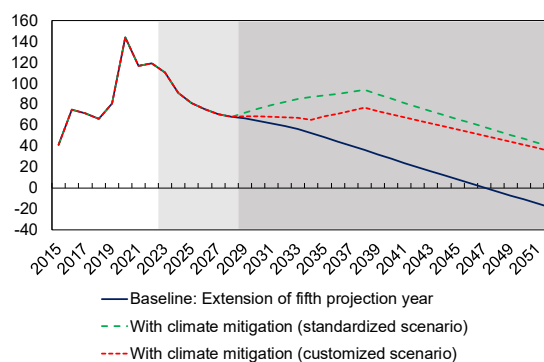
Suriname is outside the hurricane belt but is occasionally affected by the tails of hurricanes and local storm events, resulting in flooding. The climate adaptation and mitigation cost could cause additional fiscal costs on top of the gradually increasing GFN to GDP in early 2030. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. On the other hand, new oil discoveries could have considerable upward potential. The long-term analysis refrains from conducting natural resource module until FID of a new oil development is confirmed.

Climate Change: Mitigation

GFN-to-GDP ratio



Total public debt-to-GDP ratio



Suriname is outside the hurricane belt but is occasionally affected by the tails of hurricanes and local storm events, resulting in flooding. The climate adaptation and mitigation cost could cause additional fiscal costs on top of the gradually increasing GFN to GDP in early 2030. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. On the other hand, new oil discoveries could have considerable upward potential. The long-term analysis refrains from conducting natural resource module until FID of a new oil development is confirmed.

A. Public Debt Under Restructuring Scenario

1. The goal of debt restructuring, in conjunction with fiscal consolidation, is to put public debt on a firm downward trajectory and achieve the medium- and long-term debt anchors.

The overarching objective of the program is to reduce public debt to 60 percent of GDP by 2035 and reduce GFNs to an average of 9 percent and an upper limit of 12 percent over 2023–35. These serve as the long-term mitigation anchors of the program, providing sufficient buffer given the Suriname's vulnerabilities. A 60 percent debt-to-GDP target is consistent with other recent debt restructurings under IMF-supported programs in the region (e.g., Barbados and Jamaica).

2. The specific assumptions of the baseline program scenario are as follows:

- **Debt restructuring external official creditors.** Under the restructuring scenario, the debt

perimeter for restructuring covers external commercial and official bilateral debt (including arrears), in total amounting to about 50 percent of GDP as of end-2021. The authorities reached a restructuring agreement with Paris Club creditors on June 24, 2022, followed by bilateral agreements with all the PC creditors. The final bilateral agreement was reached with Italy in June 2023. Under the agreement with the Paris Club, there is no face value reduction of official debt and ECA-backed commercial debt, but amortization is paused for 7 years (until 2028) and for 8 years (until 2029) respectively. 60 percent of the PC arrears under the bilateral agreement were already paid and the remaining 40 percent is expected to be paid in 2024. In March 2023, an agreement on official credit lines by EXIM India was made and 60 percent of the end-2021 arrears have already been paid, while the remaining 40 percent is expected to be paid in 2024. In line with the Paris Club agreements, amortization is paused for 7 years (until 2028) without face value reduction. An agreement on loans backed by EXIM India was made in May 2023. An agreement in principle at the technical level was reached with China in November 2023 on both phases of the debt treatment (flow and stock relief), which appears in line with the PC treatment and program parameters. It was signed by both parties in March 2024. The agreements with the Paris Club, India and EXIM China do not include a Value Recovery Instrument (VRI). The agreements with the Paris Club and EXIM China include contingencies for the second phase of debt treatment should the macroeconomic outlook improve, in particular pertaining to oil developments.

- Debt restructuring with external private creditors.** The authorities reached an agreement in principle (AIP) with bondholders in May 2023. The formal debt exchange with private external bondholders was finalized in November 2023, reaching a pre-CAC participation rate over 96 percent and a post-CAC participation rate of 100 percent.¹ The new bonds were issued in an aggregate principal amount of USD 650 million, with an additional USD 10 million issued to cover fees and expenses of the bondholder committee. Interest payments start from 2024 with a coupon of 4.95 percent in cash and with a coupon of 3 percent being capitalized until January 2026, when the coupon rate increases to 7.95 percent. The bonds are amortized in 14 semi-annual installments starting in 2027 equal to 1/14th of the outstanding principal amount. The bonds also include a VRI conditional on new revenue streams from a specific oil development project which is currently under the appraisal process. The program baseline conservatively does not incorporate the additional oil revenue nor debt services on VRI given that a relevant final investment decision (FID) has not been made. After a “one-off” floor of USD 100 million secured for the government, the annual allocation to the VRI is limited to 30 percent of the royalty revenues from the oil development project.² In this sense, the VRI would not bring about additional debt sustainability concerns, and the new oil development is considered as potential upside risk. The aggregate amount paid under the VRI is capped at USD 787 million. Under the baseline (without the VRI), using the typical methodology used by official creditors such as the

¹ Negotiations with private external creditors for restructuring the non-ECA backed loans are ongoing and are expected to be finalized by end-June. Before the bond exchange, the Eurobonds comprised 95 percent of the total external debts with private external creditors (see Table 1).

² In 2022, royalty revenue is estimated to be 18 percent of the total mining revenue.

PC this restructuring scenario results in NPV reductions of 19 percent for official and 21 percent for external commercial creditors at a 5 percent discount rate. Other private creditors are assumed to be treated in line with either bondholders or official bilateral creditors.

- **CBvS restructuring:** Legacy debts to the CBvS have been restructured into a new loan with a grace period of 2 years and a maturity of 27 years. All short-term advances made to the CG were repaid to the CBvS in 2023 and there are no outstanding arrears. Losses arising from this restructuring will be reflected in the CBvS recapitalization plan.

- **Other domestic restructuring.** As of November 2022, accumulated domestic debt arrears to commercial banks and NBFIs peaked at SRD 3.3 billion. By February 2024, the authorities had finalized

Suriname: Domestic Arrear Clearance Schedule in 2024 (net basis)		
	2024	
	SRD millions	% of GDP
Arrear repayments	4,970	3.0%
Commercial banks and NBFIs	1,870	1.1%
Gold loan	611	0.4%
Suppliers	1,679	1.0%
VAT refunds	809	0.5%
Source: IMF staff estimates.		

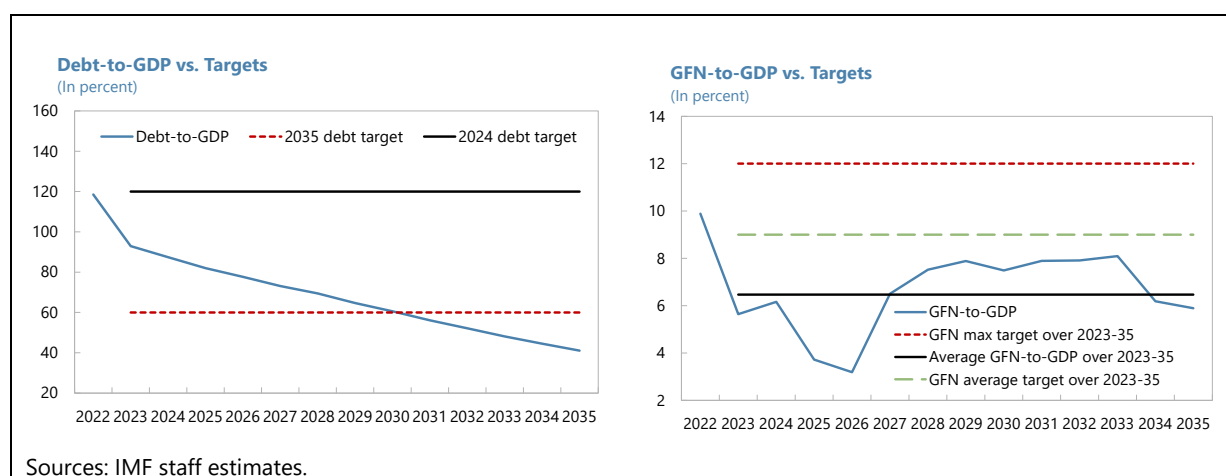
the bilateral restructuring negotiations for all domestic debts (mainly by rollovers combined with extending maturities), including a large USD loan to a commercial bank which accounted for 50 percent of arrears at end-2023. The authorities have gradually implemented a concrete action plan for clearing all domestic debt arrears. Arrears, excluding technical arrears, stood at SRD 0.2 billion in March (*SB, not met, implemented with a delay in May*).

- **Supplier arrears and other arrears.** The final audit of the legacy supplier arrears as of end-2021 confirmed a stock of SRD 4.1 billion. The authorities cleared (on a net basis) SRD 1.5 billion in 2022. The total stock of accounts payable had increased to SRD 7.3 billion by March 2024. About 80 percent of this stock is more than 90 days past the due date and hence considered supplier arrears.³ The authorities are committed to gradually clearing all other accounts payable by 2027, while further improving their capacity through PFM reforms and TA. In addition, there is a gold loan agreement which was in arrears, evaluated at SRD 0.4 billion at end-2022. These arrears were cleared in 2024 under a renewed agreement. As of end-2023, the authorities had also accumulated SRD 0.8 billion of VAT arrears more than 90 days past the due date. These arrears are being cleared in line with new indicative targets. The domestic arrear repayment schedule in 2024 that incorporates the government strategy and staff's assumption are summarized in the Text Table.
- **Financing:** Financing requirements are projected to decline significantly over the medium term due to the external debt restructuring, both through the face-value reduction and coupon reduction on existing external bilateral and commercial debt. Budget support from the IDB is assumed until only 2024 as a conservative assumption, though the government might seek

³ Recording of supplier arrears has improved with the help of Fund TA. Estimates of the monthly stock of other accounts payable and supplier arrears (more than 90 days past the due date) are now available since January 2022.

further support afterwards. Project financing from multilateral creditors is assumed to decline gradually in the medium to long term as Suriname switches to market financing of its capital expenditures. Domestic financing is expected to be limited in 2024 and 2025 due to the gradual recovery in the market confidence. The baseline assumes no meaningful domestic market access until 2026. External market access is assumed to resume in 2026. The lack of external and domestic market access creates a potential financing gap in 2025 that is filled by deposit withdrawal. The government had accumulated deposits of SRD 18.0 billion (13 percent of GDP) by end-2023, so potential delays in market access could be covered by a large liquidity buffer. The recapitalization of the commercial banks is a one-off operation, assumed to add 0.4 percent of GDP to the public debt stock in 2024 and 0.2 percent of GDP in 2025. Based on the FY 2020 audit, the recapitalization of the CBvS is assumed to equal 5.0 percent of GDP in 2024. The baseline assumes that the CBvS will need annual injections to ensure capital and reserves grow with GDP. The recapitalization requires a one-off cash injection of SRD 1.0 billion (0.6 percent of GDP) in 2024.

3. Public debt is assessed to become sustainable under the restructuring scenario and the implementation of the program. Public debt would be placed on a steady downward trend over the medium and long term, falling below 90 percent in 2024, below 70 percent in 2028, and below 50 percent in 2033. Moreover, GFNs would decline sharply from 9.9 percent in 2022 to 3.2 percent in 2026. GFNs would rise to 6.6 percent in the medium to long term due to debt service to the IFIs (including the IMF) and repayments of restructured external claims, but it would remain at sustainable levels over the long term with GFNs declining from 2033 onwards. If downside risks were to materialize, however, fiscal consolidation beyond the program period may be needed to generate additional buffers.



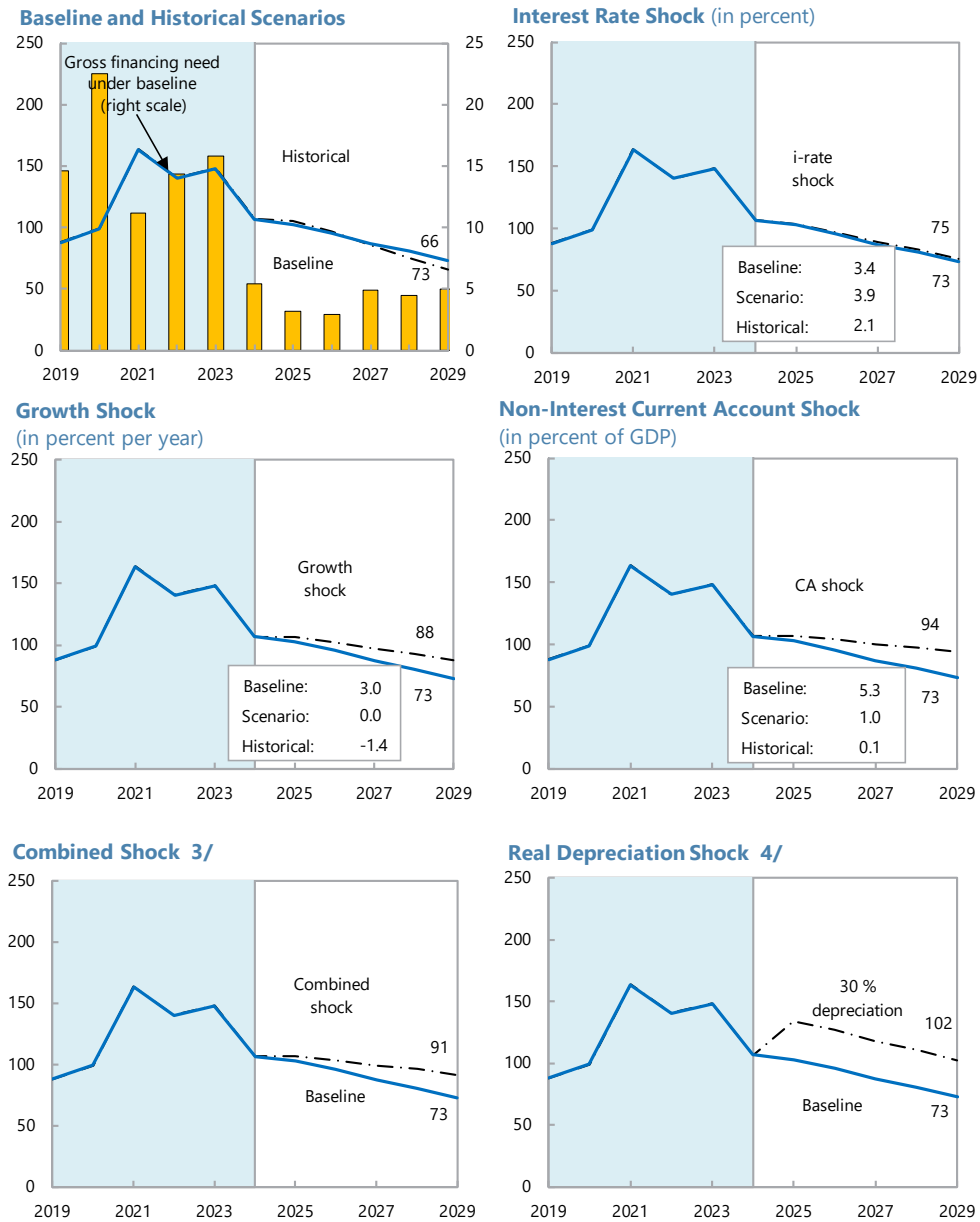
B. External DSA

4. External debt is expected to be 114 percent of GDP at end-2023, down from 148 percent at end-2022. Total external debt is projected to decline below 80 percent of GDP at end-2029. It is expected to track public sector external debt, which accounts for more than 50 percent of

total external debt, over the next few years and decline substantially due to a large fiscal adjustment and public external debt restructuring.

5. While external debt is projected to decline substantially over the medium term, macroeconomic shocks pose significant risks (Figure 6). Various economic shocks reveal that the external debt would be generally kept below 120 percent of GDP. However, the historical scenario suggests that external debt would be considerably higher than the baseline absent efforts on fiscal adjustment, public external debt restructuring, and macroeconomic stability. Continued internal and external adjustment is critical to ensure external sustainability going forward.

Annex I. Figure 8. Suriname: External Debt Sustainability: Bound Tests 1/2/3/4
(External Debt in percent of GDP)



Sources: International Monetary Fund; Country desk data; and staff estimates.
 1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented. Ten-year historical average for the variable is also shown.
 2/ For historical scenarios, the historical averages are calculated over the ten-year period, and the information is used to project debt dynamics five years ahead.
 3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and current account balance.
 4/ One-time real depreciation of 30 percent occurs in 2025.

Annex II. External Sector Assessment

Overall Assessment: *The external position of Suriname in 2023 was moderately stronger than the level implied by fundamentals and desirable policies. This assessment is based on cyclically adjusted current account balance that is consistent with the current account norm of a balanced external sector position for Suriname¹.*

Suriname's current account (CA) balance improved by 1.8 percentage points of GDP to a surplus of about 3.9 percentage of GDP in 2023 due to fiscal and monetary discipline.

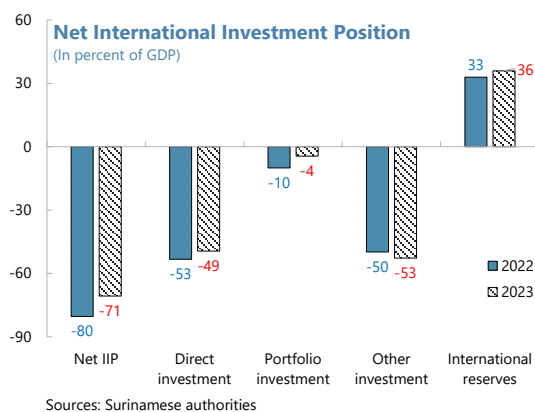
Potential Policy Responses: *To maintain an external position in line with the fundamentals, and to gain external market access, Staff recommend continued fiscal and monetary discipline and encourage the authorities to continue maintaining exchange rate flexibility.*

Foreign Assets and Liabilities: Position and Trajectory

Background. Suriname's net international investment position (IIP) was -70.7 percent of GDP in 2023. This represents a sharp improvement from -80.4 percent of GDP in 2022. The current account surplus supported an improvement in net IIP of 2.1 percent of GDP (BOP errors and omission excluded), debt restructuring resulted in an improvement in net IIP of 6.8 percent whereas the remaining was a result of valuation changes and the base effect of a higher GDP. Assets increased from USD 2.46 Billion in 2022 (68.8 percent of 2022 GDP) to USD 2.8 Billion (74.6 percent of GDP) in 2023, mostly on back of buildup and valuation changes of reserves (5.9 and 0.5 percent of 2023 GDP respectively) and buildup of portfolio assets (3.5 percent of 2023 GDP). IIP liabilities increased in levels from USD 5.38 Billion to USD 5.45 Billion but decreased marginally from 148.1 percent of GDP in 2022 to 145.3 percent of GDP in 2023 owing to GDP base effect. The borrowing from IMF and laDB, (5.8 percent of GDP) and portfolio liabilities (2.3 percent new liabilities, 2.71 price changes) more than offset the decline in portfolio liabilities owing to debt restructuring (6.8 percent of GDP).

The Assets and liabilities are denominated mostly in USD and Euros.

Assessment. Supported by the extended arrangement under EFF, the net international position has improved, reducing vulnerabilities in the external sector. The restructuring of external debt has also reduced risks to external debt sustainability (see Annex I). The authorities reform agenda, including fiscal and monetary discipline



¹ The external sector assessment is based on Staff's estimates.

¹ The external sector assessment is based on Staff's estimates.

will maintain the downward trajectory in the negative NIIP position. A restrictive monetary policy for a stable exchange rate will also help mitigate any unfavorable valuation effects owing to the presence of larger gross liabilities than gross assets.

Going forward, the Net IIP position is expected to reach USD -2 Billion in 2028, corresponding to the accumulated current account surpluses over the period. The assets are expected to increase by USD 0.34 Billion (mostly on back of buildup of reserves). Liabilities are projected to decline by USD 0.28 Billion, with repayment of government debt (in net terms) reducing liabilities by 0.19 USD Billion while the remaining contributed by unwinding of FDI position through repatriation of retained earnings as forex conditions continue to ease in the future.

Assessment year 2023 (% GDP)	NIIP: -70.7	Gross Assets: 74.6	Debt Assets: 33.0	Gross Liab.: 145.3	Debt Liab.: 90.2
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Current Account

Background. The current account surplus improved to 3.9 percent of GDP in 2023 from 2.1 percent of GDP in 2022. The improvement in current account surplus is mainly driven by a lower service account deficit and partially by higher primary income and secondary income balances. Unlike the last two years when the trade balance worsened significantly relative to the previous year, the trade balance remained almost the same with offsetting decline in exports and imports, both driven by lower global oil prices. The lower oil prices also had a favorable impact on freight charges for imports, narrowing the service account balance. The deficit in primary income account in 2023 remained the same as in 2022 in level terms, with the denominator effect lowering the primary income balance in GDP terms.

From the saving investment balance perspective, public savings have now turned favorable from an overall fiscal deficit of -11 percent to -1.5 percent in 2023 after reversal of loose fiscal and monetary policies and following the debt restructuring process.

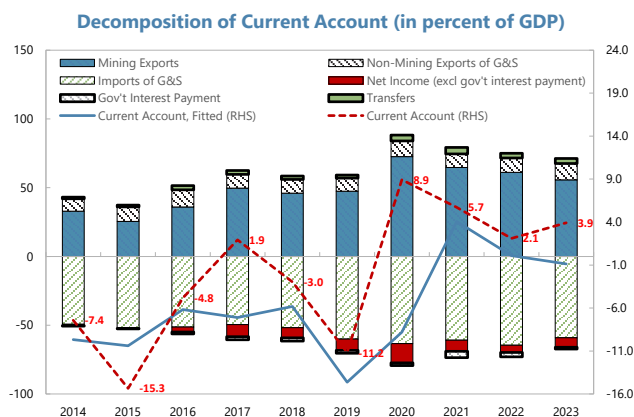
Assessment. The IMF's EBA-Lite current account (CA) methodology applied to 2023 BOP data suggests the estimated CA gap in Suriname was moderately stronger than the level implied by the fundamentals and desirable policy settings in 2023. The cyclical component of CA is 1.4 percent of GDP, which reflects both the impacts of a large negative output gap and a moderately favorable terms of trade owing to a decline in global oil and other commodity prices. The current account norm as estimated by the model is -6.7 percent of GDP. The current account norm is adjusted by i) 2 percent of GDP to incorporate the financing constraints faced by Suriname due to the loss of external market access the model does not capture and ii) by 5.7 percent of GDP to remove the model's downward impact of migrant workers on the current account balance norm that is not applicable to Suriname. In Suriname, presence of large migrant workers sending outward remittances partially offsets the effects of inward remittances.² Resultantly, the estimated CA gap

² A simple regression using quarterly data of percentage change in imports on lag of percentage change in net remittances yields a marginally negative and insignificant coefficient. The analysis is robust to increasing the lags and using inward rather than net remittances.

² A simple regression using quarterly data of percentage change in imports on lag of percentage change in net remittances yields a marginally negative and insignificant coefficient. The analysis is robust to increasing the lags and using inward rather than net remittances.

in 2023 is 1.7 percent of GDP, with CA-model based REER gap of -3.8 percent using the default CA model-based elasticities.

A current account surplus (3.9 percent of GDP) despite a marginal public sector deficit (1.5 percent of GDP) implies a high private savings and investment differential.



Over the medium term, the current account balance is expected to be 2 percent of GDP, marginally above the current account balance norm, driven by tight fiscal policies consistent with the debt restructuring parameters. As market access is developed and debt restructuring related policies are unwound, staff expects the authorities to follow policies that will remove the marginal strength of the external sector relative to fundamentals and desirable policies.

Suriname: Model Estimates for 2023 (in percent of GDP)

	CA model 1/ (in percent of GDP)	REER model 1/ (in percent of GDP)
CA-Actual	3.9	
Cyclical contributions (from model) (-)	1.4	
Additional temporary/statistical factors (-) 2/ Natural disasters and conflicts (-)		
Adjusted CA	2.5	
CA Norm (from model) 2/	-6.7	
Adjustments to the norm (+)	7.6	
Migrant share	5.6	
Financing constraints	2.0	
Adjusted CA Norm	0.9	
CA Gap	1.7	7.3
o/w Relative policy gap	2.4	
Elasticity	-0.4	
REER Gap (in percent)	-3.8	-16.6

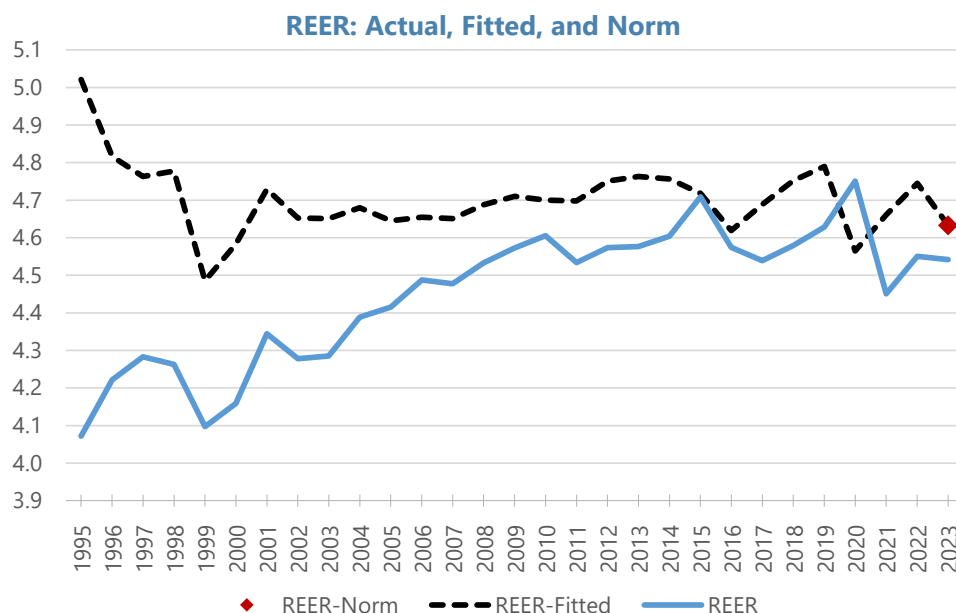
1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

Background.

The average nominal (NEER) depreciated sharply by around 20 percent during 2023. This was due to a massive depreciation of the exchange rate at the beginning of the year. The average REER depreciated by 2.7 percent in 2023. Between end-2022 and April 2023, the NEER depreciated 19 percent while the REER depreciated 5 percent over the same period. As the exchange rate stabilized towards the latter half of 2023, the NEER depreciated 16 percent and the REER appreciated 9 percent. The appreciation in REER was partly on back of an improvement of 1.4 percent in the Terms of Trade, helped by lower oil and manufactured goods prices.

NEER has been highly volatile and has depreciated in double digits (average depreciation of 19.2 percent over 2018-2022), reaching a peak of 37 percent depreciation in 2020. Owing to strong and quick pass through of exchange rate depreciation, REER remained stable (average depreciation of only 1.3 percent over 2018-2022).



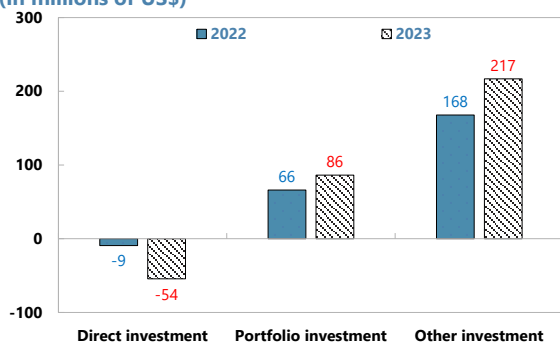
Assessment. The IMF’s EBA-Lite REER methodology applied to 2023 BOP data suggests the real exchange rate is undervalued by 16.6 percent using the REER model-based elasticities.

Flexibility in exchange rate is a key for letting REER in line with the fundamentals. In addition, with the real interest rates converging to desirable policy levels in the first quarter of 2024, policy related real interest rate contributions for REER undervaluation are removed. Removal of credit gaps in April 2024 with a resultant increase in credit growth will remove the credit related policy gaps.

Capital and Financial Accounts: Flows and Policy Measures

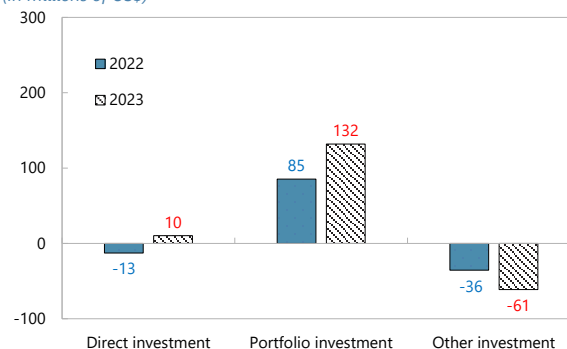
Background. Suriname experienced outflows of both direct investment and portfolio investment but had inflows of other investments in 2023. The large inflows of other investment of USD 216 million (5.8 percent of GDP) in 2023 are mostly due to an increase in government budget support by IMF, IADB and other multilaterals. Easing forex conditions also enabled companies to repatriate long overdue dividends resulting in outflow of direct investments. On the other hand, portfolio inflows, representing debt restructuring on Eurobonds, of 132 million (3.5 percent of GDP) more than offset the slight increase of portfolio outflows to USD 86 million (2.3 percent of GDP).

Gross Capital Inflows (Liabilities)
(In millions of US\$)



Sources: Surinamese authorities

Gross Capital Outflows (Assets)
(In millions of US\$)



Sources: Surinamese authorities

Partial forex surrender requirements remain in

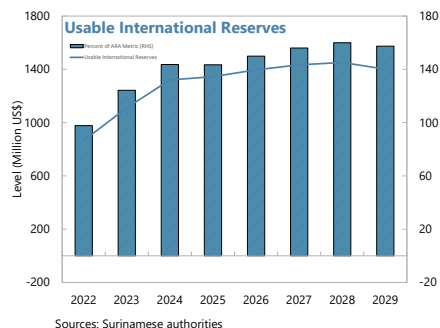
place. Exporters are required to surrender 35 percent of their forex proceeds. The authorities have no plans of changing the surrender requirements, and the staff sees it as non-macro-critical. Moreover, these surrender requirements help improve the forex liquidity in the forex market, and any risks of violations of article VIII will be mitigated once the planned FX trading platform is launched.

Assessment. Supported by the Extended fund arrangement under EFF, the net international position has improved, reducing vulnerabilities in the external sector. The authorities reform agenda, including fiscal restraint and a restrictive monetary policy will maintain the downward trajectory in the negative NIIP position.

FX Intervention and Reserves Level

Background.

Usable international reserves (i.e., gross international reserves minus PBOC swap and banks' ring-fenced required reserves) increased sharply to USD 1112 million (6 months of imports) in 2023. The level of usable reserves in 2023 is 124 percent of the ARA reserve adequacy metric, satisfying the recommended level of reserves between 100-150 percent of the ARA EM metric. The usable reserves were USD 865 Million in 2022. Suriname is expected to accumulate usable international reserves to around 160 percent of the ARA reserve adequacy metric (equivalent of around 6 months of imports) by end-2028.



Sources: Surinamese authorities

Consistent with the commitment for the flexibility in exchange rates, authorities have refrained from intervening in the forex market. To support forex market, the practice of directly providing forex to essential mineral exporters from the authorities' share of forex mineral revenue in exchange for authorities receiving SRDs at the going market rate will cease in June 2024.

Assessment. Staff see the need for further reserve accumulation to mitigate against any unfavorable terms of trade shocks and delays in external market access. Staff also see the need for the authorities to continue to refrain from intervening in the forex market and maintain the flexibility of exchange rate.

Annex III. Risk Assessment Matrix¹

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
Conjunctural risks		
High	Medium	
Intensification of regional conflicts. Escalation or spread of the conflict in Gaza and Israel, Russia's war in Ukraine, and/or other regional conflicts or terrorism disrupt trade (e.g., energy, food, tourism, supply chains), remittances, FDI and financial flows, payment systems, and increase refugee flows.	Disruptions to energy and food prices, worsening fiscal and current account balances, inflation pressures due to higher import prices.	Remain committed to fiscal discipline, provide targeted fiscal support to ensure delivery of essential services; increase social assistance transfers
High	High	
Commodity price volatility. A succession of supply disruptions (e.g., due to conflicts, export restrictions, and OPEC+ decisions) and demand fluctuations causes recurrent commodity price volatility, external and fiscal pressures in EMDEs, cross-border spillovers, and social and economic instability.	An increase in fuel and/or food prices would increase fuel import bill, worsen current account and external financing needs; increase inflation and exchange rate pressures.	Reprioritize spending to provide targeted fiscal support to the most vulnerable. Maintain tight monetary policy to keep inflation expectations anchored. Move ahead with transition to a fully renewable economy to reduce reliance on fossil fuel. Raise domestic capacity for food and other goods supply; and maintain fiscal and external sustainability.
Medium	High	

¹ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
<p>Abrupt global slowdown. Global and idiosyncratic risk factors cause a synchronized sharp growth downturn, with recessions in some countries, adverse spillovers through trade and financial channels, and market fragmentation triggering sudden stops in EMDEs.</p> <ul style="list-style-type: none"> • China: Sharper-than-expected contraction in the property sector weighs on private demand, further amplifies local government fiscal strains, and results in disinflationary pressures and adverse macro-financial feedback loops. • Europe: Intensifying fallout from Russia's war in Ukraine, supply disruptions, tight financial conditions, and real estate market corrections exacerbate economic downturn. • U.S.: Amid tight labor markets, inflation remains elevated, prompting the Fed to keep rates higher for longer and resulting in more abrupt financial, housing, and commercial real estate market correction. 	<p>A global recession scenario would lower trade, remittances, and investment. Resumption of currency depreciation and inflation, which will dampen domestic growth outlook, worsen fiscal and external accounts, and higher debt service costs.</p>	<p>Keep the exchange rate flexible to act as a shock absorber.</p> <p>Use existing policy space to support the economy and protect the most vulnerable, consistent with the monetary policy framework and fiscal sustainability.</p> <p>Implement structural measures to improve competitiveness to support domestic demand.</p> <p>Monitor banks' buffers to withstand shocks</p>
<p>Medium</p>	<p>Medium</p>	
<p>Monetary policy miscalibration. Amid high economic uncertainty, major central banks loosen policy stance prematurely, hindering disinflation, or keep it tight for longer than warranted, causing abrupt adjustments in financial markets and weakening the credibility of central banks.</p>	<p>Sharp tightening of global financing conditions and rising risk premia can increase vulnerabilities for sovereign and banks.</p>	<p>Keep flexibility in exchange rate to act as a shock absorber.</p> <p>Keep the tight monetary policy stance, communicating and signaling strong commitment to keeping inflation in check.</p> <p>Reprioritize spending to provide targeted fiscal support to the vulnerable.</p>

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
Medium	Medium	
Systemic financial instability. High interest rates and risk premia and asset repricing amid economic slowdowns and political uncertainty (e.g., from elections) trigger market dislocations, with cross-border spillovers and an adverse macro-financial feedback loop affecting weak banks and NBFIs.	Higher global risk premium can result in a negative feedback loop between sovereign and banks; asset quality deterioration for banks.	Monitor the financial system and be ready to provide liquidity assistance if needed to maintain financial stability. Adjust macroprudential measures to avoid an undue tightening of financial conditions. Continue with fiscal discipline backed by structural reforms to increase fiscal sustainability and improve business/regulatory environment, thereby increasing investors' confidence.
Medium	Medium	
Sovereign debt distress. Domino effects from high global interest rates, a growth slowdown in AEs, unfunded fiscal spending, and/or disorderly debt events in some EMDEs spillover to other highly indebted countries, amplified by sovereign-bank feedback, resulting in capital outflows, rising risk premia, and loss of market access.	Higher funding costs for sovereign and corporates, capital outflows. Sovereign international market access is not expected until 2027.	Maintain fiscal discipline and tight monetary policy. Proceed with restructuring of sovereign debt. Seek additional financing from IFIs and bilateral donors.
Medium	High	
Social discontent. High inflation, real income loss, spillovers from conflicts (including migration), worsening inequality, and disputed elections cause social unrest and detrimental populist policies. This exacerbates imbalances, slows growth, and leads to policy uncertainty and market repricing.	social discontent leads to protests, weakens the reform momentum, damages investor confidence, and slows growth.	Reprioritize spending to provide targeted fiscal support to the vulnerable. Strengthen social safety nets. Maintain tight monetary policy.
Structural risks		
High	Medium	

Risks (Likelihood)	Economic Impact if Risks Realized	Policy Response
Deepening geoeconomic fragmentation. Broader conflicts, inward-oriented policies, and weakened international cooperation result in a less efficient configuration of trade and FDI, supply disruptions, protectionism, policy uncertainty, technological and payments systems fragmentation, rising shipping and input costs, financial instability, a fracturing of international monetary system, and lower growth.	Deeper fragmentation would weaken growth and strain the ongoing macroeconomic and structural reforms. Suriname would need to find a new source of future growth that is less reliant on the external environment.	Allow the exchange rate to adjust to reflect the new fundamentals. If inflation has fallen, utilize monetary policy space to ensure that the output gap does not stay negative for too long. Extending targeted measures to support individuals and businesses by reprioritizing spending.
Medium	Low	
Disorderly energy transition. A disorderly shift to net-zero emissions (e.g., owing to shortages in critical metals) and climate policy uncertainty cause supply disruptions, stranded assets, market volatility, and subdued investment and growth.	Would slowdown climate mitigation and adaptation efforts and adversely impact long-term growth.	Continue building capacity to monitor and assess climate change risks, including building a data collection mechanism.
Country-Specific Risks		
Medium	High	
Extreme climate events. Extreme climate events driven by rising temperatures cause loss of human lives, severe damage to infrastructure, supply disruptions, lower growth, and financial instability.	Extreme climate shocks would weaken fiscal position and reduce government ability to mobilize revenues while increasing the need for more priority spending.	Accelerate investment into climate resilient infrastructure that could mitigate disaster risk; and continue seeking climate financing to safeguard from natural disaster shocks.
High	High	
Deceleration of reform momentum. Delays in fiscal reforms generate market concerns about the fiscal consolidation and debt sustainability, undermining the private sector confidence necessary for investment.	Policy uncertainty could undermine confidence and hurt investment and growth.	Adhere to fiscal consolidation strategy under the program to generate high primary surpluses on a sustained basis and facilitate the programmed reduction in public debt to 60 percent of GDP by 2035/36.

Appendix I. Letter of Intent

Paramaribo, Suriname

June 5, 2024

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, DC 20431

Dear Ms. Georgieva,

We are continuing to make steady progress in implementing the needed macroeconomic adjustment and structural reforms to help Suriname recover from the unprecedented economic crisis and lay foundations for inclusive growth. Over the course of one year, despite increasingly challenging domestic and external environment and capacity constraints, we were able to complete four consecutive reviews (2nd through 5th).

We are demonstrating our commitment to fiscal and monetary discipline. In line with the conservative 2024 budget, we are continuing to phase out subsidies on electricity, water, and gas. We are removing unregistered and chronically absent workers from public payrolls, while enforcing the hiring freeze. We are continuing our efforts to strengthen VAT collections and processing of VAT refunds. To help reestablish domestic market access and strengthen banks' balance sheets, we have fully cleared domestic arrears to banks. We have also taken measures to prevent the accumulation of supplier arrears. Restrictive monetary policy helped put inflation on a firmly downward trend. Our efforts to restore fiscal discipline and successful debt restructuring process have been recognized by donors, credit rating agencies, and investors. International bond spreads are now at historic lows.

We made concerted efforts to complete the fiscal structural reforms for this review. To prevent accumulation of supplier arrears, we issued a resolution to clarify the government is not to be responsible for contracts that had no prior authorization from the Ministry of Finance and Planning (MOFP), issued a State decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks, and mandated that all line ministries report supplier arrears to the Ministry of Finance on a monthly basis. To improve VAT collections, we have mandated the use of Fiscal Identification Number for all importers and exporters. We are continuing to publish quarterly budget execution reports. The new procurement law is expected to be enacted shortly by the National Assembly, which will bring both efficiency and transparency to government procurement practices. The long-anticipated social assistance reform plan has finally been completed, helping chart a path to increase efficiency and effectiveness of our social safety net – which is critical for a sustainable and socially acceptable fiscal adjustment.

Our debt restructuring process is entering its final phase. EXIM China is drafting the final agreement, which we expect to sign in the coming months. We expect to start negotiations with the Paris Club (PC) for the second phase of debt treatment in September. An agreement-in-principle (AIP) with the ICBC is expected in the coming months. We have also fully repaid all domestic debt arrears and built capacity of our debt management office to properly record and promptly service all domestic and external debt obligations.

Our restrictive monetary policy stance has firmly put inflation on a downward path, benefiting the Surinamese people by arresting the real wage erosion and helping create a more favorable business climate. We will continue to monitor monetary developments and maintain the reserve money path consistent with the program targets. As the inflationary and currency depreciation pressures have been contained, bank credit growth caps have been discontinued. Given sufficiently tight liquidity conditions in the banking system and the recent sharp exchange rate appreciation, we are considering gradual loosening of the monetary policy stance. We will continue to carefully monitor the liquidity conditions and consult with the IMF staff on any additional policy steps.

We remain committed to a flexible, market-determined exchange rate. We will ensure that any FX regulations are consistent with the program objectives and do not interfere with the functioning of the FX market. The CBvS has refrained from FX interventions. As the FX conditions have eased and import backlogs for the suppliers of essential goods have been resolved, starting in July, mineral companies will now pay all of their government revenue obligations in FX. To increase the liquidity and transparency in the FX market, we will launch an electronic trading platform for inter-bank FX trading, which will be gradually expanded, based on their AML/CFT compliance, to also cover cambios and gold exporters.

We are committed to bolstering financial sector resilience and strengthening central bank governance and operational independence. We have submitted a legislative amendment of the Foreign Exchange Regulation 1947 to the National Assembly, bringing it in line with the new Central Bank Act. The CBvS is on track to publish the audited IFRS financial statements of 2021 and 2022 in June and September respectively. To avoid further delays, we will finalize the time-bound plan to recapitalize the central bank by end-June, with provisions for additional recapitalization needs if required by subsequent financial statements. The CBvS, in consultation with the IMF, has also set common equity tier one and capital adequacy ratio targets for banks with capital shortages and has outlined the corrective measures it would take if the CET1/CAR targets were breached.

Strengthening governance and addressing vulnerability to corruption are critical to prepare Suriname for oil wealth. We are in the process of amending the Anti-Corruption legal framework to criminalize acts of corruption. We are also revising the Anti-Corruption legal framework to create a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information, and the establishment of proportionate sanctions for non-compliance.

We have experienced some setbacks in program implementation relating to the performance of quantitative targets and are implementing corrective measures to meet future targets. These will include stricter enforcement of VAT tax compliance, including imposing penalties and interest on late filing and payment of outstanding taxes, in line with the VAT law. On the other hand, fully complying companies will benefit from fast-track refund processing and limited audits. We will more stringently enforce the “no work-no pay law” through swift removal of unregistered and chronically absent workers from public payroll. We will cap direct settlements by the state oil company towards the government, ensuring that electricity tariff increases bring corresponding fiscal savings and are properly reflected in government’s fiscal accounts. Finally, we will curtail non-priority capital expenditures. To address slippages on the monetary targets, we will improve information sharing between MOFP and the central bank on liquidity forecasting and arrears repayment.

To support our efforts, we request the completion of the sixth review of the extended arrangement under the EFF, which will make available an amount equivalent to SDR 46.7 million (36.3 percent of quota or about USD 62.6 million) upon approval (out of which SDR 19.1 million or about USD 25.7 million would be for budget support), and the completion of the financing assurances review.

As we experienced some setbacks in program implementation, we are requesting waivers for the nonobservance of the end-March 2024 QPCs (floor on the primary fiscal balance (cash basis) of central government; the ceiling on net domestic assets (NDAs) of the central bank; the floor on the net international reserves of the central bank) based on the corrective actions we undertook to correct the fiscal underperformance. We also request the modification of the QPCs on the ceiling on net domestic assets (NDAs) of the central bank and the floor on the net international reserves of the central bank for the remainder of the program and modification of the end-June 2024 and end-September 2024 fiscal QPCs.

The attached Memorandum of Economic and Financial Policies (MEFP) provides an update on recent developments since the fifth review of the EFF and sets out in detail the steps the government intends to adopt to achieve its policy objectives. The government stands ready, if necessary, to take any additional measures that may be required during the EFF to achieve the objectives of the program. In such cases, the government will consult in advance with the IMF on the adoption of these measures or revisions to the policies contained in the MEFP, in accordance with the Fund’s policies on such consultation, to ensure that the objectives of the government’s adjustment program are met. As part of our communication strategy, we have held frequent discussions with the broader society on the EFF-supported program and the government’s economic recovery plan, and we will publish this letter on the websites of the Ministry of Finance and Planning (MoFP) and the CBVS to keep our citizens and international partners informed about our policy actions and intentions. In that regard, we authorize the IMF to publish this letter, its attachments, and the related staff report.

The government will provide IMF staff with all the relevant information required to complete the scheduled program reviews and monitor performance on a timely basis. The government will observe the standard continuous performance criteria against imposing or intensifying exchange

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restrictions, introducing or modifying multiple currency practices, concluding bilateral payment agreements that are inconsistent with Article VIII of the IMF's Articles of Agreement, and imposing or intensifying import restrictions for balance of payments reasons.

Very truly yours,

_____/s/____

Chandrikapersad Santokhi

President of Suriname

_____/s/____

Kermechend S. Raghoebarsing
Minister of Finance and Planning
Paramaribo, Suriname

_____/s/____

Maurice L. Roemer
Governor, Central bank of Suriname
Paramaribo, Suriname

Attachments: Memorandum of Economic and Financial Policies
Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

I. BACKGROUND AND RECENT DEVELOPMENTS

1. Our government remains fully committed to the objectives of our home-grown reform program supported by the Extended Fund Facility (EFF) arrangement. On December 22, 2021, the IMF Executive Board approved an extended arrangement under the EFF with access of 366.8 percent of quota (SDR 472.8 million or USD 673 million). The program aimed to: (i) restore fiscal sustainability and strengthen fiscal management; (ii) bring public debt down to sustainable levels; (iii) improve the social safety net to better protect the most vulnerable; (iv) upgrade the monetary policy framework and adopt a flexible, market-determined exchange rate; (v) improve the viability of the financial system (including, where needed, through recapitalization) and develop a more effective bank oversight; and (vi) tackle corruption, strengthen institutions and institutional governance, and enhance Suriname's AML/CFT framework. After one year delay we were able to bring the program back on track and complete the second review in June 2023. Since then, based on our demonstrated commitment to implement the reform program despite challenging socio-political environment, the IMF Executive Board completed the third, fourth, and fifth reviews under the extended arrangement under the EFF in September 2023, December 2023, and March 2024 respectively.

2. We remain resolute in putting government finances in order. Fuel subsidies were discontinued, and fuel prices are now determined by an automatic pricing mechanism based on international prices. Specific duties on fuel have also been imposed. Distortionary and costly electricity, gas, and water subsidies are being phased out, while protecting vulnerable groups through higher social assistance spending. The public sector wage bill has been contained. The Value-Added Tax (VAT) was introduced, and its base has been subsequently broadened. We have also made timely progress in completing both domestic and external debt restructuring processes. In January we approved a conservative 2024 budget that is in line with the fiscal consolidation envisioned under the program.

3. We are seeing the results of our hard work and sacrifices in restored macroeconomic stability. Economic recovery is ongoing. Confidence in the local currency has been restored. Inflation, while still high (at 26.8 percent year-on-year in March) is on a steady downward path. Usable international reserves remained stable at 6 months of imports at end-March.

4. There are still major challenges ahead and hard work to be done. While the economy is recovering, real GDP remains below its pre-pandemic level. Inflation is still high, and the financial sector is still vulnerable. Some important reforms, particularly on strengthening governance and addressing vulnerabilities to corruption, are yet to be fully implemented. Nevertheless, we are committed to keeping the reform momentum going despite headwinds from political opposition, reform fatigue among the population, and internal capacity constraints.

II. RETURNING PUBLIC FINANCES TO A SUSTAINABLE PATH WHILE PROTECTING THE VULNERABLE

5. Our ability to implement difficult policies despite an increasingly challenging socio-political environment speaks of our commitment to fiscal sustainability. In a span of one year, we fully eliminated fuel subsidies, started to phase out object subsidies (electricity, gas, water), and contained the public wage bill. We also introduced the VAT and subsequently broadened its base.

6. While we fell short of the end-March primary fiscal balance target, we are taking measures to correct the course (¶7). Solid revenues from mining were not sufficient to balance disappointing VAT receipts and overspending on goods and services and electricity subsidies. We reached a primary surplus of SRD 28 million in Q1 2024. However, this was lower than the SRD 1,153 and SRD 1,755 million unadjusted and adjusted targets, respectively, under the program.

7. To reach the required primary balance of 2.7 percent of GDP this year, we are committed to implementing a range of revenue and expenditure measures, including:

- **VAT.** In 2023, we enacted an amendment to the VAT Act to broaden the tax base to impose the standard 10 percent VAT rate on 60 percent of household consumption. A new 5 percent rate on water, electricity, and cooking gas will be introduced in June 2024. We have made significant strides in registering new taxpayers, with over 4,200 registered by April 2024 – albeit short of our target of 5,000. However, filing compliance remains low (at around 70 percent). To correct this issue, we issued a ministerial resolution that for any tax returns due in June 2024 and onwards, late filing and/or failure to pay will incur penalties and interest. All outstanding returns for the taxable periods January 2023 to April 2024 will have until June 30 to file and pay or arrange for payment of VAT without penalties and interest. After that date, penalties and interest will be applied. Based on the recommendations of the recently concluded IMF/FAD TA on revenue administration, we will implement streamlined and risk-based procedures to ensure fast processing of VAT refunds. In addition, we will fast-track refunds for compliant taxpayers by setting up a “gold list” of top taxpayers that have filed accurately and on-time. We have already introduced a VAT refund profiling mechanism to accelerate the processing of VAT refunds. We commit to monitor and clear the outstanding VAT refund arrears by end-2024.
- **Electricity subsidies.** We aim to phase out costly and inefficient electricity subsidies, mindful that climate change is increasingly impacting our ability to use hydropower to produce low-cost and stable electricity. We increased average electricity bills by around 36 percent in 2023. We have agreed on a plan of tariff adjustments in 2024, with the first increase of 40 percent in March. Further four increases of 7 percent each are planned for the rest of the year, and tariffs will be linked to the exchange rate and oil price developments. Tariffs for commercial users will reach cost-recovery by mid-2024. On the other hand, low- and middle-income households will still receive partial support towards their electricity bills. Due to the complex landscape of the electricity sector, tariff increases do not directly translate into fiscal savings for the central government. We have now reached agreement with Staatsolie on the new settlement

mechanism to ensure that targeted fiscal savings from subsidy reductions will be achieved. To ensure transparency and help with public buy-in for the reform, we will continue publishing on the Energie Autoriteit van Suriname external website quarterly updates of the tariffs for each consumer group, the rationale for the adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy. We will also provide the information on the cost, consumption, subject subsidy, and object subsidy on the electricity bill that each consumer receives.

- *Wage bill.* We will keep the public wage bill constant in real terms in 2024, at 6.7 percent of GDP. We are proceeding carefully with the process of removing unregistered and chronically absent workers from the public payroll. We have been clearing other irregularities (workers with two full-time salaries, for example). Savings from these measures will be used to modestly increase the real compensation of public sector workers in 2024, in particular for high-skilled workers, which have been eroded over the past three years. In February 2024, we rolled out a digital personnel data information system at five ministries to monitor the size of the civil service, absenteeism, and the alignment between qualifications and appointments. We expect this system to cover all ministries by end-2024.
- *Fuel subsidies and taxes.* We fully eliminated fuel subsidies in March 2023 and reinstated taxes on fuel. Fuel prices are now determined by an automatic pricing mechanism based on international prices. We have developed and documented a methodology that automatically increases taxes on fuel when fuel prices drop and decreases the fuel tax when fuel prices increase. This methodology also incorporates annual adjustments for inflation and a floor on the tax.

8. We are strengthening fiscal institutions. The reforms focus on improving our tax administration, public debt management and public financial management (PFM).

- *Improving treasury management.* We will implement a pilot treasury single account (TSA) for a limited set of ministries (*structural benchmark for end-January 2025*). To enable this reform, we have issued a state decree to provide the Minister of Finance the authority to access all banks accounts held by government entities at commercial banks (*structural benchmark for end-March 2024, met*). The implementation of the TSA will be supported by IMF capacity development. Implementation will include devising new business processes for the TSA and developing a strategy for the orderly transition of balances from individual bank accounts to the TSA. We will communicate the decision to establish a TSA broadly across ministries and build capacity for all those involved with the TSA. After implementing the pilot in 2024, we will evaluate the process and consider what changes are needed before fully rolling out the TSA in subsequent years.
- *Preventing supplier arrears.* Aided by IMF capacity development, we have created a cash management unit within the Treasury at end-2023 that will oversee the implementation of the TSA, cover liquidity planning, accounts management, and cashflow management. We continue to improve our monitoring of supplier arrears. We have issued a resolution stating that government will not be responsible for contracts agreed with line ministries that have no prior

authorization from the MoFP (*structural benchmark for end-April, met*). To prevent further accumulation of supplier arrears, the Budget Department will set commitment ceilings by line ministry of at least quarterly and enforce them, including through FreeBalance (*continuous structural benchmark, not met, expected to be implemented with delay in June*). This will require institutionalizing meetings and data sharing between the Budget Department and the Cash Management Unit. We will also continue improving the reliability of cash flow forecasts and liquidity planning. To improve oversight of expenditure arrears across the government, we will mandate all line ministries to report the stock of arrears to the Ministry of Finance and Planning (MoFP) monthly (*structural benchmark for end-June 2024, met*). With support of the IMF's capacity development, we will continue to enhance the quality and accuracy of the arrears information by strengthening the legal framework, processes and institutional capacities. These are critical aspects for implementing effective arrears control measures.

- *Strengthening tax administration.* We are prioritizing improvements in the administration of the VAT to reduce VAT refund arrears and improve compliance and collections. To be able to track compliance and properly assess tax arrears we will post all VAT returns filed to taxpayers' accounts within 24 hours of filing as well as post all payments within 24 hours of receiving the information from banks. We will mandate that all importers and exporters use the Fiscal Identification Number (FIN) (*end-June 2024 proposed to be reformulated*) when processing transactions with the Custom and Excise Department, which will facilitate sharing and cross-matching of data to identify unregistered taxpayers and underreporting. We will expand this mandate to cover all taxpayers by end-December 2024. We will establish a dedicated VAT refund account to pay refunds by July 2024, and with IMF capacity development we will develop a national audit plan with audit risk selection criteria by end-August 2024. To improve the ease of paying taxes, we will develop an online VAT payment option by end-July 2024. These improvements are expected to improve our ability to administer all taxes.
- *Improving debt management and recording.* To ensure timely payments of debt obligations, we have improved SDMO's back-office capacity and coordination between SDMO, the MoFP, and the CBvS. We have set up an information system tasked with receiving and dispatching information regarding upcoming payments to external creditors. With help from IMF capacity development, we have produced and signed a memorandum of understanding (MOU) between these parties, which defines responsibilities for timely information provision to other agencies and processing of payments. The MOU also specifies an escalation process within each agency and procedures for inter-agency monitoring. We have not accumulated any new external debt arrears since this system was set up. We fully staffed the SDMO with six employees responsible solely for the back-office functions.
- *Improving procurement practices.* We have ratified the Caribbean Community (CARICOM)'s Protocol on Public Procurement in July 2022. To improve transparency in public procurement, we will shortly enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and an ex-

post validation of delivery of the contracted services (*structural benchmark for end-September 2023, not met*). We will then publish the information in line with the enacted law on an external government website by end-September 2024. In collaboration with the CARICOM Secretariat, we will incorporate in our Integrated Financial Management Information System a procurement module and integrate and connect this module with the regional system to increase spending efficiency.

- *Strengthening public investment management with climate considerations.* With help from the IDB, we are upgrading our public investment management (PIM) procedures into a PIM manual. We will publish this manual with general guidelines for the economic appraisal of investment projects, including climate change and flood risk management considerations, and sectoral guidelines for key ministries by end-December 2024. We have already engaged line ministries to sensitize them, and we will seek to formalize these guidelines by strengthening the PIM governance legal framework and put in place a public investment unit at the Ministry of Finance.
- *Strengthening SOE oversight.* We will strengthen our oversight of SOEs. We will collect and publish the latest financial information for the largest SOEs. We will initiate quarterly financial monitoring of these SOEs and, with help from IMF capacity development, will produce a report that identifies and quantifies the fiscal risk generated by the largest SOEs by end-December 2024.

III. STRENGTHENING THE SOCIAL SAFETY NET

9. Our goal is to ensure that the burden of fiscal consolidation is not borne by the poor and vulnerable. Instead, the better off should pay their fair share of taxes, and the fiscal space created by eliminating generalized energy subsidies that disproportionately benefit the rich should be channeled to help the poor and vulnerable. Sheltering the poor from the adjustment is not only a moral imperative, but also important for preserving growth and securing a stable social environment for the implementation of the program.

10. We will redouble our efforts to tackle extreme poverty. The most recent 2022 Suriname Survey of Living Conditions found that extreme poverty had increased from 0.7 in 2016/17 to 2.6 percent of households. Extreme poverty is concentrated in the interior, with 6.3 percent of households living in extreme poverty. However, the largest increases in extreme poverty came in Great Paramaribo (1.5 percentage points higher) and the rest of the coastal regions (3.2 percentage points higher). Overall poverty, however, had fallen slightly from 23.4 percent to 21.7 percent.

11. Despite our best efforts to sufficiently increase social protection spending, we fell short of the program target in Q1 2024 but are taking corrective steps to sufficiently protect the poor going forward. In July we increased the value of cash transfers by around 45 percent and expanded coverage of the social beneficiary program (SRD 1800 per month) to include recipients of the general old age pension. In December 2023 we fast-tracked the registration and delivery of digital payments cards to applicants to the new social beneficiary program. In January we issued one-off payments to the eligible beneficiaries. We will increase social spending from 2.2 percent of

GDP in 2023 to 3 percent of GDP in 2024. We are expanding the coverage of the social beneficiary program which now has over 113,000 beneficiaries. We will better calibrate the value of cash transfers in 2024 to ensure that vulnerable households are protected, with a view to closing the poverty gap for as many poor households as possible. We will coordinate increases in our social beneficiary program with electricity tariff adjustments to ensure that vulnerable households are protected while energy subsidies are phased out. We will make concerted efforts to reach out and deliver social aid to all eligible households.

12. We have finalized a strategic plan for improving the efficiency and effectiveness of social protection. With help from the ILO and IDB in conducting diagnostics, we developed our home-grown strategic plan in line with our Multi-Annual Development Plan 2022–26 (*end-December SB, not met, implemented with delay in May 2024*). Our strategic focus is on areas where efficiency savings can be made by rationalizing programs and on expanding coverage. We are working towards creating a single digital beneficiary information system financed by the IDB which is expected to be ready for implementation by end-2025. This will enable us to streamline our 21 social programs into a smaller set of coherent social programs. We are also expanding coverage and reducing costs by transitioning to digital payment methods.

13. To overcome geographic and institutional challenges, we have intensified our digitalization efforts to expand coverage and improve delivery. We are intensifying our efforts to shift beneficiaries to digital payments using a government-provided debit card system. With the help of the IDB, we have purchased 73,500 cards to service our traditional and new cash transfer programs. Rolling out digital payments to households in the interior will vastly improve the efficiency of delivery significantly, particularly in hard-to-reach areas. This will enable us to make more timely, cost-effective, and frequent payments to households in the interior where consumption poverty is 20 percentage points above the national average. Our digital cash transfer infrastructure is a critical pillar of preparedness for future economic shocks. We will further leverage this infrastructure to improve financial inclusion in the future – especially for those in rural areas where only 21 percent of adults have bank accounts.

14. To improve transparency in social protection spending, we have begun reporting on the performance and coverage of our cash transfer programs. We have published on the Ministry of Social Affairs and Housing’s external website a monthly report detailing the number of households or individuals covered by each program in each district, along with the value of cash transfers made to recipients in each district under each program and eligibility criteria (*end-January 2024 SB, met*).

IV. RESTRUCTURING PUBLIC DEBT

15. We are committed to putting public debt on a sustainable path.

- We are committed to bringing down public debt to 60 percent of GDP by 2035. We will keep our gross financing needs below an average of 9 percent of GDP in 2024-35 (and no higher than

12 percent of GDP in any one year). Our program ensures the fiscal position is fully financed in 2024 and 2025.

- We have followed best practices in sovereign debt restructuring, including considering inter-creditor equity and comparability of treatment of all official bilateral creditors. We are committed to working with all external creditors to achieve debt treatments consistent with program parameters and recognizing that servicing debt on the original terms would not be consistent with debt sustainability.
- We reached an agreement in principle with the Paris Club creditors in June 2022 and have subsequently reached and signed bilateral agreements with all the Paris Club creditors. In May 2023, we formally reached an agreement-in-principle with the Bondholder’s Committee and the actual debt exchange was successfully finalized in November 2023, with pre-CAC participation of more than 96 percent and 100 percent post-CAC participation. The two outstanding Eurobonds were exchanged for one fixed income instrument that contains a value recovery instrument (VRI) which is structured to ensure that the Republic and its population will fully benefit from oil-related revenues. We presented restructuring offers to China and India in July 2022, and we finalized agreements with India in 2023. In November 2023, an agreement in principle at the technical level was reached with China EXIM on the two-stage (flow and stock relief) debt treatment. It was signed by both parties in March. The AIP is comparable with that agreed with the Paris Club (PC) creditors and is consistent with debt sustainability. The final agreement with EXIM China and PC creditors on the second phase of the restructurings is expected in the coming months.
- We are conducting our negotiations with remaining private external creditors in good faith, by sharing relevant, non-confidential information with all creditors on a timely basis and providing creditors with an early opportunity to give input on the design of restructuring strategies. In April, an agreement was signed with ABN AMRO to restructure two outstanding loans. Our government’s approach has been based on four pillars: (i) a fair and equitable treatment for all our creditors; (ii) transparency and constructive dialogue; (iii) a commitment to fiscal consolidation and reform policies going forward; and (iv) a sustainable debt solution within the IMF debt sustainability framework.
- As part of the commitment to restore debt sustainability, we concluded the restructuring of the legacy debts to the CBvS in July 2023. We completed the restructuring of domestic debt (including arrears) to commercial banks in January 2024. We have cleared all remaining domestic debt arrears except technical arrears (*end-March SB, not met, implemented with delay in May*).
- Other accounts payable, of which 80 percent are supplier arrears that were due more than 90 days ago, stood at SRD 7.6 billion in December 2023. We commit to put a full stop to the accumulation of new supplier arrears. In addition, we are determined to gradually clear the entire stock of supplier arrears by end-2027. We are mindful that the fiscal targets are evaluated on a cash basis and commit to offsetting any clearance of supplier arrears by lower goods and

services spending. We are actively implementing measures to monitor and prevent the accumulation of supplier arrears (¶19).

- Further, the government will not provide guarantees to debt contracted by other parties during the program, nor will it or the SOEs contract new debt that is collateralized by natural resource revenues (or allow the public sector to contract such debt on behalf of the central government).

V. MANAGING MONETARY POLICY

16. Our monetary policy stance has helped put inflation on a downward trend as the SRD liquidity conditions tightened. Tight liquidity is supported by continued diligent implementation of the central bank's open market operations (OMOs), through more regular wholesale auctions and direct issuances of Central Bank Certificates (CBCs), and the increase in the local currency reserve requirement from 39 to 44 percent last year. The month-on-month inflation has dropped to pre-crisis levels and has stabilized. The exchange rate has also been appreciating in recent months. Private sector credit growth has slowed, contained in part by the CBvS guidance to commercial banks to limit the increase in the stock of nominal credit to 20 percent over a 12-month period through end-March 2024.

17. We are considering gradual relaxation of the monetary policy stance. Given recent trends in disinflation, there is a scope to slow down the decrease in reserve money in real terms. This will increase the availability of credit for the private sector in SRD and help support growth. As we gradually relax the monetary targets, we will closely monitor developments in the FX market and the profitability of banks.

18. We will improve our liquidity forecasting capability. The end-March net domestic assets (NDA) and net international reserves (NIR) targets were missed because of the clearance of both SRDs and FX denominated domestic and supplier arrears were not adequately captured in CBvS' liquidity forecasts. Improved accuracy and timeliness of government revenue and expenditure data (including arrears clearance) provided by the MOFP to the CBvS, will help enhance our liquidity forecasts. As part of the implementation of the TSA, we will gradually move the available government deposits in commercial banks to the CBvS, which will improve our ability to forecast liquidity conditions. We are also aligning the base for the calculation of the FX and SRD SNEPS norm with the reserve requirements for the banks.

19. We plan to reduce the usage of Central Bank Certificate (CBCs) for mopping up liquidity. We will abide by the Central Bank Certificate auction schedule for the rest of the year and will consult with IMF staff before releasing the schedule of CBC auctions for 2025. We will not conduct any ad-hoc CBC retail auctions. In addition, we are planning to allow banks to sell CBCs in the secondary market under clear rules to strengthen monetary transmission and will gradually reduce the volume and the average maturity of the CBCs to accommodate development of government securities market.

20. The CBvS stands ready to help banks cover unexpected short-term liquidity gaps through the standing lending and intraday facilities. To prevent excessive reliance on the standing facility, it is priced based on the weighted average price of open-market operations plus a modest spread. However, the facilities are currently underutilized as banks prefer to hold on to high levels of precautionary reserves. To strengthen participation in OMOs, we are engaging with the commercial banks to align assessments of excess liquidity and to improve their understanding of all liquidity facilities available with the central bank. We will explore digitalizing various processes to ensure that healthy banks can more easily draw on the liquidity facilities, without having to undergo cumbersome paper-based requests for liquidity which cause processing delays. If required, the CBvS will seek to sterilize liquidity from the use of the facility through OMOs to minimize disruptions to its reserve money targets. Banks' access to the ELA is subject to a supervisory decision based on the assessment of viability and solvency, and as needed, remedial action.

21. Our foreign exchange policies are embedded in our commitment to a flexible, market-determined exchange rate. We have refrained from direct FX interventions. The FX market pressures have eased significantly, and the exchange rate has been appreciating since December. With the underlying market conditions remaining tight, now is the opportune time to phase out limited indirect FX sales to essential goods importers in June 2024. Cumulatively the FX sales between July 2023 and end-March 2024 were limited to just over USD 25 million in view of keeping the total central government SRD mineral revenue receipts under the program USD 30 million ceiling. MoFP will continue to transfer all other government net FX receipts (including from IFI budget support) at the prevailing market exchange rate to the CBvS only, except for transfers required to meet the government's domestic FX debt service obligations.¹

22. We are improving functioning of the foreign exchange market. After a series of procurement and technical delays in the testing phase, the electronic FX trading platform (*end-September 2023 SB, not met*) will be launched in June. The initial participation in the platform will be limited to inter-bank transactions but will be expanded progressively, based on their AML/CFT compliance, to cambios and to gold exporters. To support timely FX availability to market participants, a surrender requirement for exporters to offer 35 percent of export proceeds to the market remains in force, with sale of repatriated FX to follow banks' own daily rates as per the CBvS Circular 2023-2 issued on September 8, 2023. We have not issued any additional FX market regulatory guidance, and we remain committed to consult with the Fund before issuing any such guidance. Moreover, we will refrain from any interventions or administrative measures that could impede efficient functioning of the FX market or be inconsistent with the program or Suriname's obligations under Article VIII, Sections 2 and 3 of the IMF's Article of Agreement.

VI. REDUCING BANKING SECTOR RISKS

23. We are committed to addressing vulnerabilities in the banking system. The reported

¹ These concern central government debt to a local bank, serviced through an escrow account funded directly by royalty payments by an international gold mining company.

level of capital adequacy ratio for the banking system is 21.6 percent as of March 2024. Nonperforming loans continue to decline but on average they are still above the five percent benchmark. Banks' long positions in FX coupled with the appreciating exchange rate and exacerbated by retail investors' FX deposit withdrawals, increase their losses from foreign exchange holdings. The banking system remain to be liquid on aggregate, largely due to high reserve requirements with liquid assets comprising 54.2 percent of total assets, but SRD liquidity is tight because of the high demand for CBCs by retail investors. Liquidity is unevenly distributed across banks and skewed towards two large systemic banks. We will continue to prudently monitor the liquidity in the banking system and consult IMF staff on any changes in monetary policy that may affect the liquidity positions of banks.

24. We will ensure the timely completion of bank recapitalization plans to preserve the stability in the financial system. In line with the post-AQR roadmap, banks with capital shortages pledge, through the recapitalization plans submitted to the CBvS, to reach the required levels of common equity tier one (CET1) and capital adequacy (CAR) ratios by the end of 2024 and 2026 respectively. To ensure that these plans are effectively implemented and followed, we set, in consultation with IMF staff, interim CET1 and CAR targets for these banks and outlined the prompt corrective actions we would escalate if the targets are breached (*structural benchmark, not met, implemented with delay in April 2024*). Consistent with our bank recapitalization assessment framework, these banks are subject to enhanced supervision and restrictions on dividend payouts and bonus payments, and we follow their alignment with actions foreseen in the recapitalization plans. Any government solvency support will be designed to be in place for viable banks under strict conditionality to minimize costs and moral hazard, enhance public confidence, and provide a clear exit strategy for the government.

25. We are implementing structural reforms to strengthen supervision of the banking system. It is our priority to ensure that state owned banks are taking necessary steps in line with the governance framework agreed by the CBvS and the MoFP, benefiting from international best practices, to ensure they are run on a fully commercial basis, providing a level playing field with private banks. To enhance the governance framework of the state-owned bank with a capital shortfall during the implementation of its recapitalization plan, we will ensure that the recovery in its capital stems from a sustainable business model. The amendments to the Banking and Credit System Supervision Act enacted in January enhance risk-based supervision of banks. This enhances our supervisory capacity and allows our supervisors to adequately evaluate a bank's financial health and its compliance with regulations, while ensuring that timely measures are taken to prevent further deterioration in its financial position. The Bank Resolution Bill will strengthen CBvS' powers and tools for early intervention, recovery and resolution of credit institutions. We continue to assess banks' strategies to reduce their nonperforming loans in line with our guidance shared with the banking system.

26. We are determined to implement other important financial sector reforms. We are committed to improve the supervision of the insurance and pension sectors, the capital market and electronic payment systems, as well as establish credit reporting, deposit insurance, and enhance

electronic transactions. CBvS is drafting acts and regulations in these areas. Ongoing efforts to strengthen the AML/CFT framework will support the financial sector resilience. We will enhance monitoring of non-bank financial institutions, in particular with respect to their interconnectedness with the banking system. We will collect information about the loans extended by insurance firms and pension funds and initiate efforts for enhancing the functioning of the credit bureau, through adequate supervision and regulation, to provide a database for assessing the overall indebtedness of borrowers. The revised AML/CFT regulation have been issued in February 2024. Given limited resources, we will prepare a comprehensive plan to coordinate and integrate the various reform initiatives to ensure timely implementation, supported by technical assistance by the IMF and other parties.

VII. IMPROVING MONETARY GOVERNANCE

27. The CBvS is continuing to make progress in clearing the backlog of financial statements audits and continues to conduct special audits of program monetary data. The CBvS' audited FY 2020 financial statements in line with International Financial Reporting Standards (IFRS) were published in November 2023. We will publish the FY 2021 and FY 2022 audited financial statements by end-June 2024 and *end-September 2024 (SBs)*. Audits of program monetary data conducted for each test date since the start of the program have not raised material issues. We will continue to perform these audits for each future test dates to confirm the data underlying the performance criteria. To reinforce the internal audit function, we will continue to co-source specific audits while building capacity. Finally, to strengthen the governance and oversight of foreign reserves management by the CBvS we received IMF technical assistance and will implement the suggestions in the TA report.

28. We have reviewed the Foreign Exchange Regulation of 1947 and aligned it with the new Central Bank Act. Since a full assessment of whether this regulation is still fit and proper will take time, we followed a two-pronged strategy. The first step was identifying, in consultation with IMF staff, the elements in the regulation that are not aligned with the amendments to the Central Bank Act (e.g., the determination of exchange rate policy, setting exchange rates for FX transactions and the use of different rates). A legislative amendment of the regulation to the National Assembly has been submitted (*structural benchmark for end-December 2023, not met, implemented with delay in May*). In anticipation of the adoption of the amendments, the Foreign Exchange Commission has refrained from using the powers covered by the amendments. Second, we will undertake a full review of the Foreign Exchange Regulation of 1947 in consultation with IMF staff and will involve all stakeholders. The review has been delayed due to staffing capacity constraints, but our aim remains to finalize it by the end of December 2024.

29. We are working on a plan to recapitalize the CBvS. We are determined to ensure that the CBvS has a strong balance sheet and sufficient financial resources to execute its mandate. This enhances the credibility of the CBvS and strengthens the effectiveness of monetary policy. The plan will be based on the FY 2020 published audited financials and will include provisions to inject more equity should the finalized FY 2021, FY 2022, and FY 2023 financial audits and/or a realized lower

market value of instruments used for recapitalization imply higher recapitalization needs. It will include a clear target level of capital with implementation through marketable instruments. The plan will outline a binding timeline to complete the recapitalization before the end of the program. The plan will also contain an agreement between the MoFP and the CBvS on procedures to ensure the equity of the CBvS will remain above the minimum level as outlined in the Central Bank Act.

VIII. TACKLING CORRUPTION, IMPROVING GOVERNANCE, AND ENHANCING THE AML/CFT FRAMEWORK

30. While capacity constraints have delayed implementation of key governance reforms, the government has made some progress:

- Following the ratification of the United Nations Convention Against Corruption (UNCAC), the government installed the Anti-Corruption Commission (ACC) in May 2023, for a 5-year term. With the help of IMF capacity development, we will enact amendments to the anti-corruption legal framework by end-June to bring it into line with the requirements of Chapter III of UN Convention against Corruption on the criminalization of acts of corruption (*structural benchmark for end-June 2024*).
- Also with IMF capacity development, we will make changes to the legal framework to create an effective asset and income declaration scheme which is in line with international best practice, in the Suriname context. The framework will require declarations from politically exposed persons following the Financial Action Task Force (FATF), involve routine declaration verification, and ensure that declarations are made publicly available (except confidential data for personal and family safety reasons such as account numbers or personal identification numbers). The scheme will also establish proportionate sanctions for non-compliance (*structural benchmark for end-September 2024*).
- We are in discussions with several possible providers – including the Inter-American Development Bank (IDB) – concerning an electronic management program for the asset and income declaration (AID) scheme. We will liaise with the IMF to ensure that the system selected will help us deliver an AID scheme that is fit for purpose.
- Based on the November 2022 assessment by the Caribbean Financial Action Task Force (CFATF), we enacted a new AML/CFT law in November 2022 to bring in line with international standards the key technical compliance deficiencies which placed Suriname on enhanced follow up. Going forward, we will work closely with donors and providers, including the IMF, United Nations Office on Drugs and Crime ('UNODC') and the World Bank to strengthen Suriname's anti-corruption and AML/CFT framework. To fully comply with CFATF requirements, we will: (i) implement a risk-based AML/CFT supervision for all financial institutions (banks, exchange offices, money transfer offices, credit unions, insurance companies, and pension funds); (ii) develop and implement risk-based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the

Financial Intelligence Unit (FIU); and (iv) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions Against Terrorism and Proliferation Financing. This includes ongoing efforts to amend the Money Transfer Offices Supervision Act, Capital Markets Act, and introducing Insurance Supervision Act and Electronic Payment Systems Act.

- Suriname also made the commitment to initiate the process for a second National Risk Assessment (2020–24). To this end Kroll AML Division has been contracted to advise and assist in the execution of this initiative. The Ministry of Economic Affairs already started the process for a sectoral assessment regarding Legal Persons including Ultimate Beneficial Ownership (UBOs) and Non-Profit Organizations (NPOs). In November 2022, the AML Steering Council (ASC) approved the AML Strategic Plan 2022–25. In March 2023, the ASC approved a list of High Prioritized Actions for 2023—Q2 2024, which is being rigorously implemented. The priority is for a follow up NRA to fill the gaps identified in the first NRA and provide more details on areas not addressed and to complete the second NRA by August-2024. By presenting new draft legislation to National Assembly, the Ministry of Finance together with the Central Bank of Suriname are working towards strengthening the supervision regime for the financial sector. Also, the Ministry of Justice and Police has presented to the National Assembly draft legislation for strengthening the supervision regime for the gaming sector.
- To further strengthen the AML/CFT framework, in particular the implementation of a risk-based supervision framework and to comply with recommendation of the 4th Round MER, in April 2023 we began the Sectoral Risk Analysis (SRA) of the banking sector with technical assistance of OAS-DTOC. The SRA is progressing, and the SRA banking sector report was delivered in February 2024. SRAs of the exchange offices, money transfer offices, insurance and pension funds are expected to be finalized shortly thereafter. The SRA report will contribute to establishing targeted AML/CFT policies and the frequency and intensity of supervision of the banking sector. It would also elaborate on the methodology used to perform the risk analysis. The SRA findings will be reported to CFATF in 2024. A number of projects are underway to strengthen the AML/CFT regime: a new AML/CFT Directive has been issued in March and April 2024 and, supervision legislation (in line with FATF requirements) is pending in the National Assembly), with the technical assistance offered by IMF and UNODC/World Bank.

31. We are committed to improving governance and transparency of the extractive sector.

Suriname joined the Extractive Industry Transparency Initiative (EITI) in 2017 and has published reports for fiscal years 2016 to 2020. The reports for the fiscal years 2021–22 will be published in June 2024. We are making progress in implementing EITI's recommendations including presenting the new mining law to parliament in August 2024, which will reduce room for discretion in investor incentives and strengthen the framework for mining titles. We are also building capacity to strengthen our efforts to legally compel companies in the extractive industry to disclose their beneficial owners.

IX. INCORPORATING CLIMATE CONSIDERATIONS IN MACROECONOMIC POLICIES

32. Suriname is vulnerable to climate change. Despite a low carbon footprint and being a carbon negative country, its dominant economic activity is in the low-lying coastal area. Future climate-related events could disrupt economic activity and cause substantial long-term damage to the economy. Hence, preparedness for climate adaptation is warranted.

33. We are strengthening our institutional framework to enhance climate mitigation and adaptation procedures. We are establishing an environmental authority by transforming the National Institute for Environment and Development (NIMOS) which will have the legislative mandate to build safeguards against climate issues. The authority will have the power to assess (using the environmental impact assessment framework) any public and private capital projects undertaken in the country against any negative externalities arising from climate issues and provide mitigation measures. As a starting point, we have created a repository, Dondru, where information on climate change mitigation and adaptation can be easily assessed for national policy and planning. A strong collaboration between the MoFP and NIMOS is critical to ensure that climate issues are incorporated into Suriname's fiscal framework. We will publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries by December 2024.

34. We are exploring various climate finance options. We are also interested in selling carbon credits under the 2015 UN Paris Agreement scheme (known as Internationally Transferable Mitigation Outcomes—ITMO). We will be seeking technical assistance from our development partners to assess potential benefits and challenges, including as potential guarantors for DNS and identify possible conservation projects as climate protection pledges. For carbon credits, we will begin to approach potential buyers—countries and private institutions.

X. STATISTICS

35. We are committed to improving the quality and dissemination of economic data, supported by IMF technical assistance. We have made important progress in this aspect, and we continue to recognize that timeliness of data availability (such as the long lag of publication of annual GDP and the lack of quarterly GDP statistics) remains an issue. To improve capacity of the General Bureau of Statistic, we have increased their budget which allows them to hire additional qualify staffs and recently, the council of ministers have approved a salary increase for their staff. We are also making efforts to improve data quality, especially for the Consumer Price Index (CPI), fiscal sector statistics and public debt data. We will also take steps to publish detailed monthly CPI data including all its subcomponents and data that accurately reports all domestic arrears on a monthly basis. In addition, we will work towards broadening the institutional coverage of fiscal statistics to the public sector to better assess fiscal risks. We will seek technical assistance from our international partners to support our efforts to improve the quality of economic data and statistics.

XI. PROGRAM MONITORING

36. Our economic plan will continue to be monitored through reviews, quantitative and continuous performance criteria, indicative targets, and structural benchmarks. The quantitative performance criteria are presented in Table 1, standard non-quantitative continuous targets are presented para 34 of the Technical Memorandum of Understanding (TMU) and the structural benchmarks under the program are presented in Table 2. Program quantitative targets are defined in the attached TMU.

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/
(In millions of Suriname dollars, unless otherwise indicated)

	2020		2021				2022				2022						
	Act.	PC	end-Dec		Met/Not met	end-Jan.		Met/Not met	end-Feb.		Met/Not met	end-Mar.		Met/Not met			
			Adj. PC	Act.		IT	Adj. IT		Act.	IT		Adj. IT	Act.		PC	Adj. PC	Act.
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
2. Stock of VAT refunds outstanding (ceiling)																	
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14,018	14,018		14,018		14,018		14,018		14,018		14,018		14,018		14,018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	end-Apr.			2022				end Jun.				
				end-May.								
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	442	166	-111	Not Met	552	300	8	Not Met	663	707	660	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	118	49	13	Not Met	122	104	92	Not Met	156	150	156	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,040	-67	134	Not Met	-941	-691	-246	Not Met	-1,263	-1,188	-591	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									742		832	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	21,223		19,110		21,856		20,025		22,390		20,280	
Reserve money (local currency portion only)	9,801		9,516		9,954		9,860		10,107		10,411	
Reserve money (constant exchange rates)	16,306		16,136		16,459		16,676		16,612		16,879	
NFA (constant exchange rates)	8,220		7,022		8,277		7,943		8,739		8,490	
Gross international reserves (millions of U.S. dollar)	1,000		886		1,004		951		1,094		983	
Usable international reserves (millions of U.S. dollar) 5/	674		558		678		620		768		656	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Jul.				2022 end-Aug.				end Sep.			
	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	773	1,005	311	Not Met	884	946	346	Not Met	994	1,218	345	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	158	159	169	Met	160	168	192	Met	192	169	193	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,142	-1,161	-91	Not Met	-1,016	-1,124	-77	Not Met	-1,316	-986	-14	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,112		1,315	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	22,912		21,413		23,444		22,654		23,858		23,723	
Reserve money (local currency portion only)	10,260		11,098		10,413		11,359		10,566		11,450	
Reserve money (constant exchange rates)	16,765		17,587		16,918		18,084		17,071		18,424	
NFA (constant exchange rates)	8,778		8,698		8,811		9,182		9,253		9,458	
Gross international reserves (millions of U.S. dollar)	1,097		991		1,099		1,018		1,187		1,029	
Usable international reserves (millions of U.S. dollar) 5/	771		667		773		698		862		713	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	end-Oct.				2022 end-Nov.				end-Dec.			
	IT	Adj. IT	Act.	Met/Not	IT	Adj. IT	Act.	Met/Not	PC	Adj. PC	Act.	Met/Not
				met				met				met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,105	1,788	657	Not Met	1,215	2,111	1,174	Not Met	1,326	2,625	1,150	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0.02	Not Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	194	169	204	Met	196	150	179	Met	226	313	332	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,193	-845	-111	Not Met	-1,063	-425	435	Not Met	-1,332	-2,548	-1,080	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,483		1,717	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	24,277		25,205		24,660		26,514		25,047		27,470	
Reserve money (local currency portion only)	10,718		11,507		10,871		11,632		11,024		12,263	
Reserve money (constant exchange rates)	17,224		18,583		17,377		18,710		17,529		19,414	
NFA (constant exchange rates)	9,289		9,714		9,316		9,296		9,478		11,514	
Gross international reserves (millions of U.S. dollar)	1,190		1,045		1,192		1,031		1,260		1,194	
Usable international reserves (millions of U.S. dollar) 5/	864		716		866		707		934		865	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,013	Met	1,338	1,693	2,181	Met	1,529	1,826	1,856	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	end-Sep.		2023				end-Nov.				end-Dec.							
	PC	Adj. PC	Act.	Met/Not met		end-Oct.		Met/Not met		IT	Adj. IT	Act.	Met/Not met		PC	Adj. PC	Act.	Met/Not met
				IT	Adj. IT	Act.	Met	IT	Adj. IT				Act.	Met				
Quantitative Performance Criteria																		
Fiscal/debt targets																		
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,721	1,790	1,773	Not Met	1,912	1,550	2,088	Met	2,103	1,306	2,133	Met	2,294	637	2,029	Met		
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0	0
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0	0
Monetary targets																		
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0	0	-1,042.3	Met	0	0	-1,042	Met	0	0	-1,661.8	Met		
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57	-39	5	Met	-73	-61	-7	Met	-6	22	152	Met		
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214	3,967	2,995	Met	4,722	4,554	3,743	Met	4,121	3,733	1,986	Met		
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0	0
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		15	Met	25		18	Met	30		20	Met		
Indicative Targets																		
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		3,077	Not Met		
2. Stock of VAT refunds outstanding (ceiling)																		
Memorandum items																		
Reserve money	29,440		26,720		30,049		27,660		30,670		28,647		31,374		28,816			
Reserve money (local currency portion only)	15,320		14,208		15,573		15,111		15,831		15,621		16,162		16,566			
Reserve money (constant exchange rates)	20,589		19,167		20,857		20,000		21,130		20,708		21,477		21,523			
NFA (constant exchange rates)	8,797		8,819		8,742		9,212		8,507		9,223		9,455		11,264			
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		1,141		1,112		1,142		1,234		1,346			
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		908		873		908		995		1,112			
Program exchange rate	14,018		14,018		14,018		14,018		14,018		14,018		14,018		14,018			

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	2024															
	end-Jan.			end-Feb.			end-Mar.			end-April.						
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384	661	-123	Not Met	769	1,618	306	Not Met	1,153	1,755	28	Not Met	1,538		TBD	TBD
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0			Met	0		0	Met	0		0	Met	0		TBD	TBD
3. New central government guaranteed debt (continuous ceiling)	0			Met	0		0	Met	0		0	Met	0		TBD	TBD
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0			Met	0		0	Met	0		0	Met	0		TBD	TBD
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	-1,662	Met	0	0	-1,662	Met	0	0	-1,662	Met	0	0	-1,662	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-10	-14	Not Met	-25	-1	-2	Not Met	-65	-19	-22	Not Met	-29	-11	-29	Not Met
7. Net domestic assets of the central bank (ceiling) 2/	454	494	378	Met	1,041	702	855	Not Met	1,423	773	1,346	Not Met	1,066	804	1,209	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	0	Met	0	0	0	Met	0		TBD	TBD
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/ 7/	30	30	23	Met	30	30	25	Met	30	30	27	Met	30	30	TBD	TBD
Indicative Targets																
1. Social spending of central government (floor) 2/									1,308	1,308	1,086	Not Met				
2. Stock of VAT refunds outstanding (ceiling)													909	909	748	Met
Memorandum items																
Reserve money	28,866		29,074		29,300		29,226		29,699		28,810		29,526		28,238	
Reserve money (local currency portion only)	15,978		16,841		16,298		17,416		16,582		17,627		17,202		17,389	
Reserve money (constant exchange rates)	20,761		21,639		21,085		21,817		21,373		22,442		22,110		22,160	
NFA (constant exchange rates)	9,112		11,101		8,849		11,270		8,682		10,826		10,656		10,773	
Gross international reserves (millions of U.S. dollar)	1,188		1,328		1,169		1,334		1,225		1,365		1,365		1,364	
Usable international reserves (millions of U.S. dollar) 5/	955		1,093		936		1,100		991		1,131		1,131		1,130	
Program exchange rate	14,018		14,018		14,018		14,018		14,018		14,018		14,018		14,018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024																			
	end-May.			end-Jun.			end-Jul.			end Aug.		end Sep.		end Oct.		end Nov.		end Dec.		
	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC					
Quantitative Performance Criteria																				
Fiscal/debt targets																				
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,922	2,307	692	1,346	1,999	4,705	2,653	3,306	3,960	4,613	4,613									
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. New central government guaranteed debt (continuous ceiling)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary targets																				
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-14	-62	-96	-122	-160	-21	-171	-196	-232	-43	-258									
7. Net domestic assets of the central bank (ceiling) 2/	980	1,854	2,277	2,781	3,437	1,711	3,707	4,178	4,714	2,232	5,183									
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 6/	0	0		0	0	0		0	0	0	0									
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	30	30	30	30	30	30	30	30	30	30	30									
Indicative Targets																				
1. Social spending of central government (floor) 2/		2,617	2,617			3,785	3,785			5,122	5,122									
2. Stock of VAT refunds outstanding (ceiling)		722	722			443	443			163	164									
Memorandum items																				
Reserve money	28,004	30,067	30,127	30,312	30,490	30,824	30,660	30,821	30,909	31,348	31,061									
Reserve money (local currency portion only)	17,570	17,524	17,749	17,912	18,067	17,950	18,215	18,356	18,423	18,142	18,556									
Reserve money (constant exchange rates)	22,312	22,439	22,463	22,596	22,724	22,878	22,844	22,957	22,996	23,082	23,101									
NFA (constant exchange rates)	11,073	10,197	9,926	9,557	9,028	10,779	8,877	8,520	8,023	10,462	7,659									
Gross international reserves (millions of U.S. dollar)	1,396	1,400	1,382	1,356	1,318	1,509	1,375	1,349	1,314	1,554	1,356									
Usable international reserves (millions of U.S. dollar) 5/	1,162	1,166	1,148	1,121	1,084	1,275	1,140	1,115	1,080	1,320	1,121									
Program exchange rate	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018									

Source: Authorities and IMF staff calculations and projections.

1/ Targets as defined in the Technical Memorandum of Understanding.

2/ Cumulative flows from beginning of the year.

3/ The 2020 figure is a stock as of end-June 2021.

4/ The 2020 figure is a stock as of end-December 2020.

5/ Official reserve assets excluding the PBOC swap and ring-fenced reserves.

6/ Non-observance for the month February 2023

7/ Table adjusted to incorporate cumulative flows from 2023

Table 2. Suriname: Structural Benchmarks Under the EFF

Measure	MEFP 1	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters..	22	January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters..	22	September 2023	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	27	June 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	27	September 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	29	April 2024	Not met	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	28	December 2023	Not met; implemented with delay in May 2024	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.
		Target date	Status	Objective
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	25	December 2023	Not met; implemented with delay in February	Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility	24	October 2023	Not met; implemented with delay in December	Improve strength of the financial sector.
CBvS, in consultation with IMF, to set common equity tier one and capital adequacy ratio targets for banks and outline the corrective measures it would escalate if CET1/CAR	24	March 2024	Not met; implemented with delay in April	Improve strength of the financial sector.

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Table 2. Suriname: Structural Benchmarks Under the EFF (continued)

Measure		Target date	Status	Objective	
Fiscal and Debt					
1	Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).	January 2022	Met	Improve governance and increase transparency.	
	Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.	January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.	
	Publish the financial assessment of EBS that includes its legacy liabilities.	May 2022	Met	Achieve full cost recovery in the electricity sector.	
	Commence an audit on outstanding supplier arrears.	April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.	
	Passage of laws needed to implement the VAT by the National Assembly.	March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.	
	Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.	March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.	
	Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.	June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.	
	Create a large taxpayer unit to increase taxpayer compliance.	June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.	
	Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	12	December 2023	Not met; implemented with delay in May 2024	Strengthen social spending.
	Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
	Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption	7	July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
	Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.	7	October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
	Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detail procedures) to halt payments of salaries for unregistered workers.	7	October 2023	Not Met; implemented with delay in November 2023	Strengthen PFM and ensure fiscal adjustment in line with program parameters.
	Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	8	March 2024	Not Met; implemented with delay in April 2024	Strengthen PFM.
	Publish quarterly budget execution report starting with the end June 2023 budget outturns.	8	Continuous	Met	Strengthen PFM.
	MoFP, SDMO, and CBVS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	8	January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.
	Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	14	January 2024	Met	Improve governance and increase transparency.
	Mandate that all tax declarations and transactions use a Fiscal Identification Number	8	June 2024	Proposed to be reformulated as below	Improve tax administration.
	Mandate that all importers/exporters use a Fiscal Identification Number.	8	June 2024	New proposed SB	Improve tax administration.
	Implement a pilot Treasury Single Account for a limited set of ministries.	8	January 2025		Strengthen PFM.
	The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	8	Continuous	Not Met	Strengthen PFM and avoid new expenditure arrears.
	Fully repay domestic debt arrears.	15	March 2024	Not Met; implemented with delay in May 2024	Improve debt management and financial stability
	Issue a resolution to clarify that government will not be responsible for contracts agreed with line ministries that have no prior authorization from the MoF.	8	April 2024	Met	Strengthen PFM and avoid new expenditure arrears.
	Mandate all line ministries to report the stock of arrears to the MoF monthly.	15	June 2024	Met	Improve debt management and financial stability

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Table 2. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure	Target date	Status	Objective
Governance (anti-corruption)			
Ratify the United Nations Convention Against Corruption (UNCAC).	January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish proportionate sanctions for non-compliance.	June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC.	March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	30 June 2024		Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to create a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	30 September 2024		Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)			
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	30 September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)			
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).	30 August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.
Source: IMF staff. 1/ The target dates for all structural benchmarks are the end of the month.			Concluded

Attachment II. Technical Memorandum of Understanding

This Technical Memorandum of Understanding (TMU) sets out the understanding between the Surinamese authorities and the IMF staff regarding the definition of quantitative performance criteria (QPC) and indicative targets (IT). It also sets out the QPC and IT adjusters and data reporting requirements for the duration of the Arrangement under the Extended Fund Facility (EFF), as described in the authorities' Letter of Intent (LOI) dated March 20, 2024 and Memorandum of Economic and Financial Policies (MEFP). This TMU describes the methods to be used in assessing the program performance and the information requirements to ensure adequate monitoring of the targets. As is standard under all Fund arrangements, we will consult with the Fund before modifying measures in the LOI/MEFP or adopting new measures that would deviate from the program goals. We are also committed to providing Fund staff with the necessary information for program monitoring.

- 1. The QPC and IT are shown in Table 1 of the MEFP.** Prior actions and structural benchmarks are listed in Table 2 of the MEFP.
- 2. For program purposes, unless otherwise specified,** all foreign currency-related assets, liabilities, and flows will be evaluated at "program accounting exchange rates" as defined below, except for items affecting government fiscal balances, which will be measured at current exchange rates. Unless otherwise indicated, U.S. dollar denominated components of the balance sheet of the Central Bank of Suriname (CBvS) will be valued at the official exchange rate of the Surinamese dollar to the U.S. dollar of 14.0180 set by the CBvS as of December 31, 2020. Amounts denominated in other currencies will be converted for program purposes into U.S. dollar amounts using the following cross-rates as of December 31, 2020: the Euro valued at 1.2281 U.S. dollars, Pound Sterling valued at 1.3600 U.S. dollars, the Chinese Yuan valued at 0.1532 U.S. dollars, the Special Drawing Right (SDR) valued at 1.4403 U.S. dollars. Official gold holdings were valued at 1,892.0 U.S. dollars per fine ounce.

I. QUANTITATIVE PERFORMANCE CRITERIA: DEFINITION OF VARIABLES

- 3. Definition of central government:** The central government (CG), for the purposes of the program, consists of the set of institutions and government units currently covered under the state budget. Newly formed public sector entities will be examined and included within the CG perimeter if adjudged to meet the definition of a CG unit per the Government Finance Statistics Manual 2014.
- 4. Definition of State-Owned Enterprises (SOE):** State-Owned Enterprises (SOE), for the purposes of the program, consists of the set of corporations that i) the CG is a shareholder or ii) are controlled by the CG directly or indirectly through other government-controlled entities. The control by the CG can be established through legislation or equity participation.
- 5. Definition of debt.** External debt is determined according to the residency criterion (and, as such, would encompass nonresident holdings of Suriname law local currency and foreign currency debt). The term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including

currency) or services and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take several forms; the primary ones being as follows:

- i. loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);
- ii. suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and
- iii. leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the PV (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

6. Under the definition of debt set out in previous paragraph, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

7. For program purposes, a debt is considered contracted when all conditions for its entrance into effect have been met, including approval by the National Assembly. Contracting of credit lines with no predetermined disbursement schedules or with multiple disbursements will be also considered as contracting of debt.

8. The fiscal year is the calendar year, starting on January 1 and ending on December 31.

A. Primary Fiscal Balance (Cash Basis) of Central Government (Floor)

9. Definitions: The primary fiscal balance (cash basis) of the CG is calculated as the cumulative CG interest payments minus total net borrowing requirements from the beginning of the year. Net borrowing requirements (NBR) are measured at official (current) exchange rates and are defined as the sum of:

- i. The change in net CBvS credit to the CG, including changes in the government deposit position at the CBvS and excludes any accrued interest;
- ii. The change in net credit from depository corporations, which includes changes in CG deposits and the net issuance of treasury bills, lending, and other CG securities held by commercial banks and excludes any accrued interest;
- iii. The change in net non-bank credit to the CG, which includes net issuance of Treasury bills and other CG securities to non-banks, and other CG claims and debts vis-à-vis nonbank institutions and excludes any accrued interest;
- iv. New external loan disbursements net of external loan amortization including repayment of external arrears;
- v. Net sale of government assets (financial including privatization receipts).

Table 1: Suriname: Total Mineral Revenues of CG	
(In SRD millions)	
Cumulative flows from the beginning of the fiscal year	
End-January 2024	1,409
End-February 2024	2,818
End-March 2024	4,227
End-April 2024	5,499
End-May 2024	6,874
End-June 2024	9,214
End-July 2024	11,261
End-August 2024	13,015
End-September 2024	14,478
End-October 2024	15,647
End-November 2024	16,525
End-December 2024	17,110

10. Definition: CG Interest payments are defined on a cash basis as interest paid on CG domestic and external debt obligations.

- **Definition:** Mineral revenue is defined as the government's tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue (Table 1). The QPC for the fiscal balance is calculated based on the projected official exchange rate. Reporting (and adjustments, as defined below) will be made using the current official exchange rate.

11. Reporting: Fiscal data will be provided to the Fund with a lag of no more than six weeks after the end of the month.

12. Adjusters: The floor on the cumulative primary cash balance of the CG will be adjusted:

1. downward (upward) to the full extent that cumulative project loans are more (less) than project loans given in Table 2.
2. upward to the extent of any rise in mineral revenue above the cumulative baseline projections given in Table 1.

B. New Natural Resource Revenue-Collateralized Debt Contracted by or on Behalf of the Central Government and/or State-Owned Enterprises (SOE) (Continuous Ceiling)

13. Definition: The ceiling on new natural resource revenue-collateralized debt (domestic and external) contracted on a gross basis by or on behalf of the CG and/or SOEs will be a continuous performance criterion throughout the program period. Natural resource revenue-collateralized debt is external or domestic debt, which involves creating a security interest, charge or lien over any natural resource, natural resource receivables, or the proceeds from the sale or lease of natural resources. The use of a collection account (e.g., for natural resources receivables or the proceeds of the sale of natural resources) where no charge or lien is created over such account is excluded from this definition. External debt contracted due to external debt restructuring, to be agreed between the authorities and its creditors, is excluded from this definition. The ceiling also applies to prefinancing arrangements (where debt is contracted against future sales of natural resources). The official exchange rate will apply to all non-SRD denominated debt.

Table 2: Suriname: Budget and Project Financing in FX
(Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
External loans from IFIs for budget financing 1/	
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	150
External debt from bilateral and private creditors for budget financing 2/	
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0
External loans for project financing	
End-January 2024	4
End-February 2024	9
End-March 2024	13
End-April 2024	18
End-May 2024	22
End-June 2024	22
End-July 2024	27
End-August 2024	31
End-September 2024	37
End-October 2024	53
End-November 2024	72
End-December 2024	108

1/ Excluding IMF disbursements.

2/ Including international capital markets.

14. Reporting: Data will be provided to the IMF on a continuous basis. This would include any new debt contracts that are entered into by the CG and/or SOEs to verify they do not include a security interest, charge, or lien over any natural resource.

C. New Central Government Guaranteed Debt (Continuous Ceiling)

15. Definition: The ceiling on new CG guaranteed debt (domestic and external) will apply to the amount of guarantees issued by the CG for debt contracted by any agency or entity outside the CG. For program purposes, the guarantee of a debt arises from any explicit legal or contractual obligation of CG to service a debt owed by a debtor outside the CG (involving payments in cash or in kind). The official exchange rate will apply to all non-SRD denominated debt.

16. Reporting: Data will be provided to the IMF on a continuous basis.

D. Non-Accumulation of Central Government External Debt Arrears (Continuous Ceiling)

17. Definition: The non-accumulation of arrears by the CG on contractual debt obligations owed to non-resident creditors will be a continuous performance criterion throughout the program period. External payments arrears for program monitoring purposes are defined as external debt obligations of the CG, which either have not been paid within 30 days after the contractual due date, or within the contractual grace period, whichever is longer. Arrears resulting from the nonpayment of debt service, for which a rescheduling or restructuring agreement is being sought, based on good faith negotiations, are excluded from this definition.

18. The stock of external arrears of the CG will be calculated based on the schedule of external payment obligations reported by the Ministry of Finance and Planning (MoFP). Data on external arrears will be reconciled with the relevant creditors, and any necessary adjustments will be incorporated as they occur.

19. Reporting: Data will be provided to the IMF on a continuous basis.

E. Gross Credit to Central Government by the CBvS (Continuous Ceiling)

20. Definitions: The ceiling that applies on the change in gross credit provided to the CG by CBvS (including any provision of overdrafts) will be a continuous performance criterion throughout the program period and will be measured from end-June 2021 for 2021 and from beginning of the year for 2022. Coins and notes issued by the MoFP and claims on IMF related to the valuation of IMF account no 1 and 2 are excluded from the definition. The stock of gross credit will be valued at fair value and at program exchange rates. Changes in the stock of the COVID-19 Fund approved by Parliament in 2020 would constitute gross credit from the CBvS to the CG. Rolling over CG principal and interest payments due to the CBvS does not constitute gross credit.

21. Reporting: Data will be provided to the IMF on a continuous basis.

F. Net International Reserves of the CBvS (Floor)

22. Definitions: The floor applies to cumulative flows from the beginning of the year (end-December level of NIR of the previous year). For program monitoring purposes, net international reserves (NIR) of the CBvS are defined as the U.S. dollar value of the difference between reserve assets and reserve liabilities, as defined in what follows.

Reserve assets are readily available claims on nonresidents denominated in foreign convertible currencies. They include: (i) foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities), (ii) monetary gold, (iii) IMF reserve position, and (iv) SDR holdings. Excluded from foreign assets are any assets that are pledged, collateralized, or otherwise encumbered (e.g., pledged as collateral for foreign loans or through forward contracts; ring-fenced reserves from domestic banks' foreign reserve requirements), CBvS claims on resident banks and nonbanks, claims in foreign exchange arising from derivatives in foreign currencies vis-à-vis domestic currency (such as futures, forwards, swaps, and options), precious metals other than monetary gold, assets in nonconvertible currencies, illiquid swaps, and any reserve assets that are not readily available for intervention in the foreign exchange market.

- **Reserve liabilities** are defined as: (i) all short-term foreign liabilities of the CBvS vis-à-vis nonresidents denominated in convertible foreign currencies with an original maturity of one year or less; (ii) all outstanding credit from the IMF resulting from purchases; (iii) the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets; and (iv) all foreign exchange liabilities of the CBvS to resident entities (e.g., claims in foreign exchange of domestic banks, non-ring-fenced reserve requirements of domestic banks on their foreign currency deposits, reserve requirements of domestic banks on their foreign currency deposits that are ring-fenced in Suriname's sovereign bond in the amount of USD 10.283 million, and CBvS credits in foreign exchange from the domestic market) excluding foreign exchange liabilities to the CG.

23. Reporting: Data on foreign reserves and the foreign exchange cash flow will be provided by the CBvS to the Fund once a week. Data on the statistics indicated in Table 3 will be provided to the Fund on a monthly basis, in both official and program exchange rates, with a lag of no more than

Table 3. Suriname: International Reserves
(USD million, unless otherwise specified)

	31-Dec-20
Reserve assets	128.9
IMF reserve position	2.8
IMF SDR	1.1
Foreign currency cash and deposits with foreign banks	125.0
Reserve liabilities	283.1
IMF program disbursements outstanding	20.9
Other liabilities with non-residents	0.1
Liabilities with residents	262.2
Reserve Requirements (non-ringfenced)	5.6
Reserve Requirements (the ring-fenced sovereign bond)	10.3
Working balance accounts of commercial banks	69.0
Long-term loan to commercial banks	177.3
Other	0.0
Net international reserves	-154.3

Source: Central Bank of Suriname.

two weeks after the end of the month. At each program test date, the quarterly data on net international reserves submitted by the CBvS to the IMF will be audited by the CBvS external auditors in accordance with International Standards on Auditing, to ensure conformity with the program definition and calculation methods. Reports from the external auditors should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date. Data on total foreign exchange mineral revenue will be provided by the government to the IMF on a weekly basis. Inflows of the government's foreign exchange mineral revenue to the CBvS will be monitored as part of the weekly reporting of CBvS purchases and sales of foreign currency.

24. Adjusters: NIR targets will be adjusted:

1. upward (downward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2. Program loan disbursements are defined as external loan disbursements from official creditors that are usable for the financing of the CG.
2. upward (downward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.
3. upward (downward) by the full amount of the cumulative surplus (shortfall) in the sum of the government's total mineral and other revenues received in foreign exchange that are transferred to the CG account at the CBvS, with the exemption of pending transfers of these funds to the foreign bank account of the CBvS, relative to baseline projections reported in Table 4. Mineral revenue in FX is defined as the government's FX tax and non-tax proceeds from state-oil

Table 4. Suriname: Total FX Mineral Revenue received by the Government and Other FX Revenues of CG Transferred to CBvS (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	46
End-July 2023	67
End-August 2023	89
End-September 2023	117
End-October 2023	135
End-November 2023	153
End-December 2023	170
End-January 2024	19
End-February 2024	38
End-March 2024	65
End-April 2024	80
End-May 2024	102
End-June 2024	112
End-July 2024	143
End-August 2024	158
End-September 2024	184
End-October 2024	200
End-November 2024	215
End-December 2024	224

Table 5. Suriname: FX Debt Service Payments by the Central Government and CBvS (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	76
End-July 2023	92
End-August 2023	112
End-September 2023	121
End-October 2023	136
End-November 2023	163
End-December 2023	204
End-January 2024	21
End-February 2024	54
End-March 2024	59
End-April 2024	82
End-May 2024	117
End-June 2024	180
End-July 2024	214
End-August 2024	240
End-September 2024	256
End-October 2024	279
End-November 2024	316
End-December 2024	372

company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue. Other FX revenues of the CG are defined as any revenues in foreign exchange other than mineral revenue as defined above.

4. downward (upward) by the full amount of the cumulative surplus (shortfall) in CG and CBvS's debt service payments in foreign exchange relative to baseline projections reported in Table 5.
5. downward by the amount of FX sales by the CBvS insofar as these sales occur via competitive auctions in response to the intraday depreciation in the exchange rate versus the U.S. dollar that is more than 2 percent and are less than USD 2 million per day. This adjustor is capped at USD 20 million per quarter.

G. Net Domestic Assets of the BvS

25. Definitions: The ceiling applies to cumulative flows from the beginning of the year. The CBvS' net domestic assets (NDA) are defined as the difference between reserve money (as defined below) and net foreign assets (NFA, as defined below). Items in foreign currencies will be valued at fair value and at program exchange rates. Thus defined, the stock of NDA amounted to SRD 8,777.1 million as of December 31, 2020 (Table 6).

- **Reserve money at program exchange rates** is defined as currency in circulation, commercial banks' deposits in correspondent accounts at the CBvS, and statutory cash reserve requirements against prescribed liabilities in SRDs and foreign currency held by commercial banks at the CBvS, other commercial banks' deposits at the CBvS in national and foreign currency, other demand deposits in national and foreign currency, and gold certificates (Table 6). Central bank certificates issued to retail investors as part of its open market operations to absorb liquidity are excluded from reserve money. Reserve money excludes balances in deposit auctions and commercial banks' term deposits at the CBvS. The definition is consistent with the measure of reserve money published on the CBvS' website. As of December 31, 2020, reserve money amounted to SRD 12,816.6 million.

Table 6. Suriname: NFA, NDA, and Reserve Money
(In SRD millions)

	31-Dec-20
Net foreign assets	4,039.5
Foreign assets	8,243.5
Foreign liabilities	-4,204.0
Net domestic assets	8,777.1
Net claims on the government	8,234.0
Claims on the government in local currency	9,833.7
Liabilities to the government in local currency	-446.8
Claims on the government in foreign currency	144.1
Liabilities to government in foreign currency	-1,297.0
Net claims on commercial banks	-2,495.6
Claims on commercial banks in local currency	2.2
Liabilities to commercial banks in local currency	-200.0
Claims on commercial banks in foreign currency	187.0
Liabilities to commercial banks in foreign currency	-2,484.7
Other items net	3,038.7
Reserve money	12,816.6
Reserve money in local currency	7,342.2
Reserve money in foreign currency	5,474.4
Memorandum item	
Program exchange rate	14.018

Source: Central Bank of Suriname.

- **The value of NFA at program exchange rates** is calculated as the difference between foreign assets and foreign liabilities, defined as follows:
- **Foreign assets** are claims on nonresidents denominated in foreign currencies. They include foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities), monetary gold, IMF reserve position, and SDR holdings.
- **Foreign liabilities** are defined as liabilities of the CBvS vis-à-vis nonresidents denominated in foreign currencies; all outstanding credit from the IMF resulting from purchases under arrangements and SDR allocation; the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets.

26. Thus defined, NFA amounted to SRD 4,039.5 million as of December 31, 2020 (Table 6).

27. Reporting: Data will be provided to the IMF with a lag of no more than two weeks after the end of the month. At each program test date, the quarterly data on net domestic assets submitted by the CBvS to the IMF will be reviewed by the CBvS external auditors, to ensure conformity with the program definition and calculation methods. Reports should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date.

28. Adjusters: Consistent with the NIR target adjustment mechanism defined above, NDA targets will be adjusted:

1. downward (upward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2.
2. downward (upward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.
3. downward (upward) by the full amount of the cumulative surplus (shortfall) in the sum of the government's total mineral and other revenues received in foreign exchange that are transferred to the CG account at the CBvS, with the exemption of pending transfers of these funds to the foreign bank account of the CBvS, relative to baseline projections reported in Table 4 (see definition in section F). Mineral revenue in FX is defined as the government's FX tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue. Other FX revenues of the CG are defined as any revenues in foreign exchange other than mineral revenue as defined above.

4. upward (downward) by the full amount of the cumulative surplus (shortfall) in CG and CBvS's debt service payments in foreign exchange relative to baseline projections reported in Table 5.
5. Downward by the full amount of the CBvS' cumulative purchases of foreign exchange from the market relative to the baseline projections reported in Table 7.

29. For the purposes of calculating adjusters, these flows will be valued at program exchange rates.

H. Direct Purchases/Sales of FX by the CBvS and/or Central Government from/to SOEs and Private Sector (Continuous Ceiling)

30. Definitions: The ceiling on direct purchases/sales of FX by the CBvS and/or central government from/to SOEs and private sector will be a continuous performance criterion throughout the program period. The following purchases/sales of FX by the CBvS from/to the FX market are excluded from this definition:

- Purchases/sales of FX with banks and cambios undertaken through fixed allotment/variable price auctions.
- Sales of FX to (former) CBvS employees for children's overseas study and livelihood purposes, overseas pension transfers, overseas salary transfers and overseas travel expenses up to a maximum amount of USD 100,000 per quarter or an equivalent thereof in another convertible currency.
- Purchases of EUR banknotes from banks and cambios in exchange for USD banknotes.
- Sales of FX by mineral companies associated with these companies' tax or non-tax obligations to the central government.

Table 7. Suriname: FX Purchases by CBvS
(Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	0
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0

31. Reporting: Data on direct purchases/sales of FX by the CBvS and/or central government from/to SOEs and private sector will be provided by the CBvS to the Fund daily.

I. Central Government Mineral Revenue in Local Currency (Ceiling)

32. Definition: The ceiling on central government mineral revenue in local currency will be assessed on cumulative basis and specified in U.S. dollars (converted at the weighted average SRD/U.S. dollar exchange rate published by the CBvS at the end of the previous working day). For purposes of this performance criterion, central government mineral revenue is defined as the government's tax and non-tax cash revenue from the state-oil company Staatsolie Suriname and from large- and small-scale gold companies. This revenue includes corporate tax, indirect taxes, dividends, royalties and other mineral revenue. The following mineral revenue is excluded from this definition: (i) wage taxes (including old age fund contributions); (ii) consent right fees; (iii) dividend tax; and (iv) Staatsolie Suriname's tax and non-tax obligations to the government netted out against accounts receivable from other state-owned enterprises.

33. Reporting: Data on central government foreign and local currency tax and non-tax mineral revenue as defined above will be submitted on a weekly basis by revenue item, type of commodity and source counterparty (aggregated for small-scale gold companies). Where the local currency mineral revenue is from a prior sale of mineral companies' FX-denominated tax or non-tax obligations to the central government, the data will additionally include the sale transactions by date and counterparty, including the exchange rate and any margins or fees applied. Data will be provided to the IMF within 3 working days of the end of each week.

II. OTHER CONTINUOUS PERFORMANCE CRITERIA

34. During the period of the Arrangement under the EFF, Suriname will not: (i) impose or intensify restrictions on the making of payments and transfers for current international transactions; (ii) introduce or modify multiple currency practices; (iii) conclude bilateral payments agreements that are inconsistent with Article VIII; and (iv) impose or intensify import restrictions for balance of payments reasons.

III. INDICATIVE TARGETS: DEFINITION OF VARIABLES

J. Social Spending of Central Government (Floor)

35. Definition: Social spending of central government includes all the spending of the Ministry of Social Affairs and Public Housing (Ministerie van Sociale Zaken en Volkshuisvesting) on social protection programs. The floor on CG social spending is cumulative from the beginning of the year and is defined as the sum of spending on the following cash transfer programs:

- General old-age pension.

- General child benefit.
- Financial assistance for persons with disabilities.
- Financial assistance for weak households.
- Social beneficiary program.

36. Reporting: Data will be provided to the IMF with a lag of no more than six weeks after the end of the quarter.

K. Stock of Value added Tax Refunds Outstanding (Ceiling)

37. Definition: The stock of value added tax (VAT) refunds outstanding will be assessed as total cumulative VAT refund claims which have not yet been paid or declined by the Tax Authority of Suriname (Belastingdienst Suriname). The stock is cumulative from the beginning of 2023. A claim for a refund will be assessed as existing once a credit return is filed. The stock of VAT refunds outstanding will exclude interest payable on approved delayed refunds and refunds due to non-VAT registrants. A VAT refund claim is deemed to be paid if settled against outstanding payable VAT returns or if settled against non-VAT revenue arrears.

38. Reporting: Data will be provided to the IMF with a lag of no more than six weeks after the end of the quarter.

IV. INFORMATION REQUIREMENTS

39. In accordance with IMF Government Finance Statistics Manual (GFSM) 2014 and Public Sector Debt Guide for compilers and users total gross debt covers all liabilities that are debt instruments. A debt instrument is defined as a financial claim that requires payment(s) of interest and/or principal by the debtor to the creditor at a date, or dates, in the future. The following instruments are considered debt instruments:

- Special drawing rights (SDRs);
- Currency and deposits;
- Debt securities;
- Loans;
- Insurance, pension, and standardized guarantee schemes; and
- Other accounts payable.

40. All liabilities included in the GFSM balance sheet are considered debt, except for liabilities in the form of equity and investment fund shares and financial derivatives and employee stock options. Equity and investment fund shares are not debt instruments because they do not require the payment of principal or interest. For the same reason, financial derivatives are not considered debt liabilities because no principal is advanced that is required to be repaid, and no interest accrues on any financial derivative instrument.

41. For the purpose of the program, Suriname Budgetary Central government (BCG) debt includes the following instruments:

- Debt Securities including short term liquidity instruments;
- Loans (including overdraft in bank accounts);
- Other Accounts Payables.

42. Any liabilities issued by the BCG, held as an asset by other entity of the BCG should be netted out. Since the consolidation is done at the level of BCG, central bank lending to the government is included in the stock of BCG debt.

43. To ensure adequate monitoring of economic variables and reforms, the authorities will provide the following information:

44. Daily/Semi-weekly

- Official nominal exchange rates.
- Volumes and nominal exchange rates (inclusive of any fees, commission, or other types of charge) of foreign exchange transactions (purchases and sales) by banks and cambios.
- Volumes and nominal exchange rates of direct purchases/sales of foreign exchange by the CBvS and/or central government from/to SOEs and private sector.
- Monitoring Template IMF (no. 25⁴¹) - Deposits including largest 5 depositors in accordance with the Enhanced Supervision framework, within one week after the reporting period.
- Monitoring Template IMF (no. 26) – Liquid assets held by banks in accordance with the Enhanced Supervision framework, within one week after the reporting period.
- Liquidity Coverage SRD template (no. 30) in accordance with the Enhanced Supervision framework, within one week after the reporting period.

- Net Foreign Currency Position (Net Open Position) template (no. 27) for banks in accordance with the Enhanced Supervision framework. For cambios this ratio will also be reported, in both cases within one week after the reporting period.

45. Weekly/bi-weekly

- CBvS liquidity assistance to financial institutions, by institution.
- Reports on large exposures by bank that are equal or exceed 10 percent of Tier 1 Capital (template no. 28) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Large deposits that are equal or exceed 10 percent of Tier 1 Capital (template no. 29) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Liquidity forecast and realization (templates no. 15, 17 and 19) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Liquidity stress testing (templates no. 10-13) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Lending availability in SRD and USD (templates no. 21 and 22) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.
- Table on monitoring of banking sector benchmarks in accordance with the Enhanced Supervision framework on a bi-weekly basis, within two weeks after the reporting period.
- CBvS purchases and sales of foreign currency (FX cash flow table). FX auction amounts, auction bids, highest and lowest prices, cut-off and weighted average prices, FX rate before the auction.
- Information on auction results for open market operations no later than two days after the auctions, including on: instrument type, total open market operations auction volume, settlement date, expiration date, the number of total bids, total amount of bids, the number of total allocated bids, total amount of allocated bids, the minimum bid rate, the cut-off interest rate, the highest bid rate, and the weighted average allotted interest rate.
- Weekly submission of daily transactions and rates for the following: interest rates on domestic debt securities by maturity; required and excess reserves of the banking sector in local and foreign currency; total liquidity assistance to banks through normal lending operations, standing facilities, and ELA. Interest rates on OMOs, standing facilities, and ELA by maturity.
- Weekly submission of daily mineral tax and non-tax revenue of major commodity companies and small gold miners, by revenue item and type of commodity (and separately for large-scale

gold companies and small-scale gold miners). Data is to be provided within 3 working days of the end of each week.

46. Monthly

- CG operations (revenues and expenditure) data in GFS format within six weeks of the end of the month.
- CG detailed revenues data from the tax office by revenue category, including: (i) direct tax by item, (ii) indirect tax by item, and (iii) non-tax revenues by item within six weeks of the end of the month.
- Number of public civil servants and total wage bill by Ministry within six weeks of the end of the month.
- CG authorized spending data by Ministry within four weeks of the end of the month.
- CG subsidies data by Ministry and programs within six weeks of the end of the month.
- CG balance from the financing side by sources and by currency, with a lag of no more than six weeks after the end of the month.
- CG domestic and external debt stock, including by: (i) creditor, (ii) currency, (iii) instrument; (iv) collateralized by natural resources revenue; and (v) guaranteed. The reporting lag should not exceed four weeks after the end of the month.
- Amortization payments of CG and government guaranteed debt by creditor, instrument, and currency. In the case of issuance of government guaranteed debt, the name of the guaranteed individual/institution should be provided. The reporting lag should not exceed four weeks after the end of the month.
- Interest payments and fees on CG and government guaranteed debt by creditor, instrument, and currency. The reporting lag should not exceed four weeks after the end of the month.
- Stock of CG expenditure arrears, separately including payment of existing arrears and creation of new domestic arrears including the currency of the arrears. The reporting lag should not exceed four weeks after the end of the month.
- Stock of CG domestic and external debt arrears, including the currency of arrears. The reporting lag should not exceed two weeks after the end of the month.
- New debt contracts (official or private) entered into by the CG and/or SOEs. The reporting lag should not exceed two weeks after the end of the month.

- Holdings of domestic T-notes and T-bills (SRD-denominated and foreign currency-denominated) by investor, maturity, and currency. The reporting lag should not exceed four weeks after the end of the month.
- Legal measures that affect the revenue of the CG, such as tax rates, import tariffs, and exemptions. The reporting lag should not exceed six weeks after the end of the month.
- Balance sheet of the CBvS within two weeks of end of the month.
- A summary of the monetary survey of the banking system (including CBvS and deposit-taking institutions). This information should be received with a lag of no more than six weeks after the end of the month.
- Income statement of the CBvS on a cash and accrual basis, with a lag of no more than three weeks from the end of the month.
- Projections of CBvS purchases and sales of foreign currency (FX cash flow table, 12 months ahead).
- Information on interconnectedness of the financial sector and related party lending (templates no. 6 and 37) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.
- The deposit funding structure of the banks (template no.8) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.
- Information on measures taken by the banks in the context of the COVID-19 pandemic (templates no.33-35), within four weeks after the end of the month.
- Banks' claims on the government and State-owned Entities with breakdown by type (debt types, loan types including the gross amount of overdrafts) within four weeks after the end of the month.
- The Monthly Returns as reported to the CBvS, within four weeks of the end of the month.
- A written update on the progress of the Asset Quality Review (until the review has been concluded) that includes any issues encountered by CBvS and/or their advisor and any remedial actions taken.
- Data on foreign reserve assets and foreign reserve liabilities for NIR target purposes (Table 2) evaluated at both official and program exchange rates, within two weeks of the end of the month.

- Data on NDA, NFA, and reserve money (Table 4) evaluated at both official and program exchange rates, within two weeks of the end of the months.
- Data on foreign reserve assets split into ring-fenced and non-ring-fenced assets evaluation at official exchange rates, within two weeks of the end of the months.
- Consumer price index, including by sub-components of the CPI index within four weeks after the end of the month.
- Cash flow of EBS showing government transfers to cover the gap between the average electricity tariff and EBS recovery cost within eight weeks after the end of the month.
- Electricity average tariff, total electricity consumption volume, total billing and amount collected (in SRD) to be provided by consumption categories (household, commercial, and industrial) and by consumption volume. This information should be received with a lag of no more than eight weeks after the end of the month.
- Electricity costs including: (i) production costs: fuel costs, Staatsolie electricity costs, hydropower costs, separately, (ii) other operational costs: personnel costs and financing costs, and (iii) investment costs. This information should be received with a lag of no more than eight weeks after the end of the month.
- EBS committed and executed payments to Staatsolie for purchases of fuel and electricity. This information should be received with a lag of no more than eight weeks after the end of the month.

47. Quarterly

- Detailed balance of payments data within 60 days after the end of the quarter.
- Detailed International Investment Position data within two months after the end of the quarter.
- Projections regarding banks' balance sheets and profit and loss statement (template no. 2 and 3) in accordance with the Enhanced Supervision framework, within four weeks after the end of the quarter.
- Liquidity forecast and realization (templates no. 14, 16 and 18) in accordance with the Enhanced Supervision framework, within four weeks after the end of the quarter.
- Progress reports of the banks on inspection items identified by CBvS, within six weeks after the end of the quarter.

- A full set of quarterly Financial Soundness Indicators (FSI) calculated by the CBvS within 60 days after the end of the quarter.
- CG spending on social protection programs, by program, as defined for the indicative target on social spending. The reporting lag should not exceed six weeks after the end of the quarter.

48. Annual

- Financial statements of EBS within six months of year end.
- Nominal GDP and real GDP within eight months of year end.
- Labor market statistics (including the unemployment rate and labor participation ratio) within twelve months of the year end.

**Statement by Mr. Bevilaqua, Mr. Saraiva, and Mr. Eckhorst on Suriname
Executive Board Meeting
June 20, 2024**

On behalf of our Surinamese authorities, we extend our appreciation to staff for their dedicated engagement and the open and productive discussions during the sixth review of the Extended Fund Facility (EFF) arrangement. Our authorities have broadly similar views to staff's assessment of the economic performance and outlook under the EFF. The results of the continued efforts are visible in the restoration of macroeconomic stability, sustained economic growth, and renewed confidence in the local currency, as inflation is on a steady decline. Nonetheless, the authorities are mindful of the significant challenges ahead. The authorities are determined to maintain the reform momentum, as the agreed reforms are crucial in sustaining the economic recovery. This resolve has been reaffirmed at the highest levels, even on the face of political opposition, internal capacity limitations, and some signs of reform fatigue among the population.

Recent Developments and Outlook

Economic growth in 2024 is expected to accelerate to 3.0 percent, after having slowed to 2.1 percent in 2023. The 2024 growth forecast is based on continued increases in investments from both the public and private sectors. In 2023, the primary drivers of growth were increased expenditures in the non-mining sector, particularly in services and public sector investments, while a reduction in gold mining output limited overall economic expansion. With the upcoming Final Investment Decision (FID) later this year from TotalEnergies to exploit offshore oil and gas deposits, significant investments are expected in many upstream and midstream activities (e.g., transportation, storage services, real estate). With record high demand and prices, gold production is also expected to increase.

Inflation decelerated steadily to 32.6 percent by the end of 2023, surpassing expectations. While the removal of subsidies on utilities contributed to a persistently high inflation, stringent fiscal and monetary policies, stable exchange rates and the dissipation of international price shocks supported the strong disinflation that has been taking place since mid-2023. In 2024, inflation is expected to continue its downward trend, dropping below 20 percent by year-end, despite ongoing increases in utility tariffs. Indeed, while average inflation in 2023 was above 50 percent, the annualized average of the six months up to April this year has been only 17 percent, as highlighted by staff.

Fiscal, Social and Tax Policies

The authorities are taking corrective actions to bring fiscal consolidation back to its projected path. As revenue shortfalls and overspending in the first quarter of 2024 resulted in a primary balance that fell short of the target by one percent of GDP, immediate steps were devised to correct this breach and restore fiscal discipline. The Ministry of Finance and

Planning (MoFP) issued guidelines to restrict individual line ministry expenditures and match these with revenues. Furthermore, increased enforcement of tax compliance has lifted tax revenues recently. In addition, new hirings were significantly constrained, containing the wage bill, while the public sector reform program halted the payment of wages and salaries for more than two thousand non-registered and structurally absent civil servants. Nevertheless, there was a pressing need to partially compensate for declining real wages and, as of January 2024, civil servants received an additional monthly nominal amount of SRD 1.000 (or less than USD 30) that will be paid until June 2024.

The phasing-out of electricity subsidies is proceeding securely, dismantling cumbersome cross-subsidy and cross-payment schemes. The first step, taken in February 2024, was a 20 percent adjustment in the exchange rate used for costs calculations, bringing it to market values. Henceforth, the exchange rate and the price of oil will be adjusted quarterly in the electricity tariff model. Then, the electricity subsidy to households was increased by 40 percent in March 2024, setting the stage for four subsequent bi-monthly 7 percent hikes. For businesses, the initial 40 percent increase in electricity tariffs applies from May 2024, leading to cost-recovery tariffs by June 2024. With the increased electricity tariffs and the adjustment mechanism, the electricity company (EBS) will have to independently pay its fuel and electricity bill with the State Oil Company. This payment, which amounted to approximately SRD 440 million a month for the first three months of 2024, has been settled through dividends from the State Oil Company (i.e., through forfeited government income). It has been reduced to SRD 130 million for five months starting in May, and to zero in the last quarter this year.

Decisive measures are being taken to improve social spending distribution and efficiency, amid governance and administrative challenges. The Ministry of Social Affairs is improving the administration and distribution mechanisms to ensure that the indicative floor for social spending is continuously met moving forward. Despite improved performance in January and February 2024, data since March show slippages that present a significant risk to the June target. Recently, steps are being taken to address identified constraints and alleged misuse of public funds in the system. To bridge these difficulties, while other measures start showing their results, the MoFP initiated an adjusted transfer payment approach to avoid improper payments. A joint account to distribute the Purchasing Power Strengthening benefit is now being monitored by both the Social Affairs and Finance ministries. This approach, which increases the efficiency of the program, will be expanded to the General Old-Age Pension until the Ministry of Social Affairs has improved the operationalization of payments to beneficiaries in accordance with the time-bound plan based on the evaluations performed by the International Labor Organization (ILO) and the Inter-American Development Bank (IDB). At the same time, the social database is being scrutinized and upgraded.

The draft National Social Protection Strategy (NSPS) presents a credible plan to strengthen the social safety network. The authorities welcome the technical support from the ILO and the IDB to formulate the social strategy, against the background of Suriname's capacity constraints. The resulting plan, which was established after numerous consultations

with stakeholders, presents a comprehensive set of reforms that aim to sustainably enhance social spending efficiency, the effectiveness of social benefits, and program performance across different programs. The plan is expected to be approved by the Council of Ministers shortly.

Joint efforts by the authorities and the Fund aim at eradicating supplier arrears. The Ministry of Finance and Planning (MoFP) is engaged with the Caribbean Regional Technical Assistance Centre (CARTAC) to develop by July a comprehensive supplier arrears management strategy, to ensure clearance and prevent any further accumulation of arrears. High-frequency monitoring and cash management operations will prevent line ministries' monthly expenditure to exceed the monthly tax revenues envelope.

Evaluation of the VAT implementation reveals a very high revenue potential. Three consecutive evaluations of the VAT law and execution confirm that initial revenues expectations have been exceeded. The VAT revenue performance reached 98 percent of the budgeted amount for 2023, albeit only half of registered taxpayers complied properly, according to the Tax Office assessment. Therefore, there remains scope to improve compliance and substantially raise revenue collection. In this regard, poorly complying taxpayers and non-registered companies have been reminded to register and meet their tax obligations no later than the end of May, otherwise sanctions would be imposed in accordance with the law. In the meantime, technical assistance to improve the refund process is already in the pipeline.

Debt Management and Sustainability

Progress in both debt restructuring and in clearing arrears illustrate the commitment to bring debt back to a sustainable path. On all fronts, debt seems to be on a downward path and the 2024 budget apportions approximately USD 223 million, or 5 percent of GDP for the repayment of public debt. Debt restructuring with the ABN AMRO bank was finalized and signed in March 2024. Moreover, the authorities are committed to promptly clear all remaining non-technical domestic debt arrears. The new restructured Eurobond and Value Recovery Instrument (VRI) have continued to perform well, and significant progress has been made regarding the inclusion of the VRI in the Savings and Stabilization Fund Law. This amendment in the law, which facilitates and ensures payout of the VRI when it becomes due, is a requirement in the restructuring agreement with the Euro bondholders. Also, the Suriname Debt Management Office (SDMO) will be supported by technical assistance to improve its management capacity and help it migrate from the current debt management system to a more efficient one, which will be purchased from the Commonwealth Secretariat with financing from the IDB.

Monetary and Financial Policies

A tight monetary policy stance has set inflation on a clearly declining path. Inflation peaked at about 65 percent in the second quarter of 2023, but the adherence to a tight monetary stance by the CBvS, supported by responsible fiscal policies, has driven inflation to

a strong downward trajectory since the second half of last year. The issuance of Central Bank Certificates (CBCs) played a significant role in further tightening the liquidity in the system. Progress on this front is highly consequential for the economic program as a whole and for the Surinamese people, who feel the immediate benefits in terms of protection of their income's purchasing power. However, despite considerable efforts, the CBvS fell short of achieving the monetary QPCs and its indicative monetary target pertaining to reserve money by the end of March 2024. The net domestic assets (NDA) and net international reserves (NIR) targets were missed as the clearance of both local and foreign currency denominated domestic and supplier arrears were not adequately captured in the CBvS' liquidity forecasts. As credit growth is easing, currency depreciation risks receding, and inflation moderating, the temporary growth cap on local currency credit, which was in place until March 2024 to curb high credit growth, has been discontinued. The CBvS will continue to monitor monetary developments and will maintain the reserve money path consistent with program targets.

Comprehensive measures have been taken to address vulnerabilities in the financial sector. To tackle high Non-Performing Loans (NPLs) in the banking system, the CBvS has mandated all banks to submit an NPL strategy by April 2024, which are currently being evaluated for approval. Bank recapitalization plans will be executed in a resolute way, with interim targets and corrective actions designed to ensure financial stability. An amended Banking Supervision Act and the Bank Resolution Act will enhance risk-based supervision and CBvS' intervention powers, strengthening supervision overall, but especially for state-owned banks, aligning it with international best practices. With these measures, all the program's structural benchmarks related to banking supervision will have been met within the deadlines. Further financial sector reforms aim at improved oversight of the insurance and pension sectors, capital markets, and electronic payment systems, along with the implementation of credit reporting and deposit insurance. These reforms will be supported by technical assistance to ensure timely execution.

Exchange Rate Policies

Tighter monetary policy has led the exchange rate to continue on an appreciation trend since the last quarter of 2023. By effectively reducing excess demand in the economy, the tight monetary stance has impinged on the FX market, leading to three quarters of currency appreciation. While currency appreciation may also present some economic challenges, there has been a positive shift in market sentiment, with the perception of reduced risks of currency depreciation. An important structural benchmark for improving the functioning of the FX market is the operationalization of an electronic FX trading platform, which is expected to take place in the next few weeks, as the CBvS supersedes technical challenges that have delayed its launching. IMF technical staff is assessing current FX rules and regulations, as well as the auction and trading platform of the CBvS, for consistency with IMF's Article VIII provisions. The launch of the platform will proceed in close consultation with the IMF team. Furthermore, in May 2024, the authorities submitted to the State Council, legislative amendments of the Foreign Exchange Regulation to rectify any misalignment with the amended Central Bank Act 2022.

Governance Reforms

The authorities are committed to further strengthen the governance and transparency institutional framework. In June 2024, Parliament is set to enact the amended Procurement Law, which will ensure centralization and transparency of procedures and processes, as well as the publication of names of public officials involved with Government procurement, awarded entities and their beneficiary owners. In addition, efforts are underway to align the Anti-Corruption Law with related domestic legislation and the United Nations Convention against Corruption (UNCAC), which Suriname ratified in November 2021.

Concluding remarks

While program performance has been generally favorable, implementation has recently become more challenging. While both upside and downside risks can be identified at this stage, political and election dynamics heighten the challenges for the reform agenda. Nevertheless, the authorities continue to demonstrate strong commitment, ownership, and resolve in implementing unpopular energy subsidy reforms, public sector reforms, and highly sensitive procurement and anti-corruption procedures. Measures to increase compliance with customs at the borders and harbors aim at drastic improvements of duty administration and collection, while other possible sources of non-tax revenues are thoroughly scrutinized. Despite all challenges, the authorities have persisted in their efforts to build consensus in favor of further reforms and institutional strengthening to enhance the economy's capacity to manage resource abundance in the medium term. The authorities continue embracing steadfastly the reform agenda and the objectives of the program supported by the IMF arrangement as the best way to adjust the economy and prepare the country for a period of prosperity.