

END OF PROJECT EVALUATION
OF SURINAME FRAMEWORK
FOR PRIVATE SECTOR
DEVELOPMENT (SU-CC2020)

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Suriname Framework for private sector development in Suriname (SU-CC2020)

End of project evaluation

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Executive Summary

This report presents a favorable evaluation of the design and implementation of *Technical Cooperation Framework for private sector development in Suriname* (SU-CC2020). It also notes that by December 2014 it is not possible to evaluate the long-lasting effects of this project, or its impact on overall private sector growth and development of Suriname. However, it presents evidence that shows that funds were appropriately used as originally intended, and that outputs produced greatly exceed the original list of outputs.

This project facilitated the process to modernize the legal framework for private sector development in Suriname. Because of this project a set of laws that include: E-publications; business and professional registration; competition law; limited liability companies law; electronic transfers, administrative principles, secured transactions, industrial property, financial statements, and trade registry have been drafted and may be approved in the next few years. The implementation of these laws would make a difference by significantly improving the business climate in Suriname. The IDB found this initiative promising and committed additional funding to continue facilitating the process, and it is expected to approve *SU-L1043: Business Climate and Innovation Program I* for US\$20 million by December 2014 or early in 2015.

This project provides important lessons that apply to other similar projects in Suriname and elsewhere. The most relevant lessons for future CC and IDB funded projects include:

- Successful projects require flexibility and perseverance: flexibility in modifying at the margin the original design, and perseverance in designing projects in phases. This project set in motion a business climate reform process that would require many years to mature and yield results. CC and the IDB need to be prepared to accompany the process, as they are doing in this case, by providing technical advice and funding as needed now and in years to come.
- Successful projects require political support and understanding of complex political frameworks of Suriname. CUS success is the result of decisions taken at the highest level of government, the Vice President of Suriname and the President of the Central Bank, and CUS management which is well-connected with the capacity to reach out to decision makers. The process moved forward because of the participation of decision makers at the highest level of government and private sector.
- The creation of new institutions in Suriname needs to be carefully assessed, and their permanent or temporary status should be considered early on to ensure sustainable reform processes. CUS sustainability depends on the circumstantial support from the Vice President and other decision makers. The creation of CUS as a permanent institution may require stronger legal foundations than what it currently holds. Therefore, the inclusion of either a law to create a new and permanent institution, or a sunset clause establishing that CUS would shut down once the reforms have been identified and implemented, would have provided clarity to the role of CUS as it moves forward. Therefore, future Bank-sponsored projects would benefit from a clear long-term view of the role of new institutions, such as CUS, as temporary effective tools to accomplish specific goals, or as permanent institutions that play a long-term role. If the latter is

chosen, then new institutions needs high legal standing and access to a budget that is independent from project resources.

- Future programs need to find a balance between advancing reforms and strengthening the technical capacity of staff. The IDB hybrid loan would, when approved, provide significant resources to strengthen the legal, economic and managerial capacity of CUS. However, the project focus on moving forward fast came at the cost of strengthening the technical capacity of CUS.

I. Introduction

This report presents an independent evaluation of the *Technical Cooperation Framework for private sector development in Suriname* (SU-CC2020)—referred throughout this report as “the project.” The decision to approve a project to promote private sector development resulted from dialogue between government representatives, private sector stakeholders and Compete Caribbean (CC) and IDB management in 2011 and 2012. The expansion of private sector activities in Suriname had been identified as one of the main constraints for future growth and development.¹ By the time of the approval of this project, Government officials and stakeholders agreed on the need to increase private sector participation by opening economic space through improvements in the business climate—this common goal remains today.²

CC’s Executive Director Mr. Saavedra- visited Suriname to offer funding for projects that would: invest in analytic work relevant to private sector development; promote business climate reforms; directly fund private sector projects’ put forward by Surinamese companies. Compete Caribbean focuses on facilitating private sector development by providing grants and investment funding for private sector firms. This project falls under the business climate reform initiative of CC, which promotes the design and implementation of initiatives that lower barriers for private sector development.³ The timing of these visits was good as Suriname had recently elected a new administration in mid-2010, and the newly appointed Vice President (VP), Mr. Ameerali, was, and continuous to be, a strong supporter of private sector initiatives.⁴

In the context of these visits to Suriname, representatives of the private sector, from the Suriname Business Forum (SBF), and government, the VP and the President of the Central Bank, Mr. Gillmore Hoefdraad, agreed with CC management that a new institution was needed in Suriname. This new institution, Competitive Unit Suriname (CUS), would take the lead in actively promoting and coordinating business climate reforms and would depend on (?) - the Office of the Vice President (OVP). Above all they agreed to create a new institution that would get things done in the short-term.

The emphasis on getting things done reflects one of the problems identified, repeatedly, in Suriname: many good ideas and proposals to facilitate the expansion of private sector activities get discussed to exhaustion, get consulted with all interested parties many times over and over, but at the end do not get implemented. Because the new institution would be housed in the OVP, the second most powerful political position in the country, it was expected that dialogue among stakeholders would lead to action. As we will see, this goal was accomplished.

In February 2012 CC approved Technical Cooperation SU-CC2020 for US\$500 thousand with *“the ultimate goal ... to foster sustainable economic growth and enhance competitiveness in Suriname. The general objective is to improve the enabling environment for business*

¹ Elias, Carlos. Suriname Private Sector Assessment Report. 2012.

² Ibid.

³ Compete Caribbean is jointly funded by the IDB, DFID and DFATD. The program is managed by the IDB from Barbados. For more information see their website <http://competecaribbean.org>

⁴ Mr. Ameerali led the Chamber of Commerce (KKF), a public institution that registers companies and facilitates private sector expansion. Mr. Ameerali is also a business man, and has led private sector initiatives in the past, such as preparing a draft law that would replace the Investment Law approved in 2001.

development, trade, and integration.”⁵ In addition “*the specific objective [of the project] is to establish a framework to coordinate the implementation of business climate reform projects and upgrade the human resource capacity on issues related to private sector development in Suriname.*” The project was intended to be completed by May 2014, although a 6-month extension was granted to November 2014.⁶

This evaluation focuses on how this project was designed and implemented as of November 2014, when the project is in its final implementation phase. The focus of this evaluation is not on outcomes that may result from actions taken by CUS with an impact on private sector development in the long-term—this is not possible because it is premature to assess any outcome when most of the actions resulting from this project are still in the design or implementation phases. For this reason this evaluation focuses on the process and presents lessons learned that may be useful for the design of other projects in Suriname, and in some cases in other countries in the Caribbean. It is important to note that CUS’s work in support of expanding private sector activities went beyond the activities funded by the project, as it will become apparent in the next section of this evaluation.

The rest of this evaluation includes a description of the project as it was originally designed and presented in the project approved plan of operations, a chronological narrative of its execution, and a list of CUS outputs from February 2012 to November 2014. The narrative provides the factual background that is necessary to make assessments on the relevance, effectiveness, efficiency and sustainability of this project. The last section of this evaluation presents the main results of the evaluation, especially it addresses: the question of counterfactual by asking what would have happened had the project not been executed; the likelihood of meeting higher level objectives; the extent to which the project met the performance targets and results as established in the Project’s Results Framework; whether the Suriname Competitiveness Unit is functioning as designed, and is achieving targets set in the work plan; and the extent to which CUS is sustainable beyond the project implementation period. The evaluation finishes with lessons learned, and Annexes with complementary information.

II. Description of the project

This section presents a factual summary of the original intent of the TC as presented in the approved plan of operations, and a chronological narrative of project execution and the list of outputs prepared under CUS sponsorship.

- a. Summary and analysis of project objectives, intended outputs and outcomes including targets

The project was designed with three components: technical work and implementation of business climate reforms; establishment of a technical unit to coordinate the implementation of activities

⁵ Approved Plan of Operations.

⁶ The extension was granted to finalize some activities, such as funding for drafting of laws and the preparation of this report.

to enhance competitiveness; and dissemination activities including workshops, communication material and the creation of a website.

Component 1 – Technical work and implementation of Business Climate Reforms. The first component highlighted the need for defining priorities and a reform agenda that would guide the reform process. The most important output of this component was the preparation of a reform roadmap. The roadmap would take into consideration studies prepared in the past that also focused on private sector development. This component would also fund translating documents from Dutch into English. Finally, and importantly, based on the identification of priorities the project would fund the implementation of at least one reform.

Component 2: Establishment of a Technical Unit to coordinate the implementation of activities that enhance competitiveness. The second component focused on the creation of the new institution: CUS. Project funds would be used to: identify the administrative structure and staff competencies, prepare operating procedures, and prepare a 3-year work program. In addition, this component would also fund a study tour to a similar institution in the region to learn best practices. This component would finance the creation of a performance monitoring system to measure the implementation of private sector development reforms, although this activity was not considered a priority.⁷ Finally, this component would fund equipment and furniture, staff salaries of the Executive Director and additional technical staff, and tuition fees for training on issues of competitiveness.

Component 3: Workshop, Communication Materials and Website. The third and final component of this project was designed to fund consensus building exercises and dissemination of results. The project would fund a “*2-day workshop to share best practices in implementing comprehensive business climate reform programs and allow a discussion among key stakeholders on the way forward for Suriname in this regard.*”⁸ This component of the project would also fund printing materials and dissemination through other formats, including the Internet.

The expected results of the implementation of the project, as presented in the approved plan of operations, were divided into outcomes and outputs, presented in Table 1. As it will become apparent in the next section, all expected outputs were produced and by November 2014 CUS was in the process of implementing a legal reform to improve the business climate—the second outcome as presented in the table. Table 2 presents the budget as presented in the approved plan of operations of February 2012, the revision of July 2012, and the final commitments by December 2nd 2014—more on the execution of this budget in Section III.c of this report .

⁷ TC funding for the creation of the monitoring system was US\$10 thousand.

⁸ Approved plan of operations.

Table 1: project expected outcomes and outputs

Expected outcomes
Effective monitoring of constraints to doing business in Suriname and knowledge of the required interventions to support private sector development
Technical unit performing as designed and implementing elements of the roadmap for private sector development
Expected outputs
Technical unit designed and operational (staff hired, unit equipped and furnished)
Summary report and roadmap for private sector development
Technical notes, strategies, white papers, and similar
Translated reports of previous studies on private sector development and competitiveness
Performance monitoring system for technical unit established
Priority business climate reform(s) identifies
Government officials and technical staff exposed to international best practice through study tour
Stakeholder workshop
Communication materials (including website related material) http://www.surinamecompete.org/

Source: Approved plan of operations

Table 2: project budget (US\$ thousand)

	Original budget February 2012			July 2012 revision			Committed December 2nd 2014
	CC	Government	Total	CC	Government	Total	CC
Component I: Technical work and implementation of business climate reforms	184.0	0.0	184.0	184.0	0.0	184.0	262.9
Component II: Establishment of a technical unit to coordinate the implementation of activities that enhance competitiveness	218.9	146.4	365.3	177.9	480.8	658.7	112.8
Component III: Workshop, communication material and website	59.7	41.0	100.7	100.7	0.0	100.7	103.3
Final evaluation	12.8	0.0	12.8	12.8	0.0	12.8	11.6
Contingencies	24.6	0.0	24.6	24.6	0.0	24.6	0.0
Total	500.0	187.4	687.4	500.0	480.8	980.8	490.6

Source: Approved plan of operations

In the next section this evaluation presents a chronological narrative of the design and implementation of this project from 2011 to November 2014.

b. Narrative of the project: preparation and execution

The project was approved in February 2nd 2012 after a short period of project preparation and negotiations—the process started in mid-2011. The approved plan of operations exudes the focus on getting things done. The specific objective of the project was a call to action: “to *establish a framework to coordinate the implementation of business climate reform projects and upgrade the human resource capacity on issues related to private sector development in Suriname.*”⁹ To achieve this goal, the plan of operations called for the creation of CUS that would “*implement at least one business climate reform identified in the roadmap agreed between government and the project team.*”¹⁰

The plan of operations describes a process in which CUS, the new institution, would receive the tools necessary to meet its purpose. These tools included: (i) the design of the unit and, once operating, the provision of training to staff including a visit to a similar institution in the region to learn best practices; (ii) investing in analytic work to prioritize reforms; and (iii) the recognition of the importance of dialogue among stakeholders and consensus building, and dissemination of analytic work, for the successful identification and implementation of reforms. The design of the project was good: it identified a champion in the person of the Vice President that would provide political support to the process, it defined the institutional setup to create a new institution that would focus on execution and getting things done, it provided administrative tools that were necessary for the appropriate functioning of the new institution, it defined the process to identify the work program and the technical substance of the reforms, and it proposed a clear goal of implementing at least one business climate reform. To accomplish all this the project set a 30-month goal for project implementation—the last disbursement is expected by November 23rd 2014.

It is important to note that government delegated executing responsibilities to the Bank. This decision allowed for rapid administrative actions as it relates to contract preparation and execution. The procurement process in Suriname is complicated and inefficient, and government, with Bank support, is committed to reforms.¹¹ However, as is, it is not possible to procure a contract in less than 6 months, and payments take an additional 3 to 6 months to disburse. Because the Bank was managing procurement, all contracts were promptly prepared and executed. This issue was instrumental in allowing CUS leadership to promptly execute activities. The Bank contribution was not limited to procurement. Throughout the process, as note elsewhere in this report, Bank staff provided inputs to the preparation of terms of reference, comments to outputs, and advice when requested. These interventions and the good working relationship between Bank staff and CUS leadership facilitated the process and is one of the reasons why this project was successful.

In June 2012, government formally created the new institution via a decree by the Council of Ministers as a unit in the Office of the Vice President. The decree appointed an Executive Director, Deputy Director, and also CUS steering committee representing the private and public

⁹ Approved Plan of Operations.

¹⁰ Ibid.

¹¹ Bank funded a Policy Based Loan that would, among other, reform procurement—Public Expenditure Management Program, SU-L1028.

sectors and academia. Ms. Burlleson and Mr. Foe A Man had ample experience in business climate reforms and more generally on issues in competitiveness because of their active participation in the SBA Board.¹² The steering committee, which was expected to play an advising role to CUS management, never met and did not fulfill its role—as it will become apparent later in this section, this turned out not to be a problem for the execution of the project. According to CUS management, the main reason why the steering committee lost interest was that they did not receive stipends and expenses, which are the norm for Board members in Suriname.

Important decisions were made by the Vice President during the first half of 2012. The VP decided to cover all salary costs of the new institution. Originally project funds were allocated to pay the salary of the Executive Director for 18 months and also to partially pay staff salaries. The decision of the VP had positive impact on the project addressing an important sustainability issue: it established a relationship between staff and government independent of project funding. Importantly, this decision also sent a strong message to stakeholders in Suriname of government commitment to the new institution and to the goals of the project. The VP also decided to fund the roadmap for competitiveness, including the business climate reforms. From late 2011 and early 2012 the roadmap had been a priority. At the request of CUS management, the VP agreed to hire Mr. Michael Julien to prepare the roadmap freeing US\$75 thousand from the original project budget. Finally, the VP decided to pay for all office expenses, including furniture, computers, desks and other—see Annex 1 includes pictures of CUS facilities as of November 2014. These decisions to use government funding, to pay for salaries, to fund the roadmap and to pay for furnishing the office, were positive signs of government commitment to the reforms and freed resources for other uses.

During 2011 and 2012, CUS and Central Bank management had been involved in discussions with IDA International, a subsidiary of IDA Singapore, to come to Suriname and prepare a diagnostic and proposal to improve the business climate. In 2012, IDA was hired with Central Bank funding to prepare an *Ease of Doing Business Diagnostic of Suriname* and, based on it, a proposal to implement a project that would improve Suriname's rankings. The diagnostic was prepared and the proposal was made, which noted that if the plan were implemented it would result in a 20 place improvement in Suriname's ranking in the World Bank/IFC Ease of Doing Business Index.¹³ As it will be presented later in this section, the work of Mr. Julien and IDA International were instrumental for the consultation process that led to the identification of priority initiatives for business climate reform.

¹² The Suriname Business Forum (SBF) is a private public institution that represents business interests in Suriname. Its membership includes business associations, academia, unions, government and other interests in the country. Ms. Burlleson was a former Chair of the SBA Board, and had extensive experience as a lawyer and professor teaching corporate law at ADEK, and Mr. Foe A Man is a businessman and also a former representative of the private sector in the SBA Board.

¹³ IDA Singapore specializes in providing consulting services that address issues identified in WB/IFC Ease of Doing Business Reports. The proposal presented to Suriname is being considered by government as of December 2014, but a contract has not been signed yet.

With CUS established and staffed, in late 2012 CUS management decided to visit the *Centro Nacional de Competitividad* (CNC) in Panama.¹⁴ Of interest to this evaluation was the exposure of CUS staff to CNC working groups (*mesas de trabajo* in Spanish) in which private and public sector representatives discuss, negotiate and agree on policy and concrete actions—as it will be presented later in this section, CUS successfully organized working groups during the first quarter of 2013. Importantly, in Panama, CUS management, Mr. Drum a consultant which had been invited to the study tour, and Compete Caribbean management, decided that the information provided by the Julien and IDA reports were enough to identify one priority to start the reform process: access to finance. In Panama, therefore, CUS and Compete Caribbean management asked Mr. Drum to prepare a report on how to improve access to finance for private sector companies in Suriname.¹⁵ During the last quarter of 2012 Mr. Drum delivered a report to improve access to finance by prioritizing, among other, the creation of a credit bureau and establishing a framework for the use of secured transactions as collateral for borrowing from financial institutions. Both proposals resulted in concrete actions: by the Central Bank, which is working on legislation to establish a Credit Bureau, and Compete Caribbean that agreed to grant funding for the implementation of a secured transactions framework in Suriname.

In January 2013 CUS hired Mr. Adrian Devit to prepare a proposal to strengthen CUS technical capacity. This proposal was instrumental in providing suggestions to CUS on how to: define a strategic direction; develop a proactive agenda and prepare a 3-year rolling plans; reach out to decision makers; provide advice and coordinate actions; and the appropriate place for CUS within the public administration. Importantly, the first report prepared by Mr. Devit identified competencies and suggestions for training staff, and operational guidelines for the unit. Mr. Devit prepared a second report for CUS in which he proposed a methodology to identify comparator countries to benchmark competitiveness, and also the indicators that would serve for monitoring purposes. The impact of this input on CUS was high as it relates to how to organize the institution.

CUS hosted on February 7-8 2013 the first *Competitiveness Forum Suriname*. This event was the first one of its kind organized in Suriname. The agenda of the meeting included presentations from Mr. Julien and Mr. Drum, consultants that as previously noted had been hired to prepare reports on competitiveness and access to finance, and also presentations by IDB and Compete Caribbean experts in competitiveness. High level government representatives attended this event, with the President of the Central Bank and the Vice President serving as hosts and opening and closing the event. More than 450 people attended the event representing the private sector, academia, the public sector, unions, civil society groups and more. CC and the IDB were well represented at the Forum, with the presence of the Executive Director of CC Ms. Dohnert, the IDB Vice President for Countries Mr. Vellutini and the Regional Economic Advisor Mr. Ruprah, among other staff. This two-day event included plenary sessions and four workshops in which participants were allowed to attend discussions on public private partnerships, access to

¹⁴ Arguably the best competitiveness institute in Latin America, the CNC is led by former Panama President Nicolas Ardito Barleta and has a reputation for excellent technical work and strong links between private sector and government. Panama ranks consistently among the top two best countries in Latin America measured by the World Economic Forum competitiveness index—for 2014-2015 Chile ranks first and Panama second.

¹⁵ At the time Mr. Drum had been hired as a consultant to prepare a roadmap for reform. The decision made in Panama to refocus his the report on access to finance required formally revising Mr. Drum's terms of reference.

finance, innovation and education, and decentralization of economic development. The event succeeded in creating, under CUS sponsorship, four working groups that would prepare concrete reform proposals—an approach inspired by what CUS staff saw in Panama’s CNC.

After the Suriname Competitiveness Forum, from March to May 2013, these four working groups met to discuss issues in each one of the four topics selected in the Competitiveness Forum Suriname. Under CUS sponsorship and organization, the groups included professionals, experts and stakeholders interested in each topic. By the end of May, CUS organized a workshop to share and summarize results of the working groups. This meeting, facilitated by Mr. Julien and Mr. Steven Alfaisie, resulted in the consolidation of proposals as follows. The group working on access to finance recommended, among other proposals to: create a secured transactions framework, develop training for SMEs on how to prepare business plans and request funding from commercial banks; train more accountants on how to facilitate funding for SMEs; revise the Accountant Act to improve reporting, accountability and enforcement; and to train commercial bankers on SME financing. The group working on public private partnerships recommended, among other proposals to: develop awareness; identify potential PPPs; and to establish a PPP unit in government. The group working on education and innovation recommended, among other proposals to: create a platform for private-public dialog on skills and education; develop a core curriculum for schools; and increase the capacity for identifying and nurturing skills. Finally the group working on decentralization of economic development recommended, among other proposals to: revise the 2001 Investment Act, the competition law, law on intellectual property, the Telecommunications Act, and consumer protection law among more; and propose local government economic development legislation. Annex 2 presents a summary of the proposals of the four working groups.

In April 11 and 12 2013 SELA Caribe, SBF and CUS sponsored a workshop in Paramaribo on tools to facilitate innovation in Suriname. In this workshop international experts from Costa Rica, Mexico, and Colombia made presentations on international best practices on how to promote innovation. During the workshop local entrepreneurs presented their experiences on innovation—such as AGROFIX that distributes pesticides; the Fab Lab located in the Office of the Vice President; JOMI Cosmetics; De Molen Flour Mills; and Telesur. The conclusions of the workshop point to opportunities to improve coordination, education, and science and technology programs in Suriname; and that Suriname does not have a legal framework for promoting innovation.

In June 2013 CUS represented Suriname at the *Caribbean Growth Forum* held in Nassau, The Bahamas. The Caribbean Growth Forum, a joint initiative by Compete Caribbean, IDB, WB and CDB, invited CUS to present growth initiatives. In The Bahamas meeting CUS presented the results of the four working groups working on public private partnerships, access to finance, innovation and education, and decentralization of economic development; and also summaries of the outputs prepared by Mr. Julien, Mr. Drum and Mr. Devit. The Caribbean Growth Forum offered seed money, US\$50 thousand, to finance one CUS initiative. CUS selected access to finance, and used seed funding to prepare a project to develop a framework for secured transactions in Suriname—these funds were used to hire a consultant to draft the secured transactions law, and also to fund awareness activities in Suriname.

The initiative of the Caribbean Growth Forum had positive impact on the work program of CUS because it started a process to set up a framework for secured transactions in Suriname. Compete Caribbean and IDB, which were by now fully engaged in supporting Suriname's efforts to facilitate private sector development, agreed to provide a technical cooperation for US\$400 thousand for this initiative. The technical cooperation was prepared and approved by CC in 2014, and by December 2014 is waiting signature by the Minister of Finance. Importantly, as it will be presented later in this section, the law of secured transactions was included in the package of laws that CUS prepared in 2013 and 2014 on priority issues for private sector development.

It is helpful to briefly pause this narrative to note that by mid-2013, CUS was highly visible and had established itself as the institution leader in the promotion of private sector development. The analytic work prepared with CUS sponsorship had been broadly disseminated in many workshops throughout 2013. The *Competitiveness Forum Suriname* of February 2013, and the efforts of the four working groups set up by CUS, had resulted in broad support by government and stakeholders for a reform program for private sector development. CUS leadership often appear, and continues to do so by December 2014, in news reports—newspapers, radio, TV, Internet blogs—presenting issues related to private sector issues and reforms. CUS was ready then to move forward and to design and implement reforms that focused on the legal framework for private sector development.

The WEF Global Competitiveness Index and the WB/IFC Doing Business Report, the outputs of consultants and the results of the dialogue process indicated that Suriname needed to revise its legal framework for private sector development. This had been identified as a serious problem in the past, pointing to the lack of legal support for private investment. According to experts, Suriname's legal framework relied heavily on obsolete laws that had been in place before Suriname's independence from The Netherlands. A diagnostic prepared by the SBF noted that more than 200 laws were in urgent need of revision, rewriting or replacing in order to modernize the legal framework for private sector investment and growth. For this reason, in July 2013 CUS hired Ms. Marcela Anzola to prepare a review of the legal framework and to define priorities for modernization. The outputs of this consultancy confirmed the urgent need to modernize the legal system and succeeded in identifying a set of laws that were considered priorities—among other, registration, secured transactions, administrative procedures, dispute resolution, intellectual property rights, and investment. Importantly, Ms. Anzola found that in many cases draft laws existed, and what was required was to update and modernize these drafts. By the end of 2013 it was clear that CUS had been able to identify a set of laws with high value added for private sector development, most of which were at advanced state of preparation and consultation.

The IDB concluded that the legal reforms sponsored by CUS were of high value added to Suriname, and decided to support the process. Therefore, early on 2014 the IDB and CUS engaged in negotiations for the preparation of an IDB loan to Suriname. This loan, which had been in the IDB books since 2011 as a potential candidate to complement CC funding, would facilitate the process to finalize the preparation of the laws, and more importantly it would provide sufficient resources to create the institutional framework and strengthening for the implementation of the new laws when approved, and also provide funding for the technical legal,

economic and managerial institutional strengthening of CUS. The operation was designed to meet these objectives and it was determined that an initial loan for about US\$25 million would be appropriate—this amount included a policy-based loan for US\$20 million to be disbursed in two tranches, and a reimbursable technical cooperation of about US\$5 million.

In May 2014 CUS organized a 2-day working meeting in Bergendal, a resort located outside Paramaribo. CUS invited stakeholders and prepared an agenda that consisted on the systematic presentation of draft laws and its discussion among participants. For the first time, drafters of laws were able to meet and understand the complementary nature of their work. Importantly, the attendants to this meeting included high ranking officials in government, people that would play a central role in supporting the reforms. In addition to the permanent presence of the Vice President and the Ministry of Trade and Industry, the President of the National Assembly, the Chief of Justice, and the Attorney General participated in informal meetings to discuss the details of new legislation and make comments and suggestions. The formal meetings held during the day, and the high-level informal meetings held at night contributed the most to the process to define the set of laws that would be prioritized.

By the end of the meeting in Bergendal there was momentum for the approval of a package of laws that would reform the legal framework for private sector development in Suriname. The Vice President facilitated the secondment of the drafters of legislation to CUS. For about four weeks after the meeting in Bergendal, drafters from several Ministries worked at CUS with Ms. Anneke Chin A Lin a lawyer hired by CUS, and CUS management on drafting legislation—Ms. Anzola participated as needed by phone. By December of 2014 the following laws were submitted from the Cabinet of Ministers to the State Council: E-publications; Business and professional registration; Competition Law; and Limited Liability Law.¹⁶ The following laws are drafts that are still being discussed with stakeholders: electronic transfers, administrative principles, secured transactions, industrial property, financial statements, and trade registry. By December 2014 the IDB loan in the final process of preparation, and it is expected that it would be approved in 2014 or in the first half of 2015. When approved, this loan would provide resources for CUS to continue the legal reform process, and to strengthen its work program by creating a legal unit, a monitoring and evaluation unit, and a competitive and productivity unit.

Although the legal reform is the output with the highest potential for facilitating private sector development, this is not that only one that resulted from this project. The Arthur Lok Jack Graduate School of Business approached CUS in November 2013 to request complementary funding for the execution of the Adult Population Survey. The results from this survey would be used to prepare the *Global Entrepreneurship Report for Suriname*. CUS agreed to partially fund this survey, and by November 2014 the first GEM report for Suriname was published. The results of the report confirm the need to urgently improve the business climate in the country.

¹⁶ In Suriname the process to present laws to the National Assembly by the executive include: the presentation of a the draft law for approval to the Cabinet of Ministers; once approved by the Cabinet of Ministers the law is submitted by the Cabinet of Ministers to the State Council, which reviews, modifies, or requests more information. When the State Council approves the law, then it is submitted to the President, which then submits it to the National Assembly. Finally, the National Assembly discusses and votes on approving the law. The small size of the country and the culture of consensus building, however, ensure that once a law has been approved by the Cabinet of Ministers, all the other approval instances have information about the draft law and in many cases have been consulted on its preparation.

The results show that, in general, Suriname citizens believe that there are opportunities for the creation of business, and also say that they are not afraid to fail in their attempt to start a business; however, very few citizens say that they will open a business in the next three years.

Finally, CUS took the lead in organizing agendas and facilitating meetings for the following initiatives: the execution of the Enterprise + survey which is used to publish the WB/IFC Enterprise Survey Report, that as of November 2014 has been executed but the results have not been published; the preparation of a labor market analysis; and the preparation of productive development policies for Suriname – a draft report was concluded in October 2014. CUS has been very active in awareness campaigns of the importance of the business climate and private sector development in Suriname—in radio and TV shows, workshops, presentations, and news.

c. Results

The impact of the final report of Mr. Drum was significant and resulted in government agreeing to work on legislation to set up a credit bureau and creating a framework for the use of secured transactions as collateral for borrowing from commercial banks and other financial institutions. As of November 2014 when this evaluation is being prepared, both initiatives are being developed—the Central Bank is taking the lead in drafting the law that would allow for the establishment of the first Credit Bureau in Suriname, and CUS took the lead in the preparation of a technical cooperation to be financed by Compete Caribbean to set up a framework for secured transactions in Suriname.¹⁷ Importantly, the framework for secured transactions requires a law, which was prepared under the sponsorship of CUS in 2014 along with other complementary laws.

The impact of the work of Ms. Anzola was instrumental in the identification of a package of priority laws with high impact on private sector development. The drafting and consultation process, and the support for its expected approval was the result of extensive consultations, negotiations, and dissemination of issues. The IDB recognized the value of these laws and would support the approval and implementation process with a loan, which would also strengthen CUS capacity to manage the process and provide additional funding for the next 2-4 years. This loan is a hybrid operation including a policy-based loan and a reimbursable technical cooperation. By November 2014 the conditions for the disbursement of the policy-based loan had already been met, which means that as soon as the loan is approved, government would be able to receive the first disbursement for about US\$15 million. In addition, the IDB would also approve a reimbursable technical cooperation, for about US\$5 million, for institutional strengthening of CUS and to fund the strengthening/creation of complementary institutions necessary to implement the set of laws to be approved.

As noted, CUS played a central role organizing many events, meetings, workshops to disseminate results and build awareness of the importance of private sector development. Annex

¹⁷ As of November 7th 2014 the legal documents of the TC were waiting final approval by Government. The CC TC would grant US\$400 thousand. These funds would be complemented by additional funding from the IDB loan to support private sector development in Suriname.

3 provides a list of meetings organized to discuss competitiveness; and Annex 4 a list of meetings organized to discuss legal issues.

Finally, the role of CUS facilitating the execution of surveys for the GEM Report and the Enterprise Survey Report is a significant contribution to the definition of baselines. These baselines may be used in the future for monitoring of results and evaluation purposes.

d. Outputs

The following table, Table 3, presents a complete list of outputs that can be traced back to the work of CUS, either because they were fully or partially funded by CUS, or because CUS played an important role in the definition of the output. This table is particularly interesting because it also reflects the ranking assigned by CUS to these outputs—CUS were asked to rank this outputs based on how instrumental they were in defining the agenda for reforms. These outputs greatly exceed the expectations as presented in the design of this project, as presented in Table 1 of this report. The rankings reveal the importance of dialogue and consensus building to get things done in Suriname. As it has been noted by many analysts and experts, Suriname is a country of consensus building, and nothing moves unless there is close unanimity on the way forward. Annex 5 presents an expanded version of this table.

Table 3: CUS outputs

Rank	Output
1	First Competitiveness Forum Suriname (February 2013)
2	Consultation and workshop with stakeholders and the drafter of legal enterprises in the Civil Code, Prof. Van Schilfgaarde
	Consultation and workshop with stakeholders re mediation and arbitration with Prof. Tjittes.
	Appearances in talk shows on radio and tv, and interviews with newspapers and other (on-line) media
	Promotion and dissemination of the importance of competitiveness issues in Suriname to international organizations
	Workshops and consultation meetings with stakeholders on issues related to competitiveness
3	Design of CUS and Benchmarking Suriname's Competitiveness (report produced by Adrian Devitt, April 2013)
	CUS contributes to work in progress on issues related to competitiveness
	Study tour to visit Panama 2012
4	CUS is a member of RIAC (Red InterAmericana de Competitividad which sponsors the annual Americas Competitiveness Forum)
	Provide advice to private and public institutions on issues related to competitiveness in Suriname
	Starting discussions for an industrial innovation plan
5	Reporting to the World Bank Ease of Doing Business and World Economic Forum Competitiveness Report
	Framework for private sector development in Suriname, Development of an action plan for business climate reform priorities. Coordinating drafting of package of laws that would reform the business climate in Suriname (Marcela Anzola consultant report, December 2013)
6	Suriname: improving access to finance for small and medium enterprises: a roadmap for action (Bernard Drum, January 2013)
7	A national competitiveness strategy for Suriname (report produced by Michael Julien September 2013)

Rank	Output
8	IDA report Improving ease of doing business in Suriname (IDA International a subsidiary fo IDA Singapore)
9	Enterprise + survey (funded by IDB)
10	GEM report 2013 (Arthur Lok Jack Graduate School of Business and the Lim A Po Institute of Business)
11	Labor market report
12	Productive Development Policies (written by Monica Panaderos from FIEL in October 2014, funded by the IDB)
13	Preparation of Second technical cooperation to be funded by Compete Caribbean to implement a secured transaction law in Suriname
14	Preparation of the hybrid IDB loan to improve competitiveness in Suriname
15	Chapter for the Caribbean Growth Forum

III. Project evaluation

a. Relevance of the project

The project was designed to address the challenges as identified in the plan of operations. Suriname main growth challenge is to open space for private sector development.¹⁸ In spite of the large economic expansion since 2001, with nominal GDP per capita growing 6 times from US\$1,613 in 2001 to US\$9,700 in 2013, the country faces an uncertain future.¹⁹ Past good growth performance hid large weaknesses in the economy: it's almost exclusive dependence on investments in mining and related exports of gold, oil, and alumina and the pervasive presence of government in all aspects of economic activity highlighted by the fact that about 2/3rds of all formal employees are public servants. Government and stakeholders have recognized the need to improve the business climate—especially the Suriname Business Forum and other institutions that represent private sector interests. However, the process accelerated in 2012 with the launch CUS. Although plans existed and there was agreement on the way forward, what was lacking was capacity to act, which was the reason for the creation of CUS.

As noted in this report, the plan of operations describes a process in which CUS, the new institution, would receive the tools necessary to meet its purpose. These tools included: (i) the design of the unit and, once operating, the provision of training to staff including a visit to a similar institution in the region to learn best practices; (ii) investing in analytic work to prioritize reforms; and (iii) the recognition of the importance of dialogue among stakeholders and consensus building, and dissemination of analytic work, for the successful identification and implementation of reforms. The design of the project was good: it identified a champion in the person of the Vice President that would provide political support to the process, it defined the institutional setup to create a new institution that would focus on execution and getting things done, it provided administrative tools that were necessary for the appropriate functioning of the

¹⁸ Elias, Carlos. Suriname Private Sector Assessment Report. 2012.

¹⁹ World Bank DataBank, World Development Indicators.

new institution, it defined the process to identify the work program and the technical substance of the reforms, and it proposed a clear goal of implementing at least one business climate reform.

There were no changes in the legal, political, economic or institutional context from the time of the design to the implementation of this project, therefore the project did not need to be revised.

This project succeeded in identifying a clear set of priorities for improving the framework for private sector development. These priorities, however, were not those originally envisioned in the project approved plan of operations. The original project highlights the role of an overarching roadmap as the main tool for the selection of priorities.²⁰ The roadmap prepared by Mr. Julien focused on the identification of three sets of priorities: (i) initiating economic transformation for diversification; (ii) improving the country's Doing Business Rankings; and (iii) improving the country's Global Competitiveness Index efficiency enhancers. These three sets of priorities fall within what should be done to improve competitiveness, but suffer from a serious problem: they are too broad, and in some cases, extremely difficult to implement. Therefore, although the roadmap was prepared, it presented such a complex set of actions that clearly exceeded the implementation capacity of a new institution, such as CUS.

Early on, therefore, CUS faced a serious problem. Although a roadmap had been created, its implementation presented such unsurmountable barriers that it clearly exceeded the mandate of a new, very small, unit created under the Office of the Vice President, and also the small resources available—people, money, and political capital. The success of this project, and a lesson learned for future similar projects, rested in the flexibility of CUS, CC and the IDB in modifying at the margin the work program to execute activities that were doable within the limits of time and resources. By asking Mr. Drum to focus on a single issue, access to finance, CUS, with support from CC and the IDB, ensured that whichever recommendation would come, it would be doable as it proved to be the case with the identification of the need for a secured transactions framework and the need for a credit bureau. CUS, with CC and IDB support, did it again when they focused on the legal framework for private sector development selecting a few, highly relevant laws in need of modernization or creation.

Because of flexibility on the part of decision makers, and pragmatism in the definition of the work program, CUS was able to complete two tasks: a proposal for the creation of a secured transactions framework for Suriname; and the modernization of several laws with significant potential impact on private sector development. It is worth noting that these are not just proposals, they include the preparation of new legislation and new institutions, its extensive consultation and consensus building, and the resources necessary for its implementation—via a CC technical cooperation for the secured transactions framework, and an IDB hybrid loan for the legal framework.

²⁰ Ex-ante this approach is consistent with a design in which priorities, based on objective criteria, maybe identified. In Suriname, however, poor data and lack of information significantly limits the capacity of identifying priorities because it is not possible to analyze tradeoffs without good data. Because of poor data and information, all the exercises in identifying priorities are necessarily subjective. This is not a problem, as political considerations almost always are more important than technical considerations. Therefore, even if it were possible to objectively identify the optimal technical approach, it would have been modified or replaced by political incentives.

This does not mean that ultimate success is guaranteed: that the laws would pass and would have the intended impact. The final step in the process is political in the hands of decision makers in the executive and legislative branches. The timing for the approval of these laws may also be problematic given the focus of politicians on elections coming up in May 2015. However, flexibility in modifying at the margin initial project plans and pragmatism in the selection of actions, were the key to the success of CUS in developing their work program to the point in which they stand today.

b. Effectiveness of the project

The work program of CUS was highly effective in the identification and development of two concrete actions: the creation of a complete proposal for secured transactions framework; and the identification of a set of laws that needed to be modernized or created. The output was not just a proposal, but two complete projects that included funding—from CC a technical cooperation for the creation of a secured transactions framework; and from the IDB a hybrid loan for the modernization of the legal framework.

However, as of November 2014, the technical cooperation to support the creation of a secured transactions framework or the hybrid loan to modernize the legal framework has not been signed by government. There is measurable progress as laws have been sent from the Cabinet of Ministers to the State Council, and several laws are being considered by the Cabinet of Ministers.

A key factor for the success of this project was the extensive dialogue process. At all stages of the process CUS management engaged stakeholders and decision makers on several aspects of the modernization process. The first *Competitiveness Forum Suriname*, held in February 2013, set the stage for the development of CUS work program and also established CUS as the leading institution in private sector development. It is important to highlight the usefulness of the workshop held in Begendal for two reasons: first it brought together “owners” of laws into the same room so that they could present work in progress and listen to comments and suggestions, and it allowed for all to see the complementary nature of the legal reforms; second it brought together high level officials, the Vice President, the Minister of Trade and Industry, the Speaker of the House, the Attorney General and the Chief of Justice to discuss the new legal framework and their implications. If the laws get eventually approved, it may be because of the process to sensitize decision makers on the importance of the new framework for private sector growth and development.

The process was relevant in substance. For the dialogue process to succeed, the analytic work that underpinned discussions had to be very good. Two analytic reports funded with this project were instrumental in the success of the process. The report prepared by Mr. Drum set the stage for sensitizing decision makers on the need to create a Credit Bureau and a secured transactions framework to improve access to finance for private firms. The presentation of issues, and the level of detail, made it easy for stakeholders and decision makers to agree on the priority of these two proposals. The report prepared by Ms. Anzola also set the stage for the modernization of the legal framework for private sector development. In particular, the report presented a framework for prioritizing laws. As noted in this evaluation, there are over 200 laws that merit revision or

rewriting, all of them with impact on the private sector. Ms. Anzola was able to narrow down the list to about ten laws, which formed the core of the work program of CUS in 2014 and provided the technical substance necessary for ensuring IDB follow-up support.

Other analytic work funded by the project was also relevant to creating awareness of the relevance of the private sector for growth and development. The report of Mr. Julien offered the opportunity to think long-term and select the next set of reforms. The report of Mr. Devit offers the opportunity to continue strengthening CUS technical capacity and in particular the design of a monitoring and evaluation system. Of great value added is CUS' contribution to the preparation of the GEM report and the execution of the enterprise survey. These two efforts in collecting primary data have the potential to measure impact and identify high-value added initiatives in the future.

The relevance of analytic work did not translate into effective strengthening of the technical capacity of CUS staff. The study tour to Panama was instrumental in identifying the role that CUS could play in Suriname, and inspired the creation of working groups. However, it did not trigger the development of a training program that would strengthen the analytic capacity of CUS staff. All outputs have been prepared by national or international consultants. In part this is the result of CUS becoming the point of contact for IDB and others on issues of competitiveness, and CUS took the task of preparing missions, agendas, meetings, workshops and other.²¹ With only four permanent staff in the office, there was little time to do anything else but to coordinate efforts and focus on logistical issues. An important function the CUS should strengthen is monitoring and evaluation. In spite of the low priority given to this function in the project, which allocated only US\$15 thousand to this task, CUS should recognize the importance of measuring the impact of the reforms they sponsor. CUS recognizes that this is an area that needs urgent strengthening and it included a component in the IDB hybrid loan, which may be approved late in 2014 or early in 2015.

Finally, gender equality considerations were included in the reports of Mr. Drum and Ms. Anzola, and were also part of the dialogue in 2012 and 2014. However, the focus on legal reforms to some extent set aside the issue of gender. CUS management recognizes this issue and the IDB hybrid loan includes gender equality considerations in the reimbursable technical cooperation—yet to be approved by November 2014.

c. Efficiency

It is difficult to assess the extent to which the success of this project was cost effective. However, if this project is to succeed in approving laws, creating a secured transactions framework, and facilitating the creation of a credit bureau, then the US\$500 thousand invested by CC should be considered well-spent. Importantly, government decisions to fully pay for management and staff salaries, for hiring Mr. Julien, partially funding the Competitiveness Forum Suriname, and furnishing, providing equipment, office space, and paying for all services related to the office resulted in significant savings to the project. These contributions released

²¹ The recent visits from the World Bank have also relied on CUS. The draft World Bank Country Strategy Paper identifies CUS as the institution that would lead dialogue on competitiveness and private sector development.

funds that were used for other purposes, for instance the Bergendal workshop or additional consulting services, which contributed to the success of this project.

This project was executed within the timeframe of its original design, and as noted, CUS exceeded the goals defined in the original design—see Table 1 and Table 3.²² More importantly, CUS is leading a legal reform with significant potential benefits for private sector expansion. The number of laws that have been drafted and are being considered by government include: E-publications; Business and professional registration; Competition Law; and Limited Liability Law, electronic transfers, administrative principles, secured transactions, industrial property, financial statements, and trade registry. Because of the potential benefits of this initiative, the Bank decided to fund follow up support with a loan that would continue facilitating the process of legal reforms and its implementation. As it relates to the efficient use of US\$500 thousand, this project ranks very high among the most efficient as few projects achieve so much with so few resources.

It is also important to note the impact on the project of the decision of government to pay for salaries and how that decision impacted availability of funds for other purposes. Table 2 presents the original budget as approved in February 2012, a revision of July 2012, and the funds committed as of December 2nd 2014. The decision of government to pay for the Executive Director is reflected in rebalancing the budget from component II, the establishment of CUS, to component III, workshop and communications—the rebalance was for US\$41 thousand, as presented in Table 2. Table 4 presents a comparison between expected and used funds. The relative changes between expected and used funds by component are minor and common to all projects, however, it is worth mentioning that the largest shuffling of funds occurred in additional funds used for consulting services used for the implementation of at least one business reform. This report argues that this decision by CUS, to add US\$63.2 thousand to the implementation of reforms, was instrumental in the success of this project and in the follow up support to be provided by the Bank. Because of funding for this activity, the project spent less on study tours and on staff training. The opportunity cost of the additional study tours was low because as noted in the narrative section of this report, the trip to Panama was sufficient for CUS staff to witness how a solid institution that supports private sector initiatives should work—budget item 2.5 in Table 4. Unfortunately the opportunity cost of training was high, as noted in this report, was high—line item 2.4 in Table 4.

²² As noted in footnote 6 a 6-month extension was requested and granted to wrap up the project. This is common practice for most operations and does not imply inefficient execution. For example, the extension facilitated the preparation of this report.

Table 4: Compete Caribbean budgeted and committed funds

	July 2012 revision	Committed December 2nd 2014	Difference
Component I: Technical work and implementation of business climate reforms	184.0	262.9	78.9
1.1 Consultancy to design the roadmap	54.0	72.9	18.9
1.2 Consultancy to translate key private sector development related documents from Dutch to English	25.0	21.8	-3.2
1.3 Consultancy services to support the implementation of at least one business climate reform	105.0	168.2	63.2
Component II: Establishment of a technical unit to coordinate the implementation of activities that enhance competitiveness	177.9	112.8	-65.1
2.1 Consultancy to design the technical unit, develop guidelines for its operation and draft a 3-year work plan for the unit	41.0	33.5	-7.5
2.2 Hiring of Executive Director and 3 consultants to work as the core staff of the technical unit	0.0	35.4	35.4
2.3 Office setup and maintenance	0.0	0.0	0.0
2.4 Tuition fees for short term courses for the technical unit	35.1	2.7	-32.4
2.5 Three study tours for 5 government officials and the technical unit	86.6	41.2	-45.4
2.6 Consultancy to develop monitoring and evaluation system	15.0	0.0	-15.0
Component III: Workshop, communication material and website	100.7	103.3	2.6
3.1 Hosting workshop to share best practices in competitiveness programs	55.7	87.3	31.6
3.2 Consultancy services to develop and print promotional and communication material	15.0	1.0	-14.0
3.3 Consultancy to develop and maintain interactive website for 6 months	30.0	14.9	-15.1
Final evaluation	12.8	11.6	-1.2
Contingencies	24.6	0.0	-24.6
Total	500.0	490.6	-9.4

Source: IDB accounting systems

d. Sustainability

The issue of interest is the capacity of CUS to continue leading the reform process beyond the current administration of President Bouterse. As noted, the VP provides political capital and strong support for the reform agenda, and his contribution to the process has been one of the main factors for its current success. CUS leadership, connections and proactive management style has been another main factor for the success of the process. With elections coming up in May 2015, a new administration would could/may (?) come into office. The potential need to create a coalition government and to negotiate participation of many different political parties may impact the current capacity of CUS. It is unlikely that CUS would cease to exist, because in Suriname institutions created seldom disappear. However, often institutions that are created loose its influence and although they continue to exist, the impact on their original purpose diminishes. Therefore, this section focusses on CUS sustainability as it relates to its capacity to

continue leading the reform process beyond project implementation. From this perspective sustainability would depend on the following factors:

- Strengthening its legal standing. CUS was created by a decree from the Cabinet of Ministers as a unit in the Office of the Vice President. Although CUS staff is fully funded by government, about US\$120 thousand per year, CUS does not have a line-item in the budget. CUS standing would benefit from strengthening its legal status.
- Approval of the IDB hybrid loan to modernize the legal framework in Suriname and the approval of CC technical cooperation to create a framework for secured transactions in Suriname. The loan and technical cooperation were prepared with CUS as executing unit. The approval of these operations would provide CUS leverage to continue its functions in the future, and would ensure that their work program is appropriately funded. It would also significantly strengthen the legal, economic and managerial capacity of CUS, facilitating the future design and implementation of follow-up reforms.
- Approval of the laws prepared to modernize the legal framework in Suriname. This would enhance the standing of CUS and give credibility to the process they sponsored.
- Relationship with other institutions that also focus on private sector development. In particular with the SBF, an institution that is created by law and that has, in the past, been the focal point for private sector development issues in the country.²³ A formal commitment to work together, share resources, and cooperate would enhance the standing of both institutions.
- CUS capacity to lobby the next government and VP on the relevance, effectiveness and impact of their work program.
- Increasing the capacity of staff to contribute to the analysis and implementation of reforms.

IV. Main results from the evaluation and lessons learned

CUS was instrumental in energizing the reform process and in achieving concrete results. The issues identified by CUS, such as access to finance and the legal framework for private sector growth, were not new and were part of the agenda for reform by the SBF and others for a number of years. CUS, however, made things happen and its pragmatism resulted the preparation of laws and the framework for its implementation, including follow-up funding for its implementation from the IDB.

The potential benefits of the implementation of these reforms are high, but much remains to be done. The main challenge, as previously presented in this report, is to open space for private sector expansion. The actions of CUS, through legal reforms and expansion of credit, would be important factors of the reform process. The main contribution of these reforms is to change the incentive framework for saving, investing, and risk taking by private sector firms in the country, and by the decision of young people to start businesses instead of working for government. The following table, Table 5, was prepared by CUS and summarizes the potential impact of these

²³ The SBF receives funding from government.

reforms. It should be clearly stated, however, that the transformation as presented in the table would take time and it would not be easy. The laws have to be passed by the National Assembly, and then they need to be implemented. They have to be complemented by many other actions and actors. However, this project jumpstarted the process and set an agenda for future actions, which when executed, would have a positive impact on growth and development.

Table 5: Transformation goals of CUS supported reforms

FROM (obsolete)	TO (modern)
Government leads	Private sector leads
Mining sector leads	Greater participation of other sectors
Government employs most formal jobs	Private sector employs most formal jobs
Many public enterprises	Strategic public intervention
PUBLIC -private partnerships	Public- PRIVATE PARTNERSHIPS
For young people: it is really appealing to work for government or to migrate	More opportunities for young people in Suriname, to invest and to work in the country
People are forced/escape by engaging in informal activities	Formal activities result from a better incentive framework, more people become formal entrepreneurs

Source: CUS

This experience shows the relevance of ensuring the participation of key players: the Vice President that supported the process and provided political clout; CUS management that is extremely well connected and is able to effectively facilitate processes; CC management that was flexible and pragmatic when it counted the most; private and public stakeholders were willing to participate and support the process because they saw an opportunity for reform and were involved in the process making important contributions; and IDB management in the Country Office and headquarters that were able to provide technical advice and additional resources. The combination of all these factors explain success.

Because of the right combination of these factors, CUS was able to meet all its intended outputs. Their current work and the fact that their management and staff are paid by government should facilitate their inclusion in future plans of the Office of the Vice President after the elections in May 2015. CUS proactive management approach also bodes well for their future sustainability. However, some key actions would help solidify CUS position, especially by strengthening the legal standing and by strengthening the capacity of their staff to perform analytic work. At the end, the CUS would be as strong and relevant as their contributions and impact on continuing the process to facilitate private sector development in the country.

Importantly, the achievement of the ultimate goals of the project will only become apparent over the next few years. The laws prepared by CUS have not been approved by the National Assembly, as well as other initiatives such as secured transactions to expand access to finance, the IDA report to improve ease of doing business, and efforts to diversify the economy. The

approval process of laws is extremely complex and requires political support and extensive negotiations among decision makers in government and the opposition. Much remains to be done, but the signs are positive. The approval of the Bank hybrid loan would send a strong sustainability message to stakeholders about the priority for reforms in Suriname.

The following are the lessons learned from this project

- The project reflects a tailor-made approach and understanding of the political reality in Suriname, and the clear intent to support government's agenda for reforming the business climate. The project set in motion the preparation of a follow-up operation to be funded by the IDB, as well as other initiatives that were identified by CUS during the last few years. The resulting hybrid loan for all practical purposes is the second phase of the process, and focused on strengthening CUS technical capacity. This phased approach should be the norm for all projects in Suriname. It should be noted that it does not guarantee ultimate success, as the political process is extremely complex and is responsible for the approval of the draft laws and implementation of reforms, but a phased approach provides credibility to Bank supported reforms in Suriname. Of relevance for future Bank supported operations is the need to identify quick wins to ensure support for reforms. The focus on laws was appropriate, but the results would be perceived in the medium to long-term.
- Understanding the importance of political leverage is fundamental for the design implementation, monitoring and evaluation of projects in Suriname. CUS is the result of decisions taken at the highest level of government, the VP and the President of the Central Bank, and CUS management is well-connected with the capacity to reach out to decision makers. The process moved forward because of the participation of decision makers at the highest level of government and private sector. For example the creation of working groups to prepare specific proposals on private sector development issues generated understanding and support for the project and the reform process.
- CUS sustainability depends on the support from the VP and other decision makers. The creation of CUS as a permanent institution may require stronger legal foundations than what it currently holds. Therefore, the inclusion of either a law to create a new and permanent institution, or a sunset clause establishing that CUS would shut down once the reforms have been identified and implemented, would have provided clarity to the role of CUS as it moves forward—for the current administration and the new administration to take office next year. Therefore, future Bank-sponsored projects would benefit from a clear long-term view of the role of new institutions, such as CUS, as temporary effective tools to accomplish specific goals, or as permanent institutions that play a long-term role. If the latter is chosen, then new institutions needs high legal standing and access to a budget that is independent from project resources.
- The focus on moving forward fast came at the cost of strengthening the technical capacity of CUS. The capacity of CUS staff to move forward the reform agenda, to analyze results and to identify new areas is low. Training provided by the program was insufficient to provide technical tools to staff. However, the fast pace of activities and the limited number of staff did not leave much time for more focused training. Future programs need to find a balance between advancing reforms and strengthening the

technical capacity of staff. The IDB hybrid loan would, when approved, provide significant resources to strengthen the legal, economic and managerial capacity of CUS.

- Because politics are so complex, a focus on consensus building, dissemination of information, awareness campaigns, radio and TV appearances, and workshops should always be a principal component of any project in Suriname. The Competitiveness Forum Suriname was instrumental in setting the process in motion, and gave credibility to the reform.
- The study tour to Panama was instrumental in defining the role of CUS. Learning from best practices works and should be used more for all projects in Suriname. CUS leadership was able to witness the role of the *Centro Nacional de Competitividad* in building consensus and commitments from private and public sector decision makers. It inspired the creation of working groups that made good proposals and that should be taken into consideration for the future work program of CUS.
- The technical work prepared for this project is good and voluminous. The institutional memory resides mostly in reports, such as this evaluation, and with the people that participated in the process. For now all the information is safe and resides with participants of the process, at government and at the Bank. It is important to ensure that it also remains available in the future for all users and uses. Past experiences in Suriname show that information is lost because it has not been properly stored. Over time this leads to unnecessary duplication of efforts and investments. This evaluation recommends a special effort in keeping the institutional memory of the process safe and in a format that would be accessible in the future in a virtual library.
- Project design was good, it included: (i) the design of the unit and, once operating, the provision of training to staff including a visit to a similar institution in the region to learn best practices; (ii) investing in analytic work to prioritize reforms; and (iii) the recognition of the importance of dialogue among stakeholders and consensus building, and dissemination of analytic work, for the successful identification and implementation of reforms. It also identified:
 - a champion in the person of the Vice President that would provide political support to the process
 - defined the institutional setup to create a new institution that would focus on execution and getting things done
 - it provided administrative tools that were necessary for the appropriate functioning of the new institution
 - it defined the process to identify the work program and the technical substance of the reforms
 - and it proposed a clear goal of implementing at least one business climate reform.
- However, as with other projects, SU-CC2020 appears too ambitious in some important respects, especially funding did not match expected results. For example, the funds allocated to the monitoring system was US\$15,000, clearly insufficient to meet the intended purpose of *“developing of a performance monitoring system to support the overall measurement of the effectiveness of the Technical Unit (CUS) and the implementation of the roadmap defined in Component I.”*²⁴ Future operations would benefit from simpler and fewer tasks/components better funded.

²⁴ Approved plan of operations.

- Government delegated the administrative execution of this project to the Bank, which made possible an efficient procurement process. This decision by government was instrumental in facilitating funding for contracts and in meeting all the outputs of this project. Future small projects, such as this US\$500 thousand project, should follow the same procedure. Over time there has been a constant discussion among development practitioners of the costs and benefits of this approach. The main cost is that government does not build procurement capacity and misses an opportunity to do it with a good partner, such as the Bank, that has experience on these issues. The main benefit is measured in time gained and used for implementation. This discussion and arguments would not be resolved in the context of this report. However, this report recommends that the approach followed for this project should be the norm for all small, less than US\$2 million, short-term, less than 3 years, projects funded by the Bank.
- Finally, CUS became the point of contact for IDB missions and additional work on all issues related to private sector development, which enhanced its position in the country on issues related to competitiveness but took away staff time for other tasks in the work program. Although this function fell within the broad mandate of CUS under the OVP, the burden on management and staff had an impact on CUS work program. For example CUS manages most IDB private sector development initiatives: organizes agendas which is an extremely time consuming task; participates in meetings; provides comments and suggestions to reports; organizes workshops, among many others. CUS has done this for the preparation of a labor market study, for the preparation of a proposal for productive policies among many more. There is a sense of consultation fatigue in the country, as several requests by the IDB, and other institutions, target the same stakeholders, repeatedly. A better understanding of the limited number of stakeholders would avoid unnecessary repetition of visits and collection of documents. A related point is language as a communication barrier for the Bank, as in many instances meetings and other events used the English language to facilitate the understanding of visitors at the cost of making it difficult for stakeholders to clearly communicate their ideas. Because Suriname is a multilingual country, and English is spoken and understood by all, visitors missed the fact that in many cases the nuances of analytical or political issues are missed by Dutch-speakers, even though they may be able to follow a non-technical conversation. As a consequence, important activities such as monitoring of results were not fully implemented. The Bank needs to find a better balance on requests for CUS assets.

Annex 1 Pictures of CUS facilities in the Office of the Vice President as of November 2014
In order: conference room, staff desks, Executive Director office, and publications.





Annex 2: Summary of proposals prepared by the four working groups on issues of private sector reforms

I. Investment Climate			
> Access to finance			
Activities	Output	Resources	Budget
1. Develop a training program for SMEs in business plan/proposal preparation	CUS to write ToR and hire consultant to assess and design a training program for SMEs	CUS to secure IADB-funding for consultant by 30 June 2013	consultant inclusive of working days, plus per diem, plus air fare = US\$40,000.
	Implementation of the training programme	Select appropriate institutions from SBC, KKF, SPWE, WBG, InTent, Or NVB; or IMKB, SMART, VCB by 31 December 2013	Program funding based on consultant cost estimates possibly around US\$2,500 per SME trained
2. Train more accountants to increase the supply of providers of financial accounts for SMEs	SUVA to introduce an awareness programme in Suriname to increase enrollment	SUVA, ACCA/SCA, University – Department of Economics by 30 June 2013	SUVA to obtain more funding from IADB (US\$135,000 was granted to SUVA in Phase I). Phase II will be with Central Bank.
3. Revise the Accountancy Act to improve reporting, accountability and enforcement	Ministry of Finance to finalise amendments to Draft Act and submit to Parliament for “legal passage”.	CUS to urge Parliament to pass new Accounting Act within next 12 months (i.e. by 31 March 2013)	No funding support required
4. Support the banks’ training programme for bankers to lend to SMEs	Continue to implement the banks’ training programme for loan officers to lend to SMEs	Bankers’ Association (on-going)	To be supported by Commercial Banks via HRD Departments
5. Establish a credit bureau following international best practice	Central Bank to complete draft legislation and submit to Ministry of Finance	Central Bank of Suriname by 30 June 2013	To be supported by IADB Financial Sector Reform Project to the Central Bank (over 3 – 5 years)
	Ministry of Finance to submit the revised draft to parliament	Ministry of Finance by 30 September 2013	

	Parliament to review Draft Act and pass it (the Act)	Parliament (National Assembly) by 31 December 2013	
6. Re-activate the credit Guarantee Fund for SMEs	Ministry of Finance to recapitalise the Guarantee Fund for SMEs (SRD 15 million)	CUS to lobby the Ministry of Finance to provide Guarantee Funds for SMEs	SRD 15 million transferred from Ministry of Finance to Guarantee Fund by 31 December 2013
7. Review legislation governing secured transactions and set up a movable collateral registry	Get examples of movable collateral legislation and assess legal implications for Suriname	CUS to initiate meeting with Bankers Association to discuss moveable collateral registry prospects by 30 June 2013	To be supported by IADB Financial Sector Reform Project to the Central Bank Funding dependent on "registry" decision by Central Bank
8. Carry out assessment of relative impact of Govt. credit facilities made to private sector	CUS to write ToR and hire consultant to assess and make recommendations based on lessons learned	CUS with funding support from IADB to contract consultant by 30 June 2013	1 consultant inclusive of working days, plus per diem, plus air fare = US\$40,000

I. Investment Climate			
> Public Private Partnership			
Activities	Output	Resources	Budget
1. Develop and execute a PPP awareness campaign in Suriname	Highlight examples of PPPs in other countries via PPP seminars	CUS, with assistance from a PPP expert to promote PPPs via seminars with public and private sectors in 2013	Costs for a PPP expert to provide phased interventions over six months of 15 working days per month inclusive of fees, per diem and airfare costs (estimated at US\$103,200)
	Establish the rationale behind setting up PPP Unit	CUS with expert	
	Identify legislative constraints to be removed to promote PPPs	CUS with expert	
2. Carry out a needs analysis, identify potential PPPs inventory (i.e. projects or programmes) and prioritise them	Identify examples of inventory of PPP projects in Suriname	CUS, with expert, to carry out cataloguing of potential inventory of PPP projects in Suriname in 2013	Included in the estimate above
	Catalogue (i.e. list) Government's investment projects as PPPs	As above	
	Catalogue public services that could be (re) classified as PPPs	As above	
3. Establish a PPP Unit within Government	Identify examples of PPP units and how they work.	CUS and IADB develop ToR and hire an expert to establish PPP Unit in 2013	Consultant to set up and run the PPP Unit for up to three years: estimated costs, inclusive of fees, housing and airfares and Personal Effects ocean freight costs: US\$170,000 x 3 years =
	Establish operating rules of the Unit	As above	
	Create a law to give the Unit a legal basis	As above	

	Train public/private officials on benefits of P3 model	As above	US\$510,000. Estimated administrative and support costs of PPP Unit to be established by CUS/Kabinet of Vice President
4. Establish a PPP policy framework	Develop rationale (better services, Value For Money) and PPP strategy/approach	CUS/IADB develop ToR and hire expert to establish policy framework	See above
5. Strengthen (i.e. upgrade) Government's procurement laws	Continue to advance the upgrading of procurement laws	Ministry of Finance and Kabinet of Vice President	In-progress. No additional funding required
6. Develop legislation to grant public entities powers to contract out services under PPPs	Obtain legal opinion regarding the need for new or amended legislation	CUS/IADB expert and all Ministries - and then National Assembly in 2013	Costs already estimated above

II. Skills and Productivity			
> Education			
Activities	Output	Resources	Budget
1. Create a formal platform for private-public dialogue on education	Demand established for skills/knowledge	SBF and MINOV, University, ABS – to create special unit for PPD on education	Budget to be established by the Public Private Dialogue (PPD) group
	Labour supply opportunities and limitations articulated	MLTDE (to upgrade its labour data system to address the manpower planning)	PADF to complete study on labour market opportunities (costs to be borne by USAID-funded PADF project)

	On-the-job apprenticeship programmes defined	SBF and MINOV, University, ABS – to create special unit for PPD on education	Consultant for six months to design the apprenticeship program (est. \$100,000)
	Annual labour market information system established	SBF (to generate information from carrying out annual surveys of skills needed by the private sector)	CIDA is working under the Caribbean Education for Employment program to support countries with LMI system (when for Suriname?)
	Create a “job opportunity profile” information system	SBF and MINOV, University, ABS – to create special unit for PPD on education	Annual surveys of the private sector to assess upcoming job opportunities in skilled areas of work (cost estimate unknown).
	Create a registry of all vocational training institutions and qualifications levels	Ministry of Education and Ministry of Labour.	No additional costs required
2. Develop a core curriculum at primary-to-upper secondary levels	Complete Basic primary Education Improvement Program	Ministry of Education (with support from IADB)	IADB to continue to fund BEIP
	Start a BEIP-type program at secondary school level	Ministry of Education (US\$15 m. loan for BEIP II)	Estimated cost (provisional) of secondary school program is US\$15 m based on BEIP II budget (source of funding is unknown)
3. Increase the capacity for identifying and nurturing talented/gifted skills in the population	Train teachers to identify talent/skilled children at pre-school	MINOV and Ministry of Youth and Sport	No additional costs required: teacher training already on-going as part of (teacher training) restructuring effort.

	Create “talent discovery” centres and talent competitions.	The Physics Olympiad? NGOs?	US\$1 million per year (\$100,000 per district)
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II. Skills and Productivity			
> Education			
Activities	Output	Resources	Budget
4. Increase apprenticeship-based private sector skills training capacity	Introduce Tax Credits to encourage private sector into apprenticeship training.	Ministry of Finance	Reduction in tax payments by companies invoking tax credits (amounts unknown)
	Improve budget process within MINOV to ensure TVET access to resources	MINOV and TVET Department	CUS, through Kabinet of Vice President to lobby MINOV and Ministry of Finance to increase funding – SRD 15 million to Department of TVET
5. To establish international accreditation standards for private vocational training institutions	"gap analysis" audits of existing institutions' training programmes.	Expert to carry out analysis, define requirements and lay out accreditation programs for training institutions	120 working days for one consultant inclusive of fees, per diem and travel costs = US\$100,000 (for 4.5.1 and 4.5.2)
	Define the minimum requirements for international accreditation		US\$150,000 (based on SBF National Certification Program)
	Accreditation programs for training institutions	Ministry of Education	No additional funding required
	Accreditation law to legitimise international accreditation	Ministry of Education; approved by Parliament	

6. Plan and introduce public awareness programme on benefits of educational reform	Develop a communication strategy (on-going process)	Ministry of Education (Permanent Secretary or Director)	No additional funding required because of on-going MINOV program in this area
7. Increase awareness of National Vision and articulate implications for Education sector	As above	Ministry of Education (Permanent Secretary or Director)	Budget provided for in Info Act (on-going)
8. Establish a programme to increase targets for number of STEM graduates at secondary and tertiary school levels	Increase number of STEM graduates	University, Ministry of Education and the Private Sector	US Embassy is sponsoring STEM program in USA. Therefore no additional funding required
	Quantify teaching capacity to meet the STEM graduate targets	Ministry of Education	
	Improve the quality of teachers, curriculum, labs, infrastructure, etc.	Ministry of Education	Additional funding to be determined (refer to Bureau of Staff Development resources)

II. Skills and Productivity			
> Education			
Activities	Output	Resources	Budget
9. Strengthen the Department of Statistics @ Ministry of Education and increase the Department's capacity	Continue statistics systems by Department of Research in MINOV	Department of Research and Planning in MINOV	Budget unknown. To be determined.
	Make statistics available on a monthly basis to PPD group	Ministry of Education	
10. Introduce life-long learning programmes via private and public educational systems	Teachers to take refresher courses once every year	Ministry of Education	Costs to be covered by Bureau of Staff Development who is already committed to teacher refresher courses

	Offer additional Continued Education to society and invest in distance education	Private training institutions and MINOV institutions	Unknown costs: mainly related to e-learning services and ownership structure of those services
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III. Logistics & Connectivity			
> Decentralization of Economic Development			
Activities	Output	Resources	Budget
1. Review and approve of draft Investment Act, the competition law, law on intellectual property rights; telecom act, consumer protection law.	Council of Ministers & Parliament have reviewed, approved the laws and these are published in “the National Gazette” within 5 – 10 years		IFI ‘s budget for continued decentralization support (2015-2020)
			National Budget
2. Identify and propose draft local government economical acts	Draft local gov’t act has been submitted to the gov’t by the civil society within 5 years		IFI ‘s budget for continued decentralization support (2015-2020)
3. Review and implement the Act on Business License as instrument for the Local Government	Business licenses are approved & distributed by the local authorities on basis of a Sustainable Economic Development Strategic Plan (including a spatial plan) within 5 years		IFI ‘s budget for continued decentralization support (2015-2020)

4. Review and approve the “comptabiliteits” Act.	Council of Ministers and Parliament have approved law and law have been publicized in the “National Gazette)” within 1 year		
5. Approve the draft law regulating the financial relation between the central government and the districts.	Council of Ministers and Parliament have approved law and law have been publicized in the “National Gazette)” within 1 year		Budgetline DLGP-II (2009-March 2014) US\$ 150.000 available
6. Approve the draft district Tax Law	Council of Ministers and Parliament have approved law and law have been published in the “National Gazette)” within 1 years		Budgetline DLGP-II (2009-March 2014) US\$ 150.000 available
7. Review and approve draft Government Accounting Act	Council of Ministers and Parliament have approved law and law have been published in the “National Gazette)” within 1 years		Budgetline Ministry of Finance. The bill drafted already. Zero budget needed
8. Approve the draft Law amending the related chapter on regional bodies in the constitution	Council of Ministers and Parliament have approved law and law have been publicized in the “National Gazette)” within 1 years		Budget line DLGP-II. The bill drafted already. Zero budget needed

III. Logistics & Connectivity

> Decentralization of Economic Development

Activities	Output	Resources	Budget
9. Approve the draft law on District Personnel (2008)	Council of Ministers and Parliament have approved law and law have been publicized in the “National Gazette)” within 3 years		Budget line DLGP-II. The bill drafted already. Zero budget needed
10. Review and approve of the “Personeelswet” (Law on Civil Servants)	Council of Ministers and Parliament have approved law and law have been publicized in the “National Gazette)” within 5 – 10 years		IFI ‘s budget for continued decentralization support (2015-2020)
11. Install a Local government authority	Council of ministers have approved proposal and proposal have been publicized.		Budgetline DLGP-II. The proposal drafted already. Zero budget needed
12. Review existing Land decree & draft law on land rights & propose new law on Land	Government have reached agreement with indigenous communities and Tribal communities on land rights by 2015		IFI ‘s budget for continued decentralization support (2015-2020)
	Government propose a draft law to the parliament for approval by 2015		

13. Produce legislation on tax paying for unused land	Draft law produced by the Ministry of Justice has been discussed by the government and parliament by 2015		IFI 's budget for continued decentralization support (2015-2020)
14. Draft and approve law on traditional authorities	Draft law produced by the Ministry of Justice has been discussed by the government and parliament by 2015		IFI 's budget for continued decentralization support (2015-2020)
15. Further development and establishment of regional development centers	Ministry of Regional Development (MRD) has identified all centres by end of 2013 and by 2017 all centres are fully equipped and operational with a clear multi-annual District Sustainable Development Plan (DSDP)		Budgetline to develop DSDP master Plan is within DLGP-II Cost Table. DSDP is in preparation covering all the 10 districts

III. Logistics & Connectivity			
> Decentralization of Economic Development			
Activities	Output	Resources	Budget
16. Approve proposed Associated Membership of Caricom Local Government Forum (CLGF)	Ministry of Regional Development has still to submit the Offer from CLGF to the Cabinet of Ministers that Suriname can become an Associated Member. Realization within 6 months		A Budget for annual contribution ad Euro 900 is needed

17. Participate in the Project:“Caribbean Local Economic Development Program” (CARILED)	Ministry of Regional Development has the invitation to participate in CARILED Realization within a year.		A Budget for annual contribution is needed, except once Suriname is an Associated Member of CLGF
18. . Establish partnership between districts & Research and Development bodies (e.g. University & PTC etc) for product development	Ministry of Regional Development has the invitation to participate in CARILED.Realization within a year		A Budget for annual contribution is needed, except once Suriname is an Associated Member of CLGF
19. Develop action plan to attract investors for business development (e.g. quality Heritage Resorts	District Councils in cooperation with entrepreneurs organization and DLGP develop plan within 2 years		DLGP-II budget line, IFI's and MRD's budgetline.
20. Identification of strategic development resources (resource assessment)	District Councils in cooperation with MRD, Bureau of Statistics and ministry of Trade, University implement within 1 year a project		DLGP-II budget line, IFI's and MRD's budget line.
21. Identification of existing development/business plans	District Councils in cooperation with MRD, Bureau of Statistics and ministry of Trade, University implement within 1 year a project		Budget line DLGP II and MRD

22. Introduce, install and operate adequate local institutions to coach local economic activities	District Councils in cooperation with entrepreneurs organization, MRD and DLGP develop and implement plan within 2 years		DLGP-II budget line, IFI's and MRD's budget line
23. Improve the social, living and production climate within the living areas through financing of the demand-driven resort and district plans from the "roots" / hearings	District Councils in cooperation with MRD and DLGP continue develop and implement plans within 2 years		DLGP-II budget line, IFI's, facilities commercial banks and MRD's budget line.

III. Logistics & Connectivity			
> Decentralization of Economic Development			
Activities	Output	Resources	Budget
24. Develop and Implement program on entrepreneurship at local and national level	District Councils in cooperation with entrepreneurs organization, commercial banks, MRD and DLGP develop and implement plan within 2 years		DLGP-II budget line, IFI's, facilities commercial banks and MRD's budget line.
25. Finalize national discussion and implement Action Plan on land rights of indigenous and tribal communities	MRD has done several studies by national and international consultants of highest level. Plenty documents and reports of highest level and quality are available. Realization in terms of OP 12-16 within this coalition period.		IFI 's budget for continued decentralization support (2015-2020)

26. Develop and implement modular and demand driven education	MRD develop a specific curriculum for local government personnel the Ministry of Education, the ADEK university		IFI 's budget for continued decentralization support (2015-2020) National budget
27. Develop and implement HRD programme on district level	MRD has done several studies by national and international consultants of highest level. Plenty documents and reports of highest level and quality are available. Realization in before 2015		IFI 's budget for continued decentralization support (2015-2020)

Annex 3 Meetings organized to discuss competitiveness

Overview Stakeholders Meetings CUS on Competitiveness and Innovation 2013 - 2014						
Date	Activity name	Subject/Area	Objective	Number of participants	Sector	Location
12 Sept.2013	Stakeholders consultation regarding the Structure of the Competitiveness Unit Suriname (CUS). Facilitator: Adrian Devitt	Competitiveness	Designing the Competitiveness Unit Surime and Benchmarking Suriname's Competitiveness	12	Public, private sector organisations	Office of the Vice-President
17 Jan. 2013	Business roundtable discussion: Access to finance. Facilitator: Bernard Drum	Access to Finance	Improving Access to Finance for SMEs; A Roadmap for Action	50	Public, Private, NGOs, Individuals	Chamber of Commerce

07 + 08 Feb. 2013	First National Competitiveness Forum	Competitiveness (closing the productivity gap through greater awareness of the policies and mechanisms to enhance Suriname's competitiveness)	To create: (1)greater awareness and cooperation on competitiveness enhancement, (2)build stakeholders support to select economic priorities, (3)disseminate successful experiences to promote innovation and productivity; (4)promote knowledge of productivity and innovation management;(5) provide mechanisms to speed up competitiveness enhancement in Suriname.	350	Public, Private, NGOs, private sector organizations, academia, individuals, media.	Chamber of Commerce
11-12 April 2013	International Seminar on Mechanisms to Support Innovation for SME's (Small and Medium Size Enterprizes)	Innovation	Full support and collaboration of the public, private and other stakeholders in creating an environment for mechanisms towards innovation for SME 's	70	Public, Private, NGOs, Individuals	Chamber of Commerce

March-May 2013	Five week during Working Group Sessions Access to Finance (A2F), facilitated by the international consultant Mr. M. Julien.	Access to Finance	Strengthening Public Private Dialogue to improve A2F for SMEs. Resulted in discussions and analysis of the current situation, policy recommendations and an Implementation Plan.	15 (average)	Public, Private, NGOs, Individuals	De Mantel
March-May 2013	Five week during Working Group Sessions Public Private Partnership, facilitated by the international consultant Mr. M. Julien.	Public Private Partnership (PPP)	Strengthening Public Private Dialogue to improve PPP. Resulted in discussions and analysis of the current situation, policy recommendations and an Implementation Plan.	15 (average)	Public, Private, NGOs, Individuals	De Mantel
March-May 2013	Five week during Working Group Sessions Decentralization of Economic Development, facilitated by the national consultant Mr. S. Alfaisie.	Decentralization of Economic Development	Strengthening Public Private Dialogue to improve decentralization of economic development. Resulted in discussions and analysis of the current situation, policy recommendations and an Implementation Plan.	15 (average)	Public, Private, NGOs, Individuals	De Mantel

March-May 2013	Five week during Working Group Sessions Education and Innovation, facilitated by the international consultant Mr. M. Julien.	Education and Innovation	Strengthening Public Private Dialogue to allign education with the key productivity sectors. Resulted in discussions and analysis of the current situation, policy recommendations and an Implementation Plan.	15 (average)	Public, Private, NGOs, Individuals	De Mantel
25 March 2013	Discussion: Setting up an Innovation network	Innovation	To create awareness and support for setting up of a national innovation network	19	Public, private,NGO	Office of the Vice-President
24 May 2013	Telesur Multimedia Innovation Lab (TMIL) field trip, Education and Innovation working group	Innovation	To inform and engage stakeholders of the possibilities of the TMIL facility	12	Public, private, NGOs, University	TMIL, University of Suriname
16 July 2013	Starting a Business, facilitated by IDA International	Doing Business	Preparation of a diagnostic study with input from stakeholders, formulating recommendations, identifying quick wins, medium and long term actions and dissemination of findings.	17	Public, Private, NGOs, Individuals	Conference room Chi Min
17 July 2013	Paying Taxes facilitated by IDA International	Doing Business	Idem.	11	Public, Private, NGOs, Individuals	Conference room Chi Min

18 July 2013	Construction Permits facilitated by IDA International	Doing Business	Idem.	10	Public, Private, NGOs, Individuals	Conference room Chi Min
19 July 2013	Trading Across Borders facilitated by IDA International Doing Business	Doing Business	Idem.	10	Public, Private, NGOs, Individuals	Conference room Chi Min
22 July 2013	Registring Property facilitated by IDA International	Doing Business	Idem.	4	Public, Private, NGOs, Individuals	Conference room Chi Min
24 July 2013	General closing session Doing Business Reform Program facilitated by IDA International	Doing Business	Idem.	37	Public, Private, NGOs, Individuals	Self-Reliance
06 Sept. 2013	Presentation Innovation Challenge Fund by Mrs. Louis Armstrong from Compete Caribbean.	Innovation	To inform Surinamese entrepreneurs about the possibilities and availability of the Compete Caribbean Innovation Challenge Fund.	105	Public, private, NGOs, Individuals, privatesector organisation	Self Reliance Auditorium

18 Oct. 2013	Presentation Enhancing Suriname's National Competitiveness by Arthur Lok Jack Graduate School of Business.	Competitiveness	To inform the public about the ranking of Suriname in the Global Competitiveness Index 2013-2014 of the World Economic Forum and its impact on Doing Business	113	Public, private, NGOs, Individuals, private sector organisations.	Wyndham Garden Hotel
13 Nov. 2013	Presentation: Understanding the Suriname labour Market Institutions Legislation and Regulation to the Business Community . Facilitated by Carlos Ellias and Musheer Kamau	Innovation & productivity	To inform entrepreneurs about the future prospects and challenges for improving innovation and productivity	60	Public, Private, NGOs, Individuals	Self Reliance Auditorium
11 July 2014	Roundtable Discussion: Moving Suriname Beyond Natural Resources Facilitated by Rob Henning	Competitiveness	Improving Suriname's Competitiveness through Economic diversification/ Identifying Renewable Sectors	27	Public, private, NGOs, Individuals, private sector organisations.	Wyndham Garden Hotel

Annex 4 Meetings organized to discuss legal issues

Overview Stakeholders Meetings CUS on Legal Drafting in 2013-14						
Date	Activity	Subject	Objective	Number of participants	Sector	Location
30 August 2013	Presentation Mrs. Anzola(consultant)	Legal framework for private sector development	Strenghtening the legal framework for private sector development	69	Private, public	Self Reliance Auditorium
7 October 2013	Workshop Legal Drafting Group by Mrs. Marcela Anzola	Omnibuslaw	Training of law drafters to draft laws in order to improve the business climate in Suriname	28	Mainly legal representatives public sector	Chi Min Conference room
8 October 2013	Idem	Idem	Idem	24	Idem	Idem
9 October 2013	Idem	Idem	Idem	21	Idem	Idem
11 October 2013	Idem	Idem		6	Idem	Office of the Vice-President
21 October 2013	Idem	Idem	Idem	9	Idem	Idem
30 October 2013	Idem	Idem	Idem	10	Idem	Idem
21-28 Nov. 2013	Meetings Prof. Rieme -Jan Tjittes with stakeholders regarding Arbitration Law	Alternative Dispute Settlement and Arbitration	Revision of the Arbitration Law	55	Public, private, NGOs	Office of the Vice-President, Ministry of Justice, FHR Lim a Po Institute
27 November 2013	Presentation Prof. Tjittes for the general public	Alternative Dispute Settlement and Arbitration	Revision of the Arbitration Law	50	Idem	Self Reliance Auditorium

January 2014	Two day presentation by the international consultant Mrs. Marcela Anzola	Omnibus Law	Proceed with the legal drafting process to finalize the draft laws in the Omnibus Law	55 (average)	Legal professionals and representatives public and private sector	Chamber of Commerce
20 -21 Jan. 2014	Presentation Prof. van Schillevaarde: Modernization of the Civil Code	Civil Code	Revision of civil Code	130	Legal professionals and representatives public and private sector	Lalla Rookh building
22 - 29 April 2014	One on One meetings with stakeholders regarding policy principles of the several draft laws	Discussion of the laws with different stakeholders	Discussion and feedback of the laws: Arbitration, IP, Consumer Protection, Competition Law, Commercial Code, E-Transactions Law, Mediation, Secured Transactions, Administrative Law, Investement Law, Business and Professional Licenses	15	Idem	Office of the Vice-President
4-7 May 2014	Retreat on draft laws	Modernization of laws for a better investment climate	Finalization of draft laws	30	Public, Private and NGOs	Bergendal

12-13 May 2014	One on One meetings with stakeholders regarding policy principles of the several draft laws	Discussion of the laws with different stakeholders.	Discussion and feedback of the laws: Arbitration, IP, Consumer Protection, Competition Law, Commercial Code, E-Transactions Law, Mediation, Secured Transactions, Administrative Law, Investment Law, Business and Professional Licenses	15	Idem	Office of the Vice-President
18 June 2014	Discussion draft Secured Transactions Law	Drafting of the Secured Transactions Law	To inform the invited stakeholders from strategic disciplines regarding the law and get feedback	19	Public, private, NGO, Commercial Banks, Credit Cooperations	Idem
22 July 2014	Discussion Draft Businesses and Professional Licenses Law	Business and Professional Licenses Law	Substantive discussion regarding this law with key stakeholders in order to finalize the law for submittance to the Council of Ministers	13	Idem	Idem
25 Aug. -12 Sept. 2014	One on One Meetings of Mr. Allen Welsh (Secured Transactions consultant) with stakeholders	Secured Transactions Law	To discuss the principles of the draft Secured Transactions Law	29	Idem	Idem

4 September 2013	Interim consultation Secured Transactions Law	Secured Transactions Law	To inform stakeholders on the subject, the need and advantages of a Secured Transactions Law for Suriname	29	Idem	Multi-purpose room of the Central Bank of Suriname
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Annex 5: Table with CUS outputs

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
1	First Competitiveness Forum Suriname (February 2013)	More than 450 people participated representing the private sector, unions, women groups, public sector and more. Government hosted the event, Vice President and the President of the Central Bank. The IDB was represented by the Vice President for Countries, the Representative in Suriname, and the Regional Economic Advisor. Compete Caribbean was represented by the Executive Director.	Generated broad support and understanding of productivity and competitiveness issues in the country. It strengthened the support network for reforms to improve competitiveness.	TC and government shared expenses (almost 50/50)
2	Consultation and workshop with stakeholders and the drafter of legal enterprises in the Civil Code, Prof. Van Schilfgaarde	Presenting proposed changes in legislation within the civil code, with impact on private sector. This workshop explained stakeholders the draft proposals and gathered comments and suggestions.		TC 100%
	Consultation and workshop with stakeholders re mediation and arbitration with Prof. Tjittes.	Presenting proposed changes in legislation on mediation and arbitration, with impact on private sector. This workshop explained stakeholders the draft proposals and gathered comments and suggestions.		TC 100%
	Appearances in talk shows on radio and tv, and interviews with newspapers and other (on-line) media	Dissemination and promotion the competitiveness agenda. Gathering support.		CUS time

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
	Promotion and dissemination of the importance of competitiveness issues in Suriname to international organizations	CUS has met, repeatedly, delegations from the EU, Islamic Development Bank, IDB, WB, CDB and IFC. CUS met CAF in Port of Spain in October 2014 and previous Americas Competitiveness Forum. In addition to other organizations.	It promotes the Suriname competitiveness agenda. And in the future these institutions may be able to fund some of the work program of CUS.	100% but not reflected in spending flows but in time devoted to meetings and follow up requests
	Workshops and consultation meetings with stakeholders on issues related to competitiveness	Dissemination and promotion the competitiveness agenda. Gathering support.	Two main purposes: start and continue dialog on key issues to improve competitiveness. Strengthen awareness and promote participation and listen to stakeholders points of view	TC 100%
	Training workshops and consultation meetings on the legal reform to improve the business climate in Suriname (several between 2012 and 2014, including the key meeting at Bergendal)	Dissemination and promotion the competitiveness agenda. Gathering support.	First time that stakeholders met and discuss together the package of laws that would then be revised/rewritten or written. The output of Marcela Anzola provided the backdrop for these meetings. In particular the meeting in Bergendal was instrumental in: (i) it brought together the owners and drafters of legislation so that they could exchange views and understand the linkages between pieces of legislation; and (ii) it provided the opportunity for informal high level discussions between the Vice President, CUS management, Speaker of the National Assembly, the Attorney General, the Chief of Justice (Acting at the time of the meeting), the Minister of Trade and Industry, and representatives of the private sector Suriname Business Forum, Manufacturers Association, Suriname Trade Industry Association and the Chamber of Commerce	TC 100%

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
3	Design of CUS and Benchmarking Suriname's Competitiveness (report produced by Adrian Devitt, April 2013)	Recommended organization and staff competencies. Suggested indicators and benchmarks to monitor improvements.	Provided guidelines for: (i) how to structure CUS; (ii) ensuring that ministerial proposal included a review of their impact on competitiveness; and (iii) how to benchmark Suriname's competitiveness selecting Suriname specific indicators at the national and district level	TC 100%
	CUS contributes to work in progress on issues related to competitiveness	Preparatory work for the establishment of the National Training Authority; development of a National Innovation Program in the Ministry of Trade and Industry; strengthening of the Industrial Property Bureau in the Ministry of Justice and Policy; preparing participation in the REACH program; support the National Education Conference; support the Innovation Seminar with the Suriname Business Forum; Provide info/lobby, e.g. presentations, one-on-one meeting, phone conversations, Feed Social media and via website.	Enhances understanding of competitiveness and promotes the reform agenda	CUS provides inputs to several initiatives that are related to competitiveness
	Study tour to visit Panama 2012	Visit the CNC, led by Ardito Barletta, to learn from their work in support of Panama's competitiveness	Gain experience and insights on how to facilitate the dialog process and focusing on getting things done.	TC 100%
4	CUS is a member of RIAC (Red InterAmericana de Competitividad which sponsors the annual Americas Competitiveness Forum)	Participate every year and request examples of innovations in the country that are later reflected in RIAC's publications.	Enhances understanding of competitiveness and promotes the reform agenda. Shares knowledge and experience from the region that may be relevant to Suriname. Enhances understanding of competitiveness and promotes the reform agenda	CUS provides staff time for issues related to the ACF, including participation in the last 4 meetings

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
	Provide advice to private and public institutions on issues related to competitiveness in Suriname	Participating in meetings, providing information, disseminating reports, drafting briefs and other activities		CUS time
	Starting discussions for an industrial innovation plan	CUS contacted 3 firms that would be interested to formulate a medium and long term framework for planning Suriname's economic diversification and private sector growth. The emphasis of the framework is on improving competitiveness and the expansion of private sector activities.		CUS time
	Reporting to the World Bank Ease of Doing Business and World Economic Forum Competitiveness Report	Coordinate the preparation of these reports--the surveys are executed separately. Presentations to stakeholders about rankings for Doing Business and Global Competitiveness Index Reports		TC 100%
5	Framework for private sector development in Suriname, Development of an action plan for business climate reform priorities. Coordinating drafting of package of laws that would reform the business climate in Suriname (Marcela Anzola consultant report, December 2013)	This output included the identification of priorities, preparation of draft legislation, training and support to stakeholders, and extensive consultation--consultation and training workshops with stakeholders re 14 priority laws for improvement of business climate by Marcela Anzola and Hans Lim A Po. CUS had drafters working in-house in preparing or revising laws that would be included in reform of package. The work included sponsoring workshops, supporting teams of drafters, presenting results to stakeholders.	This report defined the legal reform program.	TC 100%

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
6	Suriname: improving access to finance for small and medium enterprises: a roadmap for action (Bernard Drum, January 2013)	Consultant report to prepare options to improve access to finance	This report validated the recommendations of previous international reports, and also the priority noted by local private and public organizations of the need to ease access to finance.	TC 100%
7	A national competitiveness strategy for Suriname (report produced by Michael Julien September 2013)	Consultant report to prepare a roadmap for improving competitiveness	First overview towards improving competitiveness in Suriname.	Report fully funded by government, but the TC funded the presentation of results to the First Competitiveness Forum. The TC did not pay for this report because the contract started before the TC was approved.
8	IDA report Improving ease of doing business in Suriname (IDA International a subsidiary for IDA Singapore)	CUS identified and engaged with participants in meetings--IDA came to Suriname several times. Each visit demanded significant coordination and sponsoring from CUS.	Offers a clear action plan to improve 5 doing business indicators (starting a business, construction permits, paying taxes, trading across borders, and registering property).	Report funded by the Surinamese Central Bank. CUS facilitated the process and worked with IDA on finishing the report (managed the agenda, meetings, and worked from CUS office). The TC paid for some minor expenses.

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
9	Enterprise + survey (funded by IDB)	Survey used for the Enterprise Survey Report	Provides a baseline, based on primary data, of issues relevant to the growth of enterprises in the country.	CUS arranged the agenda of meetings to prepare this report, and organize the presentation of results to stakeholders in Paramaribo (funded by the IDB)
10	GEM report 2013 (Arthur Lok Jack Graduate School of Business and the Lim A Po Institute of Business)	Survey used for the GEM report	First report that provides information based on primary data collection through a survey. It provides a baseline to analyze entrepreneurship issues in the future and also provides information for policy making.	TC partially funded the production of this report (about 40%) and the balance funded by the Global Entrepreneurship Research Association)
11	Labor market report	Written by Carlos Elias, identifies opportunities for labor market flexibilization in Surinam	Presented the relevance of labor market issues and its impact on competitiveness. In particular the importance of labor productivity to improve competitiveness. Recommends the creation of a Productivity Center, which was incorporated in the IDB reimbursable technical cooperation	CUS arranged the agenda of meetings to prepare this report, and organize the presentation of results to stakeholders in Paramaribo

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
12	Productive Development Policies (written by Monica Panaderos from FIEL in October 2014, funded by the IDB)	Identifies general options for productive development, and specificity for agriculture and tourism	Presented the importance of government policy and that it needs to be aligned to business climate reforms--it focuses on tourism and agriculture.	CUS arranged the agenda of meetings to prepare this report, and organize the presentation of results to stakeholders in Paramaribo
13	Preparation of Second TC to be funded by Compete Caribbean to implement a secured transaction law in Suriname	CUS would execute this US\$400K TC on behalf of government. The TC would fund the preparation of the secured transactions law, the creation of a registry, and other activities. As of November 2014 Compete Caribbean has approved the technical cooperation and the process is waiting due diligence by the Surinamese authorities (mostly the Ministry of Finance)	This activity and the hybrid loan from the IDB are the two concrete projects that resulted from CUS efforts.	CUS staff support the work of Compete Caribbean staff
14	Preparation of the hybrid IDB loan to improve competitiveness in Suriname	CUS organized meetings with representatives of the public and private sector and other stakeholders.	it would provide additional technical and funding support to CUS	CUS staff led the preparation process on behalf of government. Took the lead in workshops and other stakeholder consultation meetings

Rank	Output (name and consultant that wrote the report)	Description of the output	Ranking explanation	TC funds used for this output
15	Chapter for the Caribbean Growth Forum	In preparation for this, CUS organized 4 working groups that met for 6 weeks and prepared recommendations that were presented in The Bahamas regional meeting of June 2013. As a result Caribbean Growth Forum granted TC funding for US\$50K to CUS for the preparation of the Secured Transactions Law, the main recommendation from the working groups, which would then result in a TC funded by Compete Caribbean to create the secured transactions system.	Understanding common issues, learning from others, and coming up with a common approach to solving problems	CUS time

Annex 6 List of people interviewed

Government of Suriname

- Robert Ameerali, Vice President
- Jennifer Simons, Speaker of the National Assembly
- Michael Mishkin, Minister of Labor
- Maikel Soekhandan, Head of International Relations Department, and Filecia Patterson, Central Bank of Suriname
- Mauro Tuur, Permanent Secretary, Ministry of Trade and Industry

Compete Caribbean and IDB

- Marco Nicola, Bank Representative in Suriname
- JJ Saavedra, former Executive Director
- Tara Lisa Persaud
- Diego Morris, former team leader of the TC that created CUS

Consultants

- Adrian Devit
- Bernard Drum
- Michael Julien

Stakeholders

- Jum Bousaid, CEO Hakrinbank
- Wilgo Bilerdijk, President Suriname Business Forum
- Gilbert van Dijk, General Manager Suriname Business Development Center