INTERNATIONAL MONETARY FUND

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SURINAME

January 2024

FOURTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR EXTENSION OF THE ARRANGEMENT, AUGMENTATION OF ACCESS, MODIFICATION OF PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; STAFF STATEMENT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR SURINAME

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

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on December 15, 2023, following discussions that ended on November 8, 2023, with the officials of Suriname on economic developments and policies underpinning the IMF arrangement under the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on December 5, 2023
- A **Staff Statement** updating information on recent developments.
- A **Statement by the Executive Director** for Suriname.

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

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Washington, D.C.

PRESS RELEASE

PR23/456

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

FOR IMMEDIATE RELEASE

- The IMF Executive Board completed the fourth review under the Extended Fund Facility (EFF) arrangement for Suriname, allowing for an immediate purchase equivalent to SDR 39.4 million (about US$ 53 million). The Board has also approved the authorities' request for an extension of the arrangement (until March 2025) and augmentation of access equivalent to SDR 46.8 million (about US$ 63 million).
- Fiscal discipline and tight monetary policy are bringing about the long-awaited stability. The economy is growing, inflation is coming down, and investor confidence is returning. The authorities have completed the private debt exchange and are close to concluding agreements with all remaining creditors.
- The authorities' near-term priority is to maintain fiscal prudence while protecting the most vulnerable, preserve the structural reform momentum, and avoid policy backtracking.

Washington, DC – December 15, 2023: The Executive Board of the International Monetary Fund (IMF) completed the fourth review under the EFF arrangement for Suriname. The completion of the review allows the authorities to draw the equivalent of SDR 39.4 million (about US$53 million), bringing total purchase under the EFF arrangement to SDR 197 million (about US$263 million). In completing the review, the Board also approved the authorities' request for an augmentation of access equivalent to SDR 46.8 million (about US$ 63 million) and an extension of the EFF arrangement to end-March 2025. With this augmentation, the total access expected under the EFF arrangement is SDR 430.7 million (about US$ 577 million).

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

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

"The authorities' have shown continued commitment to fiscal discipline and macroeconomic stabilization under the EFF-supported program. The economy is stabilizing, pressures on the exchange rate have eased, and inflation is on a downward trend.

"The authorities' implementation of difficult reforms in a challenging political and socio-economic environment is commendable. These included reforms such as complete elimination of fuel subsidies, gradual phasing out of electricity subsidies, curtailing wage payments to unregistered public servants, and broadening the VAT base.

“A more gradual path of fiscal consolidation than planned at the previous review will help protect the still fragile recovery, increase support for the poor and vulnerable, prevent further erosion in real wages for registered civil servants, and scale up growth-enhancing investment. An extension of the arrangement to end-March 2025 and an augmentation of access will help address balance of payment needs and help ensure that the 2025 budget is consistent with the 3.5 percent of GDP primary balance target (medium-term debt sustainability anchor).

“Excellent progress has been made with debt restructuring. The debt exchange with private bondholders has been finalized with high participation rate. An agreement in principle at the technical level has been reached with Exim China and is under internal approval process for signature.

“The monetary policy stance has been appropriately tight, helping ease inflationary pressures. The authorities demonstrated commitment to a flexible, market-determined exchange rate is helping support accumulation of international reserves. Swift implementation of the new Central Bank Act and finalization of its recapitalization plan will help further strengthen its operational independence and financial autonomy. Steadfast progress is also necessary to address continued banking system vulnerabilities, including through stronger oversight of the banking system and promptly finalizing the assessment of the government-owned bank’s recapitalization plan.

“Structural reforms to strengthen institutions, governance, and data quality remain key priorities with continued capacity building support by the Fund and other development partners. The authorities should continue pursuing measures to strengthen their anti-corruption and AML/CFT frameworks and ensure their alignment with international standards.”

Suriname: Selected Economic Indicators

	2022	Proj. 2023	Proj. 2024
(Annual percentage change, unless otherwise indicated)			
Real sector			
Real GDP Growth	2.4	2.1	3.0
Nominal GDP Growth	47.3	55.9	22.5
Consumer prices (end of period)	54.6	39.3	14.9
Consumer prices (period average)	52.4	52.9	21.1
Money and credit			
Broad money	45.1	22.8	14.0
Private sector credit	65.7	26.1	13.8
(In percent of GDP, unless otherwise indicated)			
Central government			
Revenue and grants	26.8	25.7	25.4
Of which: Mineral revenue	14.3	10.8	9.9
Total expenditure	29.5	26.7	26.5
Overall Balance (Net lending/borrowing)	-2.7	-1.0	-1.1
Primary Balance	1.0	1.6	2.7
Central government debt	115.1	87.1	92.1
Domestic	27.4	14.0	18.0
External	87.7	73.2	74.1
External sector			
Current account balance	2.1	2.4	2.3
Capital and financial account	10.8	10.6	5.5
Memorandum Items			
Gross international reserves (US$ millions)	1,195	1,196	1,464
In months of imports	6.4	6.4	7.6
Usable gross international reserves (US$ millions) 1/	865	962	1,230
In months of imports	4.6	5.1	6.4
Official exchange rate (SRD per US$, (Average)	24.6	…	…

Sources: Suriname authorities; IMF staff estimates and projections.

1/ Excluding the PBOC swap and ring-fenced banks' FX required reserves.

INTERNATIONAL MONETARY FUND

SURINAME

December 5, 2023

FOURTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR EXTENSION OF THE ARRANGEMENT, AUGMENTATION OF ACCESS, MODIFICATION OF PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. Despite a very challenging socio-political environment, the authorities continue to prioritize fiscal discipline and macroeconomic stability in their policy actions. An agreement-in-principle at the technical level has been reached on the debt treatment with China that is in line with other creditors and consistent with debt sustainability objectives. The formal debt exchange with private external bondholders has been finalized in November with high participation rate.

Program implementation. End-September 2023 quantitative performance criteria (PC) on the cumulative central government primary balance, net domestic assets, net international reserves and central government mineral revenue in local currency were met. The IT on social spending was missed. Supply side and institutional reforms are moving ahead, albeit at a slower pace than expected under the authorities' plans.

Program strategy. Decisive fiscal adjustment is putting debt on a firm downward trajectory even as expenditures to protect the vulnerable are being prioritized. Monetary and fiscal restraint are providing support to the exchange rate, and inflation is on a downward trend. Efforts are underway to fully implement the VAT, increase spending efficiency, improve governance, and address longstanding vulnerabilities in the financial system. The authorities have enacted an amendment to the Personnel Act to curtail payments to unregistered and chronically absent public sector workers and will enact a new Procurement Law to centralize procurement and increase transparency around public tenders and awarded contracts. The authorities have requested an extension of the arrangement to end-March 2025 and an augmentation of access.

Approved By
Nigel Chalk (WHD) and Bergljot Barkbu

Discussions were held in Paramaribo and via video conferences during October 30-November 8, 2023. The mission team comprised Anastasia Guscina (head), Olusegun Akanbi (all WHD), Simon Naitram (FAD), Riaan Van Greuning (FIN), David Robinson (LEG), Yesim Aydin (MCM), Atif Chaudry and Marijn Bolhuis (all SPR), Charles Amo-Yartey (Resident Representative) and Ansjela Bhagwandin (Resident Representative Office). Karel Eckhorst and Bruno Saraiva (OED) participated in the discussions. The team met with the President, the Vice-President, the Chairman of the National Assembly, the Minister of Finance and Planning, the Minister of Justice and Police, the Minister of Natural Resources, the Minister of Social Affairs and Housing, the Minister of Agriculture, the Minister of Home Affairs, the Minister of Health, the Minister of Labor, the Central Bank Governor, and members of parliament, other senior government officials, representatives of the private sector, labor unions, civil society organizations, and development partners.

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CONTEXT

1. The authorities' commitment to their home-grown economic reform program, supported by the EFF, remains strong. Despite a very challenging socio-political environment, the authorities have been able to implement difficult reforms, including the elimination of fuel subsidies, increases in electricity tariffs, expanding the VAT base, and issuing regulations to curtail wage payments to public servants that are unregistered or chronically absent.

2. The macro-financial environment remains challenging.

- Recent data suggests that the 2022 GDP growth outturn came out stronger than expected (2.4 versus 1 percent), with better performance in a range of sectors (including mining, wholesale and retail trade, transportation, hotels and restaurants). Growth was also revised upward for 2019-21.

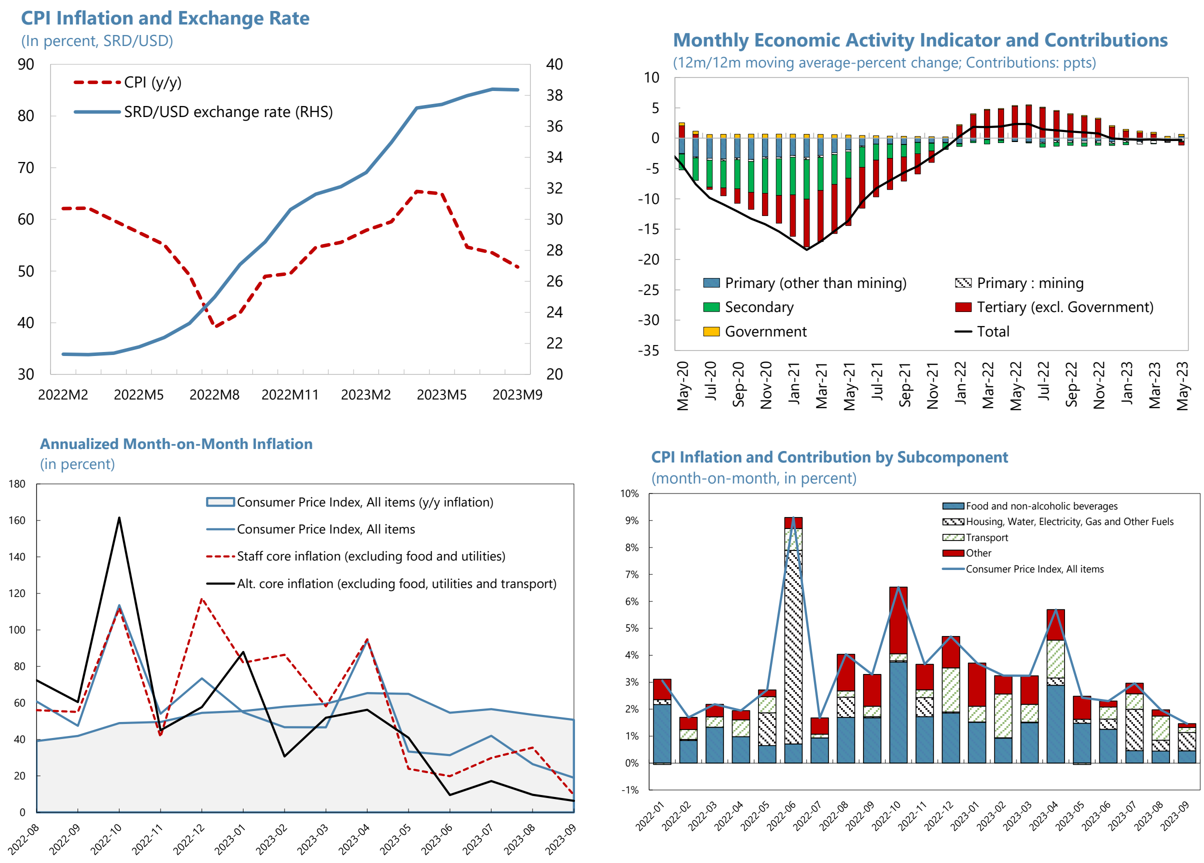
- Inflation remains high at 51 percent yoy in September but has continued to decelerate on a month-on-month basis (annualized m/m inflation excluding food, utilities and transport (including fuel) declined to 6.3 percent). Recent inflationary impulses have been largely limited to fuel and utilities.

- After depreciating 72 percent in the year through May 2023, pressure on the SRD/USD exchange rate has eased with an average 0.5 percent monthly depreciation since May 2023.

- Usable international reserves were 5.7 months of imports at end-September with the ceiling on the share of mineral revenues that is transferred in SRD helping to support the pace of reserve accumulation.

- Recently completed asset quality reviews (AQRs) indicate significant capital shortfalls in two banks. For the system as a whole, NPLs and provisioning levels have increased, and banks are facing tighter funding conditions as local currency liquidity is withdrawn by the central bank.

Suriname: Real Sector Developments



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

3. The economic recovery is continuing, and inflation is declining:

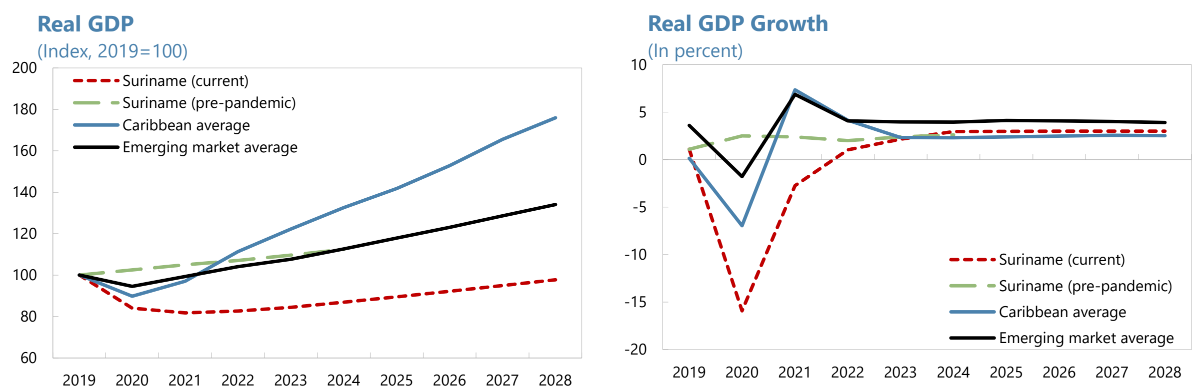
- Growth is expected to decelerate to 2.1 percent growth in 2023. The Monthly Economic Activities Indicator (MEAI) has slowed and fiscal and monetary restraint are expected to continue to weigh on demand. Growth is expected to recover to around potential in 2024. The speed of Suriname's recovery from the pandemic continues to lag peers with real GDP expected to remain below the pre-pandemic level throughout the forecast horizon.

- A slower pace of exchange rate depreciation and slowing demand should facilitate a gradual decline in inflation (to 39 percent y/y by end-2023). By end-2023, the real effective exchange rate (REER) is expected to be around 3 percent weaker than at end-2022.

4. There are important downside risks to the near-term outlook. Policy implementation challenges are the foremost risk, particularly if social discontent were to worsen, increasing opposition to the authorities' reform plans. Stepped up efforts to increase spending on social protection programs, improve governance, and raise real wages for public sector workers (as provided for in the program) will help mitigate this risk. Rising NPLs or the materialization of a range of risks in the financial system could create deposit outflows and trigger financial instability. Finally, weak capacity poses a generalized risk to the implementation of the government's reform program. The main external risk arises from a worsening in the terms of trade (notably from materially higher oil prices).

5. **Over the medium- to long-term, there are significant upsides to the outlook**. These arise from the future development of large new oil fields. While no final investment decision (FID) has yet been made, such investments have the potential to boost growth, increase export and fiscal revenues, strengthen the balance of payments, and improve the debt dynamics.

Suriname: Real GDP and GDP Growth 1/



Sources: General Bureau of Statistics and IMF staff estimates.

1/ Caribbean and emerging market average excludes Suriname; 2023-24 values are based on IMF WEO projections.

PROGRAM PERFORMANCE

6. **Program performance has been strong.** The end-September 2023 QPCs on the floor on the primary fiscal balance (cash basis), the ceiling on the NDA of the central bank (CBvS), the floor on NIR and the ceiling on the central government mineral revenue in local currency were all met. All continuous PCs were also met, including all standard continuous PCs, although regrettably the end-September floor on social assistance spending (an indicative target under the program) was missed.

Suriname: Summary of Program Performance

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

* The end-March NDA target was assessed as Met at the time of the 1st review; it is now reclassified as Not Met due to a data misreporting.
** Assessed from the 2nd review. The ceiling was breached by direct sales of US$ 13 million in February 2023 while the program was off-track.

7. **Institutional reforms continue to advance, albeit with delays.** The authorities met the end-September SB to start publishing quarterly budget execution reports and the end-October SB to start publishing a quarterly update to the electricity tariffs. The end-September SB on establishing an electronic FX trading platform was not met and will be implemented with a delay in December.[1] The end-September SB on enacting the new Procurement Law to centralize and mandate the publication of all public procurement tenders and contract awards was not met but will be implemented in December. The end-October SBs to issuing a decree detailing the procedures for halting payments to unregistered workers and the central bank review of bank recapitalization plans were not met but were implemented in November.

POLICY DISCUSSIONS

A. Improving Fiscal Sustainability While Supporting the Vulnerable

8. **The authorities are on track to achieve the 1.6 percent of GDP central government primary balance target for this year (text table).** Mineral revenue has been revised downward as companies' investment plans weigh on short-term profitability. Gross financing needs remain aligned with the limits in the program,[2] peaking at 10.4 percent of GDP in 2031 and averaging 8.3

[1] The CBvS is addressing technical problems with the calculation of balances after FX trades and linking the FX platform to its payment system (SNEPS).

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

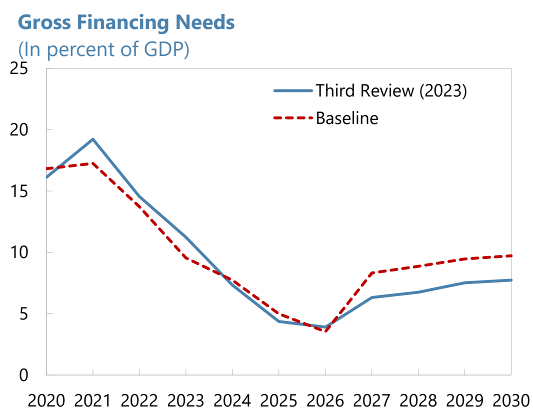
percent of GDP over the medium- to long term. Public debt is expected to fall below 70 percent by 2030 (text chart).[3] Further fiscal consolidation beyond the program period may be needed to build buffers for the recapitalization of the CBvS and commercial banks (DSA ¶12), particularly if downside risks were to materialize.

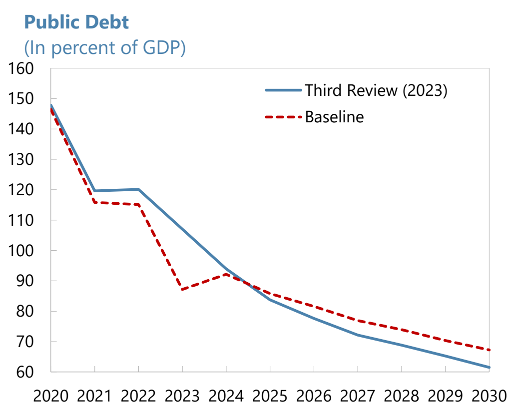
Suriname: 2023 Fiscal Projections

	3rd Review	Latest Proj.	Difference [2/]	
	(Percent of GDP)		(Percentage points of GDP)	(Millions of SRD)
Primary Balance [1/]	**1.7**	**1.6**	**0.0**	**0**
Revenue	**26.1**	**25.7**	**-0.5**	**381**
Taxes	17.1	16.6	-0.5	10
Direct taxes	9.7	9.5	-0.2	86
Of which: Mining taxes	4.5	4.4	0.0	140
Indirect taxes	7.4	7.1	-0.3	-75
Of which: VAT	3.0	3.0	0.0	92
Non-tax revenue	8.6	8.6	0.0	352
Of which: Mining revenues	7.4	6.3	-1.1	-1,209
Grants	0.5	0.5	0.0	19
Primary Expenditure	**24.5**	**24.0**	**-0.4**	**381**
Wage Bill	6.7	6.7	0.0	266
Fuel subsidies	0.3	0.3	0.0	0
Electricity subsidies	2.7	2.7	0.0	157
Cash transfer programs	2.9	2.8	-0.1	0
Capital expenditure	2.6	2.6	-0.1	-5
Other primary expenditure	9.2	8.9	-0.3	-37
Non-mining primary balance	**-10.2**	**-9.1**	**1.1**	**1,069**

1/ The primary balance target remains unchanged in nominal SRD terms, but is lower in percent of GDP due to the upward revision to nominal GDP compared to the 3rd review.
2/ The size and sign of the difference in percentage points of GDP and in millions of SRD may vary due to the upward revision of projected nominal GDP in 2023.
Sources: MoFP and IMF staff calculations.

Suriname: Gross Financing Needs and Public Debt





Sources: CBvS, Ministry of Finance, and IMF staff estimates.

9. **Downward revisions in mineral revenue projections, a more subdued recovery, and rising social tensions call for a more measured pace of fiscal consolidation next year.** Recent information has led to a downward revision of mineral revenue projections by 0.4 percent of GDP. Moreover, social tensions are being exacerbated by a continuing decline in real incomes of public sector workers. The proposed PB target of 2.7 percent of GDP in 2024 (from 3.5 percent previously) would still imply a fiscal consolidation of 1.1 percent of GDP in 2024 and remain consistent with

[3] Public debt is expected to fall faster than previously expected in 2023 due to a smaller-than-expected REER depreciation. Also, the recapitalization of the central bank and commercial banks is assumed to be postponed from 2023 to 2024 (adding 10 percent of 2023 GDP to debt).

debt sustainability (Annex I). A smoother path of consolidating will help support the still-fragile recovery, maintain social cohesion and support for the government's policy plans, and allow public workers to recoup some of their lost real income.[4] To fund the additional deficit, SDR 76.8 million (41 percent of the total IMF disbursement of SDR 186.9 million or 2.3 percent of GDP) would be made available for budget support in 2024.

10. The authorities are implementing a range of revenue and expenditure measures including:

- *Wage bill.* The authorities plan to raise the real wage of public sector workers after significant reductions over the past 3 years.[5] This will maintain the wage bill at 6.7 percent of GDP in 2024. A ministerial decree detailing the procedures for halting payments to unregistered workers was published on November 10 *(end-October SB).* The removal of unregistered workers from public payrolls will help create further space for real wage increases (of around 0.4 percent of GDP in 2024).[6] While the authorities prefer to remove unregistered workers gradually, staff cautions that a protracted approach is costly and inefficient, and identifying which unregistered workers will be removed from the payroll first opens opportunity for favoritism and corruption.

- *VAT.* The authorities expanded the coverage of goods and services that are taxed at the standard rate to 60 percent of the consumption basket and a new 5 percent rate will be introduced on water, electricity and cooking gas in June 2024. The number of companies registered under the VAT increased by 41 percent between January and end-September. Nonetheless, better procedures need to be put in place to expand the tax net and handle VAT refunds.

- *Fuel taxes.* In March, fuel subsidies were discontinued, and fuel prices are now determined by an automatic pricing mechanism based on international prices. In May, the government reinstated specific taxes on fuel of SRD 3.50 per liter, which is expected to generate 0.7 percent of GDP in revenue in 2023.

- *Electricity subsidies.* In June, the government approved a schedule of tariff adjustments, which

[4] The middle class has borne the brunt of fiscal adjustment, as social assistance programs appropriately target the poor and vulnerable. Public sector wages have been eroded by inflation, threatening the government's ability to attract and retain qualified personnel to the civil service.

[5] Staff estimate that the average real wage in the public sector is 52 percent lower at end-July 2023 compared to January 2020. Increases in nominal wages have often been paid as lump-sum increases across the entire salary scale, which has flattened the salary scale and made the public sector relatively more unattractive for more skilled workers.

[6] In February, the government completed a mandatory registration for all civil servants, and, in June, the National Assembly approved an amendment to the Personnel Act enabling salary payments to be halted for unregistered workers. 18 percent of the public workforce remain unregistered. As per regulations issued on November 10, line ministries will issue letters to unregistered workers requiring they present a defence within three days. Workers who present a defence will be given five days to register. If they remain unregistered, salary payments can then be halted with the approval of the Minister of Home Affairs or the President. If the worker remains unregistered one month after salary payments are stopped, the worker can then be dismissed with the approval of either the Council of Ministers or the Office of the President.

included an immediate 28 percent increase in average electricity tariffs, and further increases in Q3 and Q4 by 42 percent and 21 percent respectively. Lump-sum billing discounts have been phased out at end-November 2023.[7] Tariffs will be adjusted again effective January 2024, and quarterly going forward to reach cost-recovery by end-2024.[8] To promote transparency and accountability, the Energie Autoriteit Suriname has published on its website a quarterly update of the tariffs for each consumer group, the rationale for any adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy *(end-October SB, met)*.

- *Liquified petroleum gas subsidies*. In August, the government announced a schedule of price increases for liquified petroleum gas (LPG) to phase out LPG price subsidies. In September, LPG prices increased by around 425 percent, reducing the subsidy to 55 percent of the cost. Prices will further increase by a fixed amount each quarter beginning in December 2023 yielding full year savings of 0.2 percent of GDP in 2024.

- *Cash transfers*. To protect the poor from the brunt of fiscal adjustment (and particularly the elimination of a range of subsidies) cash transfers under the traditional social protection programs have been increased.[9] The government is working with the ILO and IDB on a time-bound strategic plan to improve the efficiency and effectiveness of social benefits *(end-Dec 2023 SB).*[10] To improve transparency, the government will begin to publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each social program in each district, along with the value of cash transfers made to recipients in each district *(new proposed end-January 2024 SB)*.

- *Capital spending*. The government aims to expand capital expenditure to 3.3 percent of GDP in 2024, with priority given to growth-enhancing projects and to the integration of climate considerations into the appraisal and selection of capital projects. The government will strengthen their existing public investment management (PIM) framework, upgrading procedures into a new manual with guidelines for the economic appraisal of investment projects that include climate change considerations *(new proposed end-September 2024 SB).*[11]

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[7] Average electricity tariffs for the quarter are calculated as an average tariff across consumer groups weighted by kWh usage and averaged for the entire quarter.

[8] IMF capacity development support has helped the authorities assess the distributional impact of removing electricity subsidies and identified mitigating measures for poorer households.

[9] In July, the General Old-Age Pension was increased from SRD 1250 to SRD 1750 per month. The General Child Benefit has been increased from SRD 125 to SRD 200 per child. The Financial Assistance for Persons with Disabilities has been increased from SRD 1750 to SRD 2500 per month. The Financial Assistance for Weak Households has been increased from SRD 1250 to SRD 1750 per month. In December, government will provide a one-off payment of SRD 2500 on average to all social program beneficiaries.

[10] The strategic plan is expected to target the provision of a social protection floor. This will likely require increased cooperation among the various ministries responsible for social protection programs, and may imply some rationalization to improve efficiency.

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

- *Customs reforms*. The authorities are working on improving collections of unpaid charges for the storage of imports that will yield 0.1 percent of GDP in additional revenue in 2024.

Suriname: Contributions to Fiscal Adjustment
(In percent of GDP)

	2022	2023		2024		2025 3/	Total	
		3rd review 1/	Curr. Proj.	3rd review	Curr. Proj.	Curr. Proj.	3rd review	Curr. Proj.
Annual change of Primary Balance	**1.6**	**0.6**	**0.6**	**1.8**	**1.1**	**0.8**	**4.1**	**4.0**
Adjustment from Policy Changes	**0.5**	**3.8**	**3.2**	**4.4**	**3.6**	**0.7**	**8.8**	**8.0**
Revenue measures	**-0.6**	**1.1**	**1.1**	**1.8**	**1.9**	**0.3**	**2.3**	**2.6**
Replacing sales tax with VAT	0.0	0.2	0.2	0.6	0.6	0.2	0.8	1.0
Sales tax increase on G&S	0.2	0.0	0.0	0.0	0.0	0.0	0.3	0.2
Royalties increase for gold miners	0.3	0.2	0.2	0.3	0.3	0.0	0.9	0.9
Income tax	0.2	-0.4	-0.4	0.1	0.1	0.0	-0.1	-0.1
Corporate tax	-1.0	0.0	0.0	0.1	0.1	0.0	-0.9	-0.9
Fuel tax	-0.4	0.7	0.7	-0.2	-0.2	0.0	0.1	0.1
Customs administration improvements	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2
Scaling back exemptions	0.0	0.2	0.1	0.2	0.2	0.0	0.4	0.3
Air navigation charge increases	0.0	0.3	0.2	0.0	0.0	0.0	0.3	0.3
Land lease fee increases	0.0	0.0	0.0	0.6	0.6	0.0	0.6	0.6
Expenditure measures	**1.1**	**2.6**	**2.2**	**2.7**	**1.7**	**0.4**	**6.5**	**5.4**
Wage bill restraint 2/	-0.5	1.7	1.4	0.4	0.0	0.1	1.7	1.1
Goods and services expenditure	2.3	0.0	0.0	0.2	0.1	0.1	2.6	2.5
Phased electricity subsidy elimination	0.5	0.7	0.5	2.1	2.0	0.5	3.2	3.6
Phased fuel subsidy elimination	-1.8	1.6	1.5	0.3	0.3	0.0	0.0	0.0
Phased gas subsidy elimination	0.0	0.1	0.1	0.2	0.2	0.0	0.3	0.3
Social programs spending	-0.4	-0.9	-0.9	-0.1	-0.2	0.0	-1.5	-1.5
Other transfers and subsidies	1.6	-0.2	-0.2	0.1	0.1	0.0	1.6	1.5
Capital spending	-0.6	-0.3	-0.3	-0.5	-0.7	-0.3	-1.4	-2.0
Contribution by Non-Policy Factors	**1.1**	**-3.1**	**-2.6**	**-2.6**	**-2.5**	**0.1**	**-4.7**	**-4.0**
Revenue	1.1	-2.8	-2.2	-2.6	-2.5	0.1	-4.3	-3.6
Expenditure	0.0	-0.4	-0.4	0.0	0.0	0.0	-0.4	-0.4
Memo								
Primary Balance	1.0		1.6		2.7	3.5		

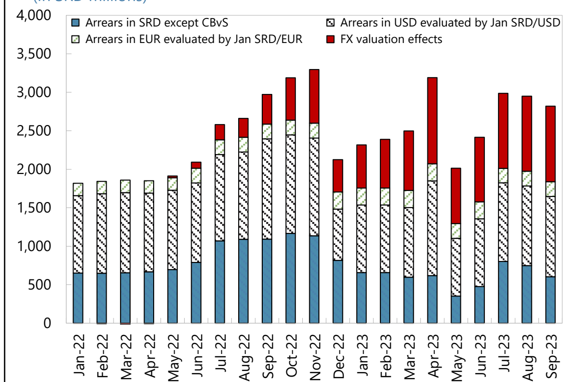
Sources: MoFP and IMF staff calculations.
1/ See IMF Country Report No. 23/350
2/ The upward revision to 2022 GDP mechanically reduces the size of projected policy adjustment in 2023 compared to 3rd review. This is most apparent for the wage bill as it is the largest item reflected in the table.
3/ Policy measures for 2025 were not included at 3rd review.

11. To further strengthen fiscal institutions, the authorities: (i) have established a central institutional repository which lists all public entities (*end-June SB, met*); (ii) published quarterly budget execution reports (*end-September SB, met*); (iii) will issue a State decree to provide the Minister of Finance the authority to access all banks accounts held by government entities at commercial banks *(end-December SB, proposed to be reset to end-March 2024);* (iv) will enact a new procurement law in December; (v) will prepare a report of the largest state-owned enterprises that identifies and quantifies the principal fiscal risks created by these enterprises *(end-December SB,* *proposed to be reformulated and reset to end-June 2024);* and (v) are improving the recording, reporting, and payment of public debt.[12] To improve the coordination over external debt payments, an MOU will be signed between the MoFP, the SDMO, and the CBvS *(new proposed SB for end-January 2024)*.

B. Debt Restructuring

12. The authorities have begun to clear domestic debt and suppliers' arrears. Ensuring reliable payments on government obligations is an essential step to restore investor confidence and unwind the effect that recent nonpayment of government liabilities has had on the domestic banking system. In August the authorities finalized a plan to clear all arrears on government treasuries and loans by end-December. Legacy debts to the CBvS have been restructured into a new loan with a grace period of 2 years and a maturity of 27 years. All short-term advances made to the CG will be repaid to the CBvS by end-2023. The total stock of accounts payable, of which 60 percent is considered supplier arrears, is projected to increase to SRD 3.5 billion by end 2023 (Annex I, ¶2).

Suriname: Stock of Domestic Debt Arrears 1/
(In SRD millions)



Sources: CBvS and IMF staff calculations.
1/ Excludes arrears to CBvS.

13. Prevention of new arrears is a priority. To monitor supplier arrears and prevent further accumulation and spillovers to the banking system, improvements are being made to cash management and commitment controls systems, including with the support of Fund capacity development. Ongoing Fund debt management TA will help strengthen capacity in accurate and timely recording, reporting, and payment of debt, including through a signed MOU *(new proposed end-January 2024 SB)* detailing improved processes and responsibilities of various entities (MoFP, SDMO, and the CBvS). The debt recording system needs to be improved to forestall further payment delays. The recently established Treasury Department is working to strengthen cash forecasting and the government plans to create a cash management unit by end-2023 that will cover liquidity planning and the management of accounts, working capital and cashflow. Finally, the government intends to expand coverage of the Treasury Single Account to all government accounts held at commercial banks by end-2024.

14. Conditional on the agreed debt treatments for both official and private debt, Suriname's debt is judged to be sustainable on a forward-looking basis (Annex I).

[12] The structural benchmark regarding access to bank accounts (point iii) has been re-set to reflect the additional time needed to review and approve the draft reforms. The structural benchmark regarding fiscal risks of state-owned enterprises (point v) has been reformulated and re-set to reflect the additional time required to prepare the report, including with the help of technical assistance.

- The agreement-in-principle was reached with the external bondholders on May 4 and the formal exchange was finalized in November, with a 96 percent participation rate. Assessment by the Paris Club (PC) Secretariat indicates that the agreement satisfies the comparability of treatment relative to official creditors. Other external private creditors were offered participation in the bond exchange or on bilateral creditors' terms.

- An agreement was finalized earlier this year to restructure lending from India. All final documents have been signed and all arrears have been repaid.

- Bilateral agreements on a two-step debt treatment have now been completed with all the PC creditors.

- An agreement in principle (AIP) at the technical level was reached with China on both the flow and stock treatments. This AIP is consistent with the program parameters and in line with the relief provided by PC creditors. It includes contingencies (macroeconomic outlook, including with respect to oil) on the second phase.

C. Tackling Inflation

15. The restraint of systemic liquidity is supporting an easing of inflationary pressures. The CBvS has maintained an appropriately tight monetary stance through their open market operations (OMOs) and issuances of central bank certificates (CBCs). Reserve money growth has remained well below the CBvS's target path and will be further tightened in 2024 to support the disinflation effort. Private sector credit growth remains modest, guided by time-bound, bank-by-bank lending caps.[13] Monetary transmission is gradually improving with higher rates on new term deposits (although the adjustment is slow and market interest rates remain negative in real terms).[14]

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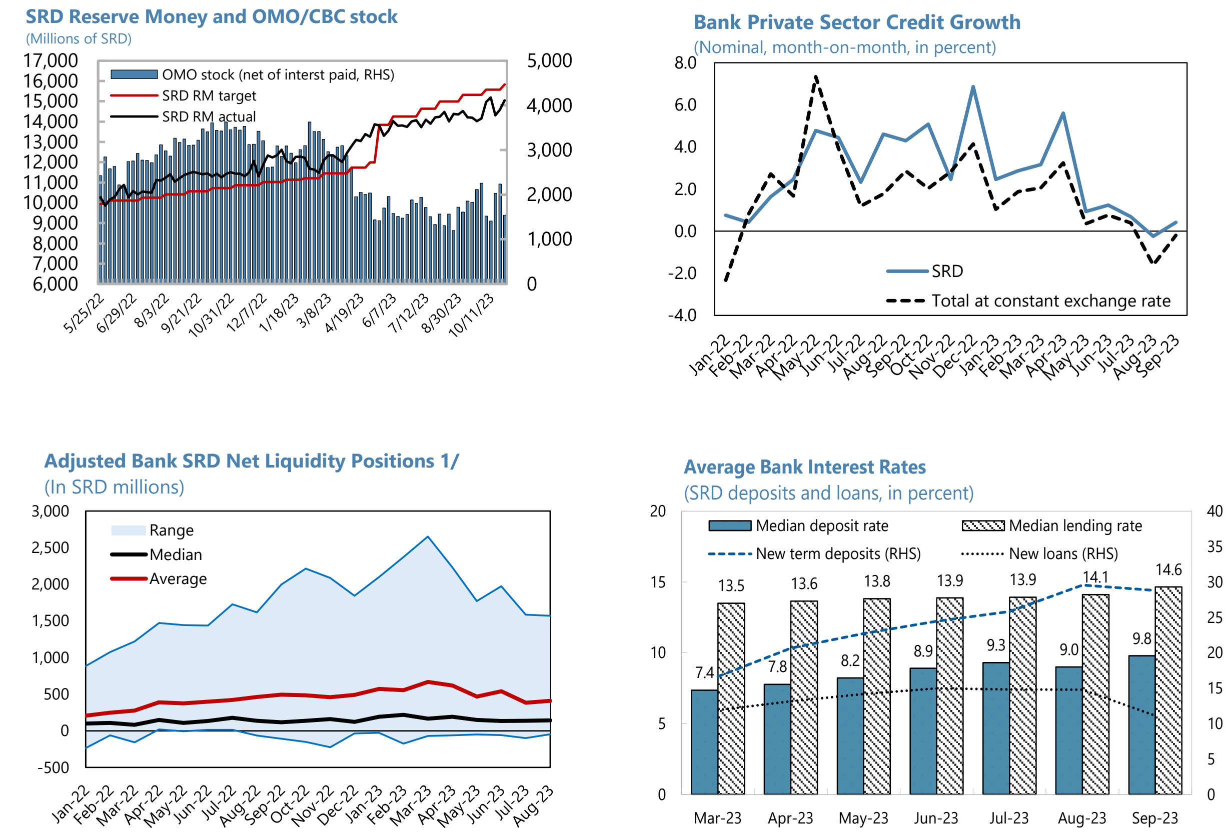
[13] The caps aim to contain nominal SRD private sector credit growth to 20 percent over a one-year period through April 2024 and support CBvS' ability to mop up liquidity through OMOs in conditions of highly uneven distribution of system liquidity. Leakage risks from the credit cap are mitigated by modest demand for loans, regulatory limits on extending FX credit, and the small size of the non-banking sector.

[14] Transmission weaknesses reflect concerns over borrower repayment capacity (contributing to rigidity in lending rates), banking system weaknesses (limiting scope to absorb narrower margins), as well as high concentration of liquidity in a few banks (reducing their need to compete for funding).

Suriname: Recent Monetary Policy Developments



Sources: CBvS and IMF staff calculations.

1/ Excludes reserve requirement and government T-bill exposures.

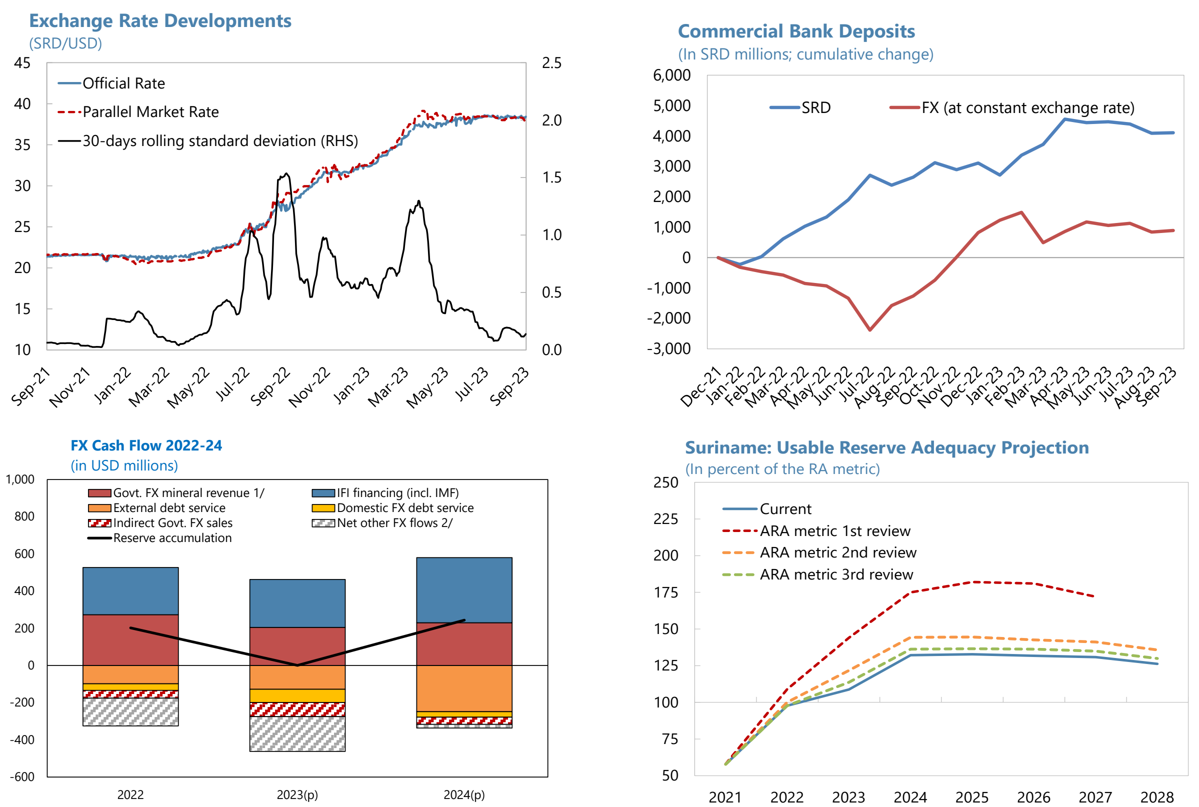
16. The exchange rate has been relatively stable. Tight fiscal and monetary stances continue to curb FX demand even as importer payment arrears are being cleared. To support reserve accumulation, the indirect FX sales by mineral exporters to importers of essential goods will be terminated by end-June 2024[15] although lower mineral revenues are likely to slow reserve accumulation. The CBvS has refrained from FX intervention and is working to strengthen its FX reserve investment and risk management framework with planned IMF capacity development support.

17. Work on improving the functioning of the FX market is proceeding. The planned launch of the electronic FX trading platform *(end-September SB)* to support market transparency, liquidity and price discovery will be implemented with a delay in December as technical setbacks discovered at the testing phase are resolved. The ongoing Fund technical assistance will help strengthen FX reserves management and operations, as well as FX risk management, helping improve the functioning of the FX market. The authorities are drafting amendments to the Foreign Exchange

[15] The authorities plan to limit the indirect FX sales to USD 3.5 million per month in the last quarter of 2023, increasing the share of mineral revenue paid to the government in FX rather in SRD.

Regulation of 1947 to make it consistent with the new Central Bank Act *(end-December SB)* with a view to pass these amendments in December.[16]

Suriname: Recent Foreign Exchange and International Reserve Developments



Sources: CBvS and IMF staff calculations.
1/ Excludes indirect government FX sales to essential goods importers.
2/ Includes expiry of the PBOC swap line (2022) and commercial bank transfers of FX cash requirement to overseas correspondent bank nostro accounts.

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

Suriname: FX Cash Flow Projections
(Millions of USD)

	2022	2023	2024	2025	Total
Inflow of FX (CBvS and Central Government)	**590**	**523**	**685**	**378**	**2,176**
Govt mineral and other FX revenues 1/	260	165	231	261	918
IFI financing (budget support)	200	150	150	0	500
IMF financing	54	158	251	63	581
Other (incl. project financing)	76	50	53	54	232
Outflow of FX (CBvS and Central Government)	**386**	**384**	**417**	**374**	**1,560**
Debt service 2/	134	255	306	262	957
Other FX outflows (incl. use of project financing)	97	129	111	112	449
PBOC swap reversal	154	0	0	0	154
Private sector (net)	**-2**	**-138**	**0**	**0**	**-140**
Commercial banks' transfers (net) 3/	-2	-125	0	0	-127
FX purchases by CBvS	0	0	0	0	0
FX sales to private sector by CBvS and Central Government 4/	0	-13	0	0	-13
Change in Gross Foreign Reserves of CBvS (+: Increase)	**202**	**1**	**268**	**4**	**476**
Private sector	-2	-138	0	0	-140
Public sector	204	139	268	4	616

1/ Government mineral and other revenue received in foreign curency that are transferred to the CBvS.
2/ Debt service to all external and domestic obligations of the central government and CBvS denominated in FX.
3/ Commercial banks' transfers to/from their accounts at the CBvS from/to their Nostro account abroad.
4/ Direct FX sale by the central government to fuel importers in February 2023.
Sources: CBvS and IMF staff estimates.

D. Addressing Banking Sector Risks

18. Banking system vulnerabilities persist. NPLs are high, although they declined in the third quarter largely due to the repayment of arrears by the government. Loan losses are being accompanied by higher provisioning levels. The reported level of capital adequacy for the system is 18.7 percent but two banks do not meet the regulatory minima. The banking sector continues to be, on aggregate, very liquid (53.7 percent of assets are liquid, in large part due to high reserve requirements). However, liquidity is unevenly distributed across banks and skewed towards the two large systemic banks.

19. The CBvS has assessed the recapitalization plans of banks. Full implementation of the AQR results and adjustments of the provisioning levels indicate significant capital shortfalls in two banks. The CBvS has reviewed the recapitalization plans of these banks *(end-October SB, not met, implemented with a delay in December)*[17]. The CBvS has approved the plan of the private bank, which proposes recapitalization from private resources[18]. The plan of the state-owned bank requires an immediate solution through an agreement between the MOF and CBvS that outlines a specific

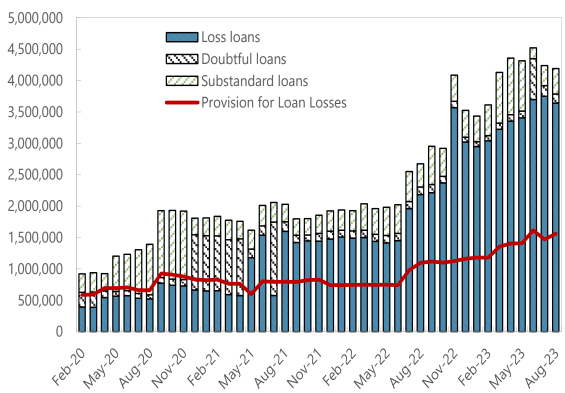
[17] The CBvS framework for the assessment of banks' time-bound recapitalization and restructuring plans envisages the relevant supervisory and corrective actions the CBvS would take for banks having solvency problems and elaborates on the information the banks need to include in their plans to resolve their NPLs.

[18] The CBvS requires this bank to submit monthly progress reports on the status of the recapitalization plan which includes the conversion of the legal status of the bank to limited liability company, and issuance of shares in two phases to be completed by end-June 2024. The plan also includes proposed refinements in the governance structure of the bank and an action plan to reduce NPLs.

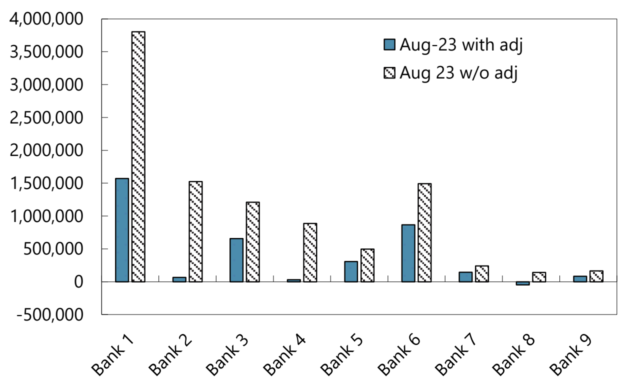
course of action for the government[19]. The CBvS and the MOF will agree on a new governance framework for government-owned banks to ensure they are run on a fully commercial basis *(end-December SB)*. Amendments to the Banking and Credit Supervision Act and the draft Bank Resolution Act, that align legislation with international best practices in supervision and resolution of banks, have been sent to the National Assembly for approval. The authorities anticipate these amendments will be adopted by the National Assembly by end-December. The CBvS has also prepared guidance for the banks on their management of nonperforming loans[20].

Suriname: Selected Financial Sector Indicators

Suriname: NPLs and Provisioning 1/
(In SRD thousands)



Adjusted and Unadjusted SRD Net Liquidity Positions 2/
(In SRD thousands)



Source: CBvS and IMF staff calculations.
1/ The large shift in December 2020 from substandard to doubtful loans shows the reclassification of a large loan by one of the banks in line with CBvS provisioning guidance. The movement between doubtful and loss loans in July 2021 likely is a reporting error that was corrected in August 2021.
2/ Adjusted means exclusion of required reserves and exposures to government T-bills.

E. Strengthening the Central Bank

20. Urgent action is needed to fully implement the Central Bank Act of 2022 (the CBvS Act). While the CBvS Act strengthened the CBvS' mandate, autonomy, and decision-making, it has yet to be fully implemented through the establishment of an Executive Board and Council. The authorities have committed to expeditiously appoint members of the CBvS Council in line with the new law. Separately, the FY2020 audited financial statements have recently been published and work on the FY2021-22 audits *(end-March 2024 SB)* will commence soon. Completion of these audits is

[19] The CBvS considers alternative options to be discussed with the MOFP. The estimated capitalization for this bank is substantially below the 5 percent of GDP assumed in the program.

[20] This guidance will be shared with the banking system after the CBvS incorporates the recommendations of the staff.

essential for the MoFP and CBvS to finalize a recapitalization plan for the CBvS *(end-March 2024)*. A special audit of program monetary data for September 2023 was completed in November.

F. AML/CFT and Governance

21. Key governance reforms are progressing:

- With the help of Fund TA, the Anti-Corruption Commission will evaluate and propose amendments to the anti-corruption legal framework to require the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.[21] The proposed amendments will also bring the legal framework into line with the requirements of Chapter III of the UN Convention against Corruption on criminalization of corruption related behavior *(end-December SB, proposed to be reformulated and reset to end-June 2024)*. With TA from the Fund and the IADB, the authorities will expand the scope of governance reforms to a number of state agencies, including customs and police. The authorities have ratified the Caribbean Community (CARICOM)'s Protocol on Public Procurement in July 2022. With support from the IDB, a new procurement law will be enacted in December which will centralize the publication of all tenders and contracts awards and mandate the publication of all public procurement contracts, the names of the awarded entities and their beneficial owners, the names of the public officials awarding the contracts, and an ex-post validation of delivery of the contracted services.

- A 2022 assessment by the Caribbean Financial Action Task Force (CFATF) identified several technical compliance deficiencies and placed Suriname on enhanced follow up.[22] In November 2022, the authorities enacted a new Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) law to bring it into line with international standards and to address key technical compliance deficiencies (drafted with IMF support). To comply with FATF requirements, Suriname will need to: (i) enhance AML/CFT supervision for all financial institutions; (ii) develop and implement risk based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit, (iv) increase ML/TF related investigations, prosecutions and confiscations, and (v) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolution Resolutions for Terrorism and Proliferation Financing. The authorities are working to enact amendments to various laws and to strengthen their risk-based supervision, including with support from IMF CD. A second national risk assessment is planned to be completed by mid-2024.

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[21] To execute the income and asset declaration provision of the existing anti-corruption law, the President in August issued a state decree requiring registration of income and assets by high-ranking and high-risk public officials.

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

G. Improving the Quality and Dissemination of Economic Statistics

22. The government is making efforts to improve the quality of economic statistics. Demonstrated progress has been made in improving the quality and timeliness of monetary, financial and balance of payment statistics. However, more efforts are required to improve the production and timeliness of GDP statistics and strengthen the public debt recording system. In particular, to inform policy making, with support of Fund TA, the authorities should invest resources in the production of quarterly national accounts, shortening the lag of annual national accounts (GDP) statistics to 6 months from the current 8 months. The authorities should also provide more disaggregated data on CPI. CARTAC mission on national accounts is planned for May 2024.

PROGRAM ISSUES

23. Staff supports the authorities' request for extension of the arrangement to end-March 2025 and an augmentation of access of 36.3 percent of quota (SDR 46.8 million or about US$ 63 Million). The extension of the arrangement will provide the authorities additional time to implement their policy agenda and ensure the 2025 budget is legislated in a manner that is consistent with the 3.5 percent of GDP primary balance program target (medium-term debt sustainability anchor). The proposed augmentation would bring total access under the arrangement to about US$ 577 million, help bolster reserves to cope with higher BOP needs in 2025 amid tightening global financial conditions. Access would remain both within the annual and cumulative limits for normal access (and below the access envisioned at the time of arrangement request, partly reversing the reduction in access at the time of the 2nd review). The extension of the arrangement and augmentation in access is substantiated by the authorities' commitment to the reform agenda envisaged in the program. The capacity to repay the fund remains adequate. The increase in IDB support by US$ 50 million each in 2023 and 2024 will help with the burden sharing. With the extension, end-December 2024 QPCs are proposed to be set.

24. Staff proposes to modify program conditionality as follows:

- **Quantitative targets.** The 2024 QPCs on NIR and NDA are proposed to be adjusted to align them with the revised macro-framework. The 2024 QPCs on the primary fiscal balance of central government are proposed to be revised downward to protect growth and social cohesion. The 2024 ITs on social spending are proposed to be adjusted to account for quarterly increases in cash transfer values in line with inflation.

- **New 2024 SB is proposed** in areas of climate (investment) adaptation (¶11), debt management (¶12) and social assistance spending transparency (¶11).

25. Access and capacity to repay. Suriname's capacity to repay continues to be assessed as adequate under the program baseline but is subject to significant risks. A successful implementation of the program and finalizing a debt restructuring deal with all bilateral creditors, is therefore critical. Fund credit outstanding will peak in 2025 at 46¼ and 13¼ percent of usable reserves and GDP, respectively, and will remain elevated through 2030 (Table 11). Annual debt service to the Fund peaks in 2029 at 4.2 percent of exports of goods and services. Out of the SDR 39.4 million scheduled for the fourth review, SDR 25.6 million (65 percent) would be made available for budget support.

26. Lending into arrears (LIA) and lending into official arrears (LIOA) policies:

- There are no arrears to multilateral creditors. The authorities' fiscal adjustment efforts are not undermined by developments in debtor and creditor relationships.

- Suriname continues to accrue arrears with China (USD 151 million as of end-September) and the authorities are actively undertaking good faith negotiations to resolve these arrears. An agreement-in-principle at the technical level on both stages (flow and stock relief) has been reached with EXIM China in line with the PC agreement and debt sustainability objectives.

- The formal debt exchange for bondholders was finalized in November. The authorities have offered the same restructuring menu to other private creditors as to the bondholders and bilateral creditors. These other private creditors represent about 9 percent of the stock of arrears to external private creditors at end-2022. The authorities are pursuing appropriate policies and are making a good faith effort to reach a collaborative agreement with these creditors. These creditors are not deemed to be a holdout risk and the authorities have committed to not make any payments to these creditors until a debt treatment has been finalized. The arrears to these creditors do not undermine the medium-term external viability of Suriname's balance of payments and its capacity to repay the Fund. The LIA good faith criterion is judged to have been met.

27. Program Financing. Staff find that progress with creditors – including the AIP with EXIM China that staff expects to be signed soon and implemented – is adequate to fill financing gaps during the program period and that the member is in a position to repay the Fund during the post-program period. These assurances will need to be reevaluated at each review. Suriname's program contains firm commitments of financing for the next 12 months and good prospects for adequate financing for the remaining program period.[23]

[23] The IDB commits to providing budget support of at least USD 150 million in 2023 conditional on the IMF program review and its own conditionality and subsequent budget support of USD 150 million in 2024 is also confirmed. Other IFIs commit to disbursing agreed project loans conditional on the IMF program review and their own conditionality.

Suriname: Proposed Program Financing

(In millions of US dollars)

	2021	2022	2023	2024	2025	**Total**
Financing gap	237	421	505	466	144	1,773
Official financing	34	253	308	401	63	1,059
O/w: IMF	34	53	158	251	63	559
Purchases	55	53	158	251	63	580
O/w: for budget support	55	53	103	103	26	340
Repurchases	21	0	0	0	0	21
O/w: IFIs	0	200	150	150	0	500
Financing from external arrears accumulation (net)	203	168	-1	0	0	371
Financing from external debt restructuring 1/	0	0	197	65	81	344

Source: IMF staff calculations.

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

STAFF APPRAISAL

28. Quantitative program performance has been strong. All end-September quantitative performance criteria have been met. The authorities are on track to reach the 1.6 percent of GDP primary balance target this year. While the IT on social spending was unfortunately missed, the authorities are taking steps to expand coverage of the social safety net and committed to making an additional payment in December to meet the end-year social assistance floor. They are also taking a comprehensive look at the social assistance program to make sure it is fit for purpose and better protects the most vulnerable.

29. Despite an increasingly challenging socio-political environment and capacity constraints the authorities were able to implement an impressive range of structural reforms. Eliminating fuel subsidies, phasing out electricity and gas subsidies, and broadening the VAT base are all politically costly but necessary reforms. These reforms will put public finances on a sound footing and provide the government with the resources it needs to protect the most vulnerable and provide quality public services to the population.

30. Fiscal discipline and tight monetary policy are bringing about the long-awaited stability and confidence is returning. The exchange rate has been broadly stable in recent months and inflation, though still high, is on a downward trend. The central bank's open market operations, which are necessary to absorb excess liquidity, are beginning to gain traction. Reserve money growth has been stable and has remained below the central bank's targeted path. Fiscal balances are improving, and public debt has declined. Investor confidence is returning, international bond spreads are the lowest they have been since 2018. Donors are reengaging and the perception of Suriname in the international community is improving.

31. **The priority is to hold steadfast to the achievements that have been painfully secured so far and avoid policy backtracking.** The enactment of the VAT amendment to broaden the coverage to 60 percent of the consumption basket was a notable achievement, as it would provide the government with the revenues it needs to run its operations and provide quality services to the population. While strengthening tax administration is important, it cannot replace or substitute for sufficiently broad coverage of the VAT. The authorities should resist any political pressures to undermine the integrity of the law. Likewise, the commitment to achieve cost recovery for providing electricity by the end of 2024 remains an integral part of fiscal adjustment and the country's ability to meet future electricity demands.

32. **Public sector reforms should proceed expeditiously.** Public sector wages have not kept up with inflation and have increasingly lost competitiveness relative to the private sector. The problem is especially acute for experienced and skilled civil servants, which threatens the government's ability to provide quality services to the population. At the same time, the efficiency of the public sector needs to be improved: almost 20 percent of the public workforce is unregistered, and unexcused absenteeism is rampant. The recently enacted "no work – no pay" amendment to the Personnel Act is an important step in the right direction in removing these unregistered or chronically absent workers from the public payroll, and creating space for more meaningful wage increases for those civil servants who are working hard. Prompt removal of all unregistered workers from the public payroll is the fairest and most efficient approach. Tighter controls are also needed to ensure line ministries observe and respect the hiring freeze.

33. **Urgent attention is needed to improve the social assistance program and make it more transparent to the public.** While efforts have been made to protect the most vulnerable during this difficult period of economic adjustment, more needs to be done to reach beneficiaries in districts outside the capital city. Likewise, in a high-inflation environment, it is critical to ensure that the value of cash transfers does not get eroded by inflation. Taking care of the poor and vulnerable is not only a moral prerogative, but the way to maintain social cohesion, ensure a sustainable adjustment, break the poverty trap, and promote inclusive growth. Transparency and accountability with respect to the social assistance program is paramount. In that regard, the government should start publishing regular updates on the number of beneficiaries receiving social assistance support in each district, the amounts spent on each social assistance program, and the eligibility criteria.

34. **The authorities have made substantial progress with debt restructuring.** Bilateral agreements with all PC creditors and India have been completed. A debt exchange with private external bondholders has been launched and finalized, with very strong participation. An AIP at the technical level has been reached with China, that was modeled after the two-stage PC agreement, including relevant contingencies. The AIP is in in line with restoring debt sustainability.

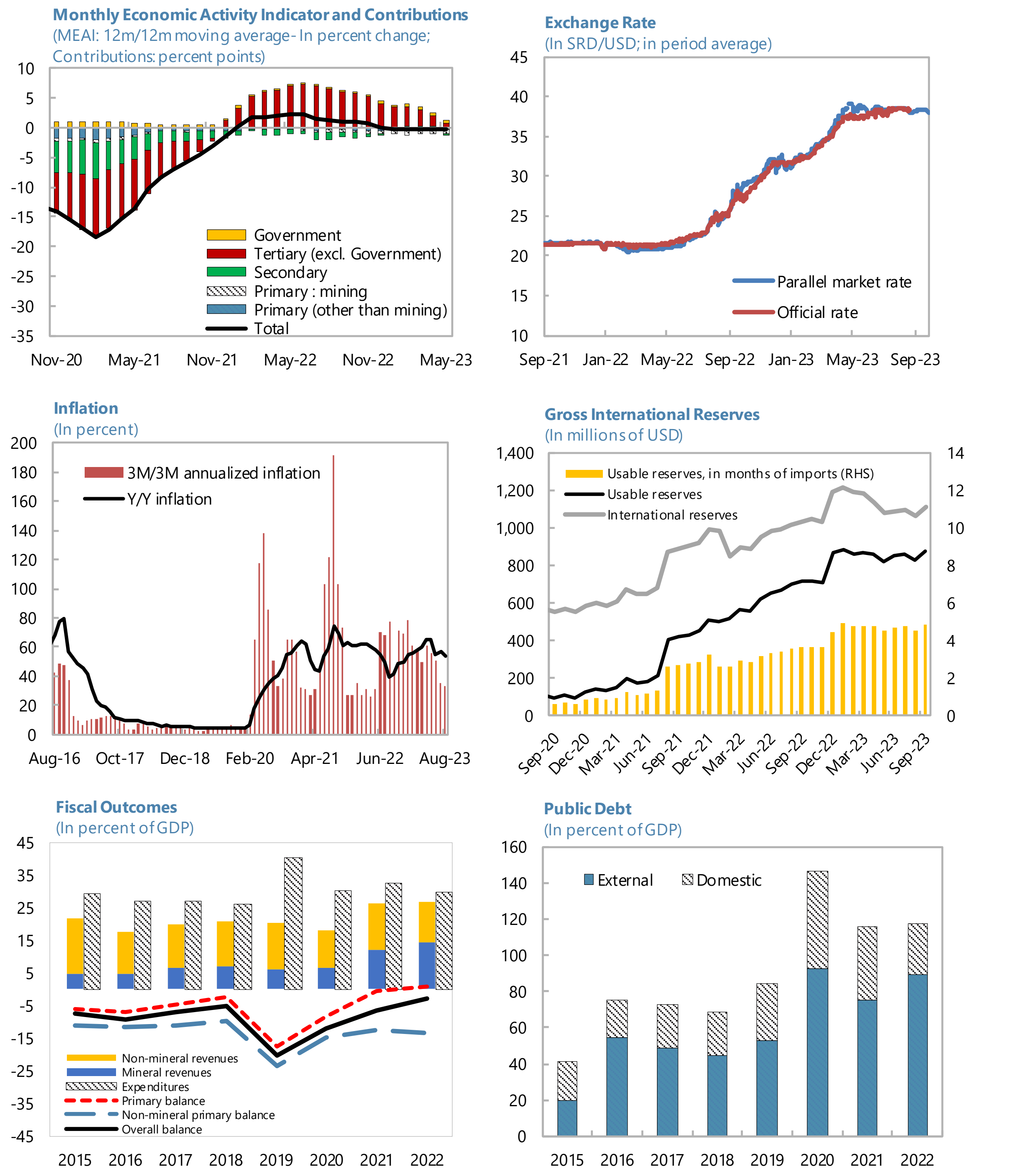
35. **The authorities remain committed to a flexible exchange rate and an independent central bank.** The authorities have continued to refrain from direct FX interventions and have continued scaling down indirect FX sales to essential goods importers, supporting the continued accumulation of international reserves. The new Central Bank Act should be implemented without delay, including to ensure that the CBvS is insulated from political interference. The recapitalization

plan should be finalized soon to further strengthen the CBvS' financial autonomy and safeguard its independence. To improve the functioning of the FX market, the development of the electronic inter-bank/cambio FX trading platform is nearing completion.

36. The financial sector is still weak and rising NPLs bear close monitoring, but reforms are underway to address its vulnerabilities. The CBvS has already finalized the framework for the assessment of banks' recapitalization plans. In line with CBvS instructions, all banks have incorporated the AQR results into their accounts and the CBvS has assessed the time-bound recapitalization and restructuring plans of two banks with capital shortages. CBvS has approved the plan of the private bank which proposes recapitalization from private resources. To contain the losses and preserve financial stability, the recapitalization plan of the state-owned bank requires an immediate solution through an agreement between the MOF and CBvS that outlines a specific course of action for the government. Ongoing efforts to strengthen the AML/CFT framework will support financial sector resiliency and prevent the potential loss of corresponding banking relationships.

37. Suriname's demonstrated commitment to macroeconomic discipline merits Fund support. The authorities are committed at the highest level to restoring macroeconomic and financial stability. In view of the actions already taken and the commitments made by the Surinamese authorities, staff supports the authorities' request for the completion of the fourth review under the EFF arrangement, the extension of the EFF arrangement to end-March 2025, the augmentation of access, the modification of performance criteria, and the completion of the fourth review and financing assurances review.

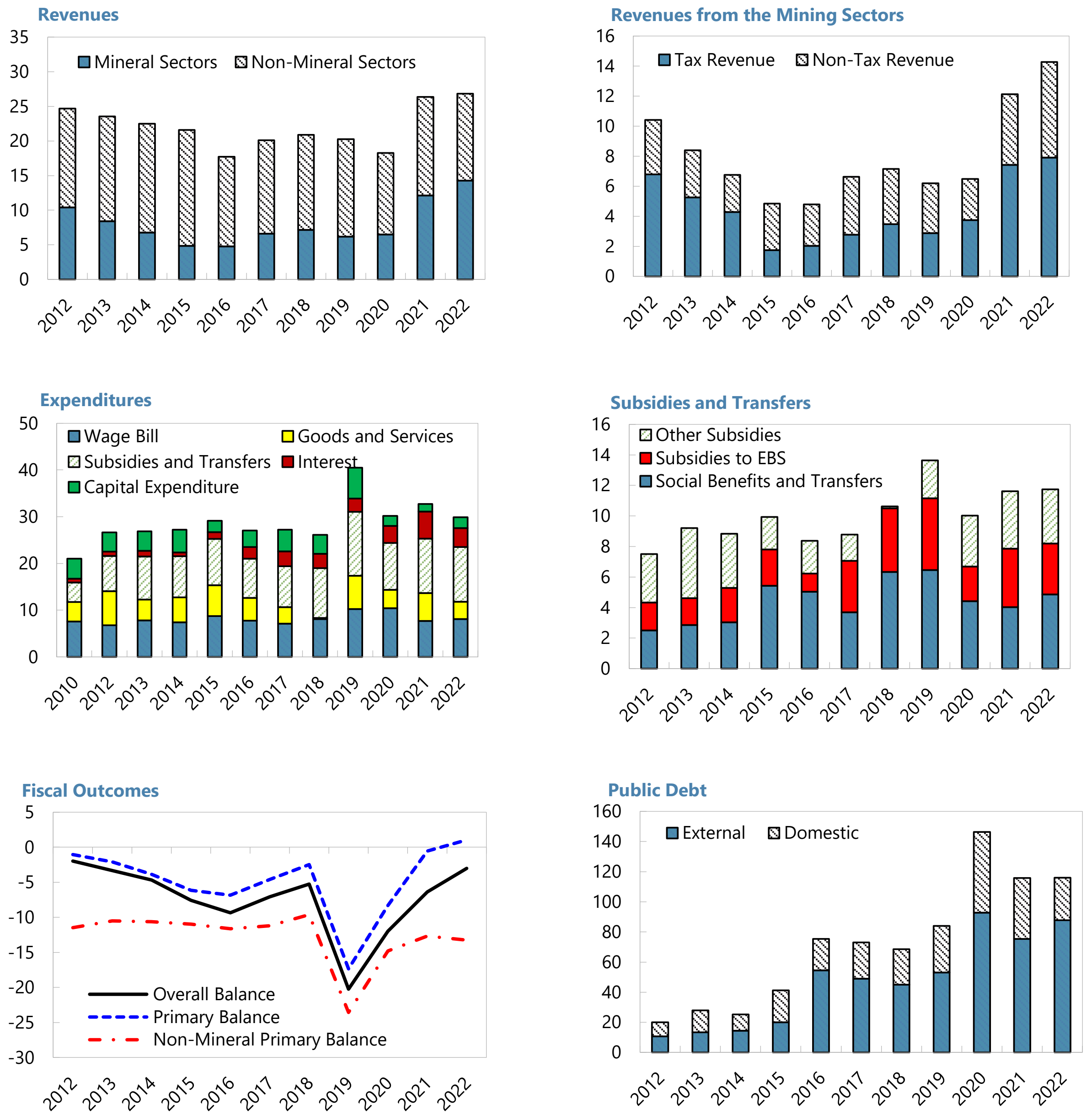
Figure 1. Suriname: Recent Economic Developments



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

Figure 2. Suriname: Fiscal Developments, 2012–22

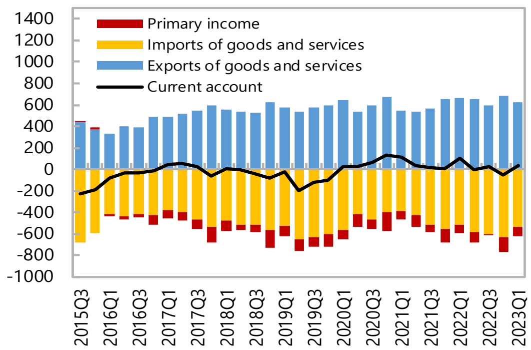
(In percent of GDP)



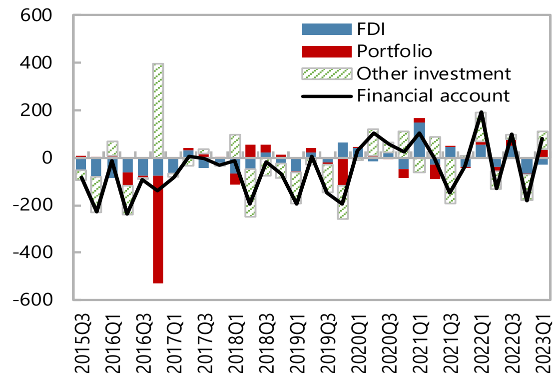
Sources: Ministry of Finance; and IMF staff estimates.

Figure 3. Suriname: External Sector Developments

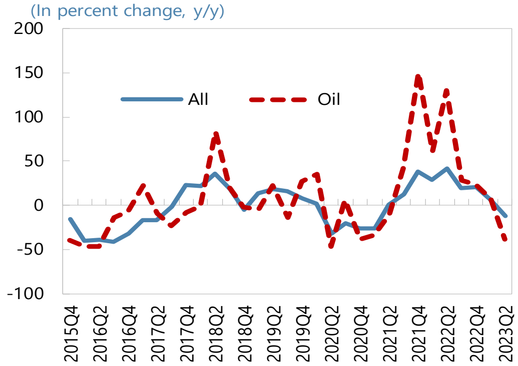
Current Account
(In millions of USD)



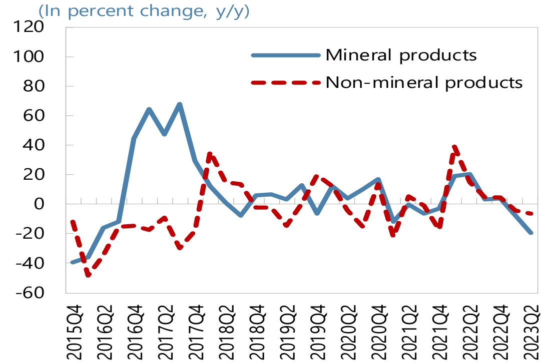
Financial Account
(In millions of USD)



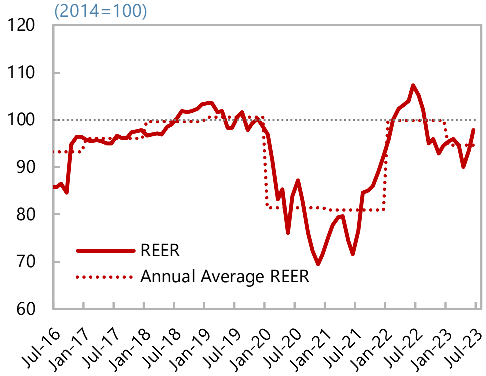
Imports of Goods, USD Value
(In percent change, y/y)



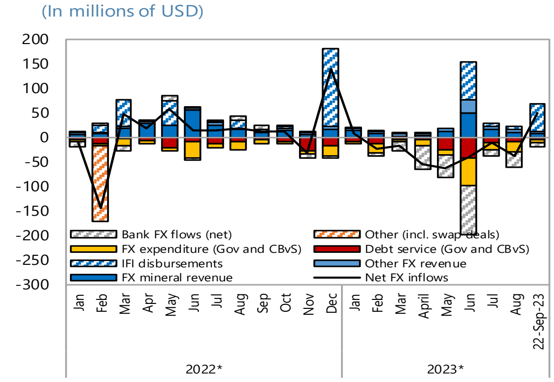
Exports of Goods, USD Value
(In percent change, y/y)



Real Effective Exchange Rate
(2014=100)

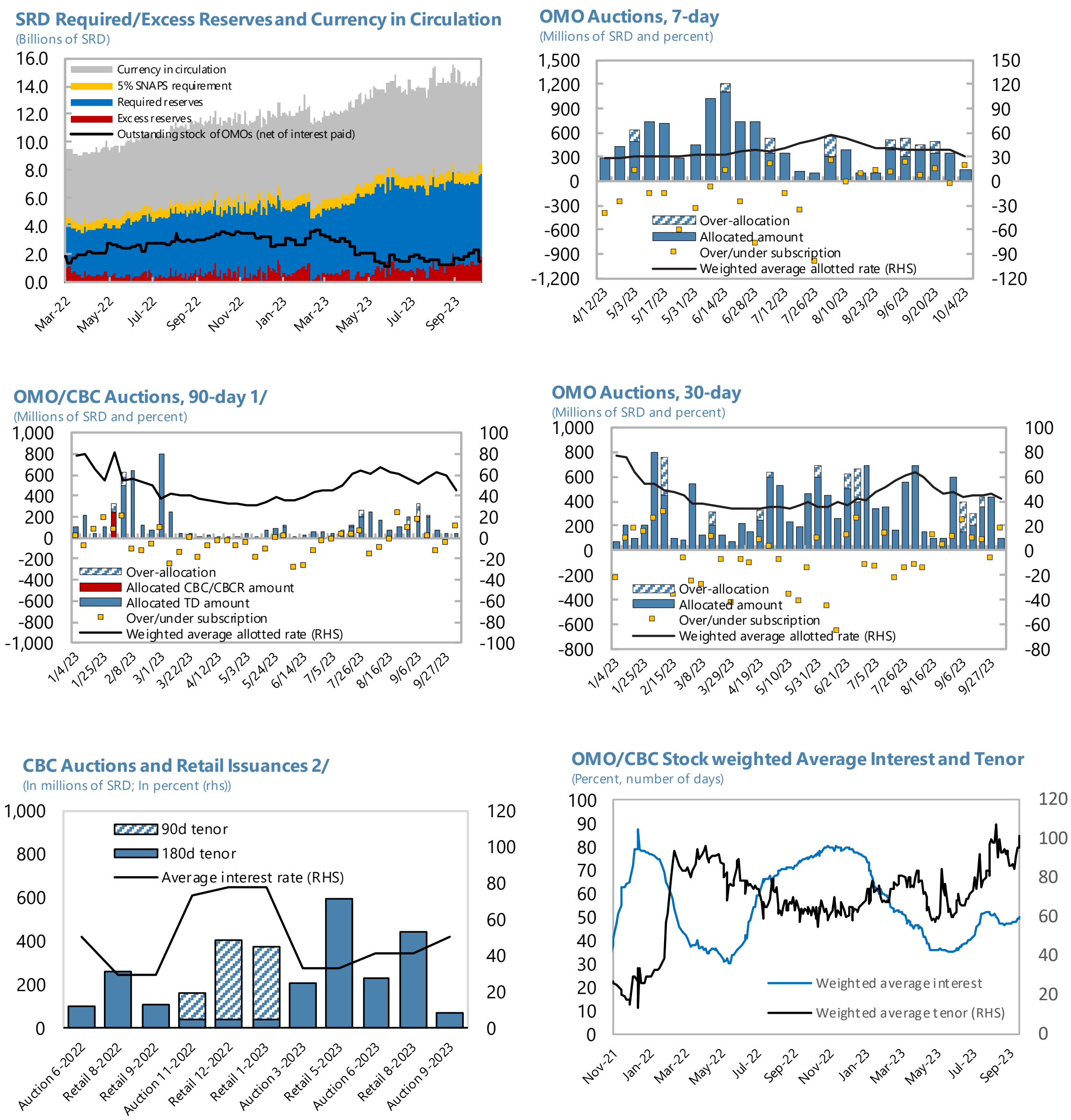


Reserve Contributing FX Inflows and Outflows
(In millions of USD)



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

Figure 4. Suriname: Monetary Developments



Sources: Central Bank of Suriname and IMF staff calculations.
1/ Nov 28 was a wholesale CBC auction.
2/ For individual tenors the retail issuances follow the auction interest rate.

Table 1. Suriname: Selected Economic Indicators

				Est.	Proj.							
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2026	2027	2028
					3rd Review		3rd Review					
Real sector (percent change)												
Real GDP	1.2	-16.0	-2.4	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0
Nominal GDP	6.4	22.0	56.9	47.3	56.7	55.9	32.3	22.5	17.0	12.4	11.2	8.2
GDP deflator	5.2	45.2	60.8	43.8	53.4	52.6	28.5	19.0	13.6	9.1	7.9	5.0
Consumer prices (period average)	4.4	34.9	59.1	52.4	53.3	52.9	30.9	21.1	15.3	10.0	8.0	5.0
Consumer prices (end of period)	4.2	60.7	60.7	54.6	40.0	39.3	20.0	14.9	11.8	8.7	6.9	5.0
Labor market (percent)												
Unemployment rate	8.8	11.1	11.2	10.9	10.6	10.6	10.3	10.3	10.0	9.9	8.7	8.2
Labor force participation rate	60.7	58.8	58.2	58.7	58.6	59.0	59.0	59.4	59.8	60.2	60.6	61.0
Money and credit (percent change)												
Broad money	4.7	65.0	45.3	45.1	32.8	22.8	16.7	14.0	15.5	13.6	11.2	7.5
Broad money (percent of GDP)	60.7	82.1	76.0	74.9	65.7	59.0	58.0	54.9	54.2	54.7	54.7	54.4
Reserve money	92.8	33.6	48.0	44.8	14.2	3.4	19.6	13.8	19.1	12.4	11.2	8.2
Reserve money (percent of GDP)	30.2	33.1	31.2	30.7	23.2	20.4	20.9	18.9	19.3	19.3	19.3	19.3
Private sector credit	0.4	27.2	18.5	65.7	31.2	26.1	20.0	13.8	10.1	11.1	10.5	9.4
Private sector credit (in real terms)	-3.6	-20.9	-26.3	7.2	-6.3	-9.5	0.0	-1.0	-1.5	2.2	3.4	4.2
Private sector credit (percent of GDP)	23.0	24.0	18.1	20.4	17.7	16.5	16.0	15.3	14.4	14.3	14.2	14.3
Central government (percent of GDP)												
Revenue and grants	20.3	18.2	26.4	26.8	26.1	25.7	25.3	25.4	25.8	25.8	25.8	25.8
Total expenditure	40.5	30.2	32.1	29.5	27.1	26.7	25.6	26.5	26.1	26.3	26.5	26.5
Of which: Primary expenditure	37.6	26.6	26.9	25.8	24.5	24.0	21.8	22.7	22.3	22.3	22.3	22.3
Statistical discrepancy	3.5	-5.5	0.2	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (net lending/borrowing) 1/	-20.2	-12.0	-5.7	-2.7	-0.9	-1.0	-0.4	-1.1	-0.2	-0.5	-0.7	-0.7
Primary balance	-17.3	-8.3	-0.5	1.0	1.7	1.6	3.5	2.7	3.5	3.5	3.5	3.5
Non-resource primary balance	-23.5	-14.8	-12.7	-13.2	-10.2	-9.1	-6.8	-7.2	-8.8	-9.1	-9.2	-9.1
Net acquisition of financial assets 2/	-2.7	2.2	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	14.0	19.7	5.0	-0.7	0.9	1.0	0.4	1.1	-0.3	0.5	0.7	0.7
Net domestic financing	9.1	17.8	0.7	-8.9	-3.9	-5.3	-2.4	-2.9	1.1	0.8	2.4	3.0
Net external financing	4.9	0.3	-1.8	3.6	4.8	6.3	2.7	4.0	-1.5	-0.3	-1.7	-2.3
External arrears (net)	0.0	1.7	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government debt 3/ (percent of GDP)	84.0	146.4	115.8	115.1	107.0	87.1	93.9	92.1	85.7	81.4	76.8	73.7
Domestic	30.9	53.6	40.4	27.4	27.1	14.0	19.9	18.0	15.6	15.3	16.8	19.0
o/w: change due to GDP deflator movement	-1.2	-9.6	-20.3	-12.3	-10.2	-9.4	-6.0	-2.2	-2.2	-1.3	-1.1	-0.8
External	53.2	92.8	75.4	87.7	79.8	73.2	74.0	74.1	70.2	66.1	60.0	54.8
o/w: change due to exchange rates movement	5.0	48.0	12.1	...	...	...	...	...	...	...	...	...
o/w: change due to GDP deflator movement	-2.2	-16.6	-35.1	-23.0	-31.6	-30.3	-17.7	-11.7	-8.9	-5.9	-4.9	-2.9
External sector (percent of GDP)												
Current account balance	-11.2	8.9	5.7	2.1	1.5	2.4	1.0	2.3	0.9	1.3	1.1	0.9
Capital and financial account	-12.7	6.5	10.1	10.8	7.7	10.6	3.6	5.5	1.8	0.3	0.9	1.2
Overall balance	-5.8	-1.5	5.8	-5.4	-6.2	-8.1	-2.6	-3.2	-0.9	1.0	0.2	-0.3
Financing	5.8	1.5	-5.8	5.4	6.2	8.1	2.6	3.2	0.9	-1.0	-0.2	0.3
Change in reserves (- = increase)	6.3	2.9	-13.5	-6.2	-1.1	0.0	-6.2	-6.5	-0.5	-0.7	0.2	1.4
Official financing	-0.5	-1.4	1.1	7.0	7.3	8.2	8.8	9.7	1.4	-0.3	-0.5	-1.1
External arrears (net)			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items												
GDP at current prices (SRD billions)	31.7	38.7	60.7	89.5	135.5	139.5	179.2	170.9	199.9	224.7	249.8	270.3
Terms of trade (percent change)	7.6	28.7	-20.1	-9.2	1.0	1.4	-2.9	-2.6	-2.5	-1.4	-0.7	-1.1
Gross international reserves (USD millions)	648	585	992	1,195	1,234	1,196	1,480	1,464	1,488	1,520	1,508	1,438
In percent of Reserve adequacy (risk-weighted measure) 4/	77	73	112	135	141	135	162	159	161	166	166	161
In months of imports	4.2	3.7	5.1	6.4	6.7	6.4	8.0	7.6	7.3	7.4	7.0	6.4
Usable gross international reserves (USD millions) 5/	505	129	512	865	995	962	1,241	1,230	1,253	1,285	1,274	1,203
In percent of Reserve adequacy (risk-weighted measure)	60	16	58	98	114	109	136	134	136	140	141	135
In months of imports	3.3	0.8	2.6	4.6	5.4	5.1	6.7	6.4	6.2	6.2	5.9	5.4
REER based on weighted average ER (percent change, + = apprecia	0.7	-19.0	-0.6	...	...	...	...	...	...	...	...	...
Nominal effective exchange rate (percent change, + = appreciatio	-1.5	-37.0	-36.5	...	...	...	...	...	...	...	...	...
Inflation differential	2.2	28.6	56.6	...	...	...	...	...	...	...	...	...
REER based on official ER (percent change, + = appreciation) 6/	4.5	12.4	-20.4	...	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	...	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	...	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	...	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, period average) 6/	7.9	13.3	19.7	...	...	...	...	...	...	...	...	...
Gold production (growth rate)	-3.7	-10.3	-6.6	4.5	2.0	12.5	1.6	1.6	1.2	1.3	1.3	1.3
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,685	1,923	1,651	1,978	2,072	2,137	2,175	2,208
Growth Rate	9.7	27.1	1.7	0.1	-2.2	6.7	-2.0	2.9	4.8	3.1	1.8	1.5
Oil price (USD per barrel)	61.4	41.8	69.2	96.4	80.5	80.5	79.9	79.9	76.0	72.7	69.9	67.5
Growth Rate	-10.4	-32.0	65.8	39.2	-16.5	-16.5	-0.7	-0.7	-4.9	-4.3	-3.9	-3.5

Sources: Surinamese authorities and Fund staff calculations and projections.

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

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

3/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname. Staff's definition also includes Suriname's debt to IMF.

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

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

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

Table 2. Suriname: Real Sector, by Expenditures 1/

(Percent change, unless otherwise indicated)

	Est.				Proj.				
	2022	2023	2023	2024	2024	2025	2026	2027	2028
		3rd Review		3rd Review					
Growth rates (constant prices)									
Real GDP	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0
Private Absorption	4.4	1.0	0.2	1.5	1.2	3.7	2.9	3.1	3.2
Public Consumption	-16.6	-8.9	-7.0	-4.7	4.3	-0.4	2.2	2.9	3.0
Public Gross Investment	44.8	14.4	14.9	21.5	32.8	12.3	3.0	3.0	3.0
Exports	7.8	3.9	8.1	4.2	4.1	2.9	2.3	3.6	2.8
Imports	8.0	-1.2	1.9	0.1	2.5	4.5	1.8	3.8	3.2
Contributions (constant prices)									
Real GDP growth	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0
Private Absorption	3.6	0.8	0.1	1.2	1.0	3.0	2.4	2.5	2.6
Public Consumption	-2.1	-0.9	-0.7	-0.4	0.4	0.0	0.2	0.3	0.3
Public Gross Investment	0.7	0.3	0.3	0.6	0.8	0.4	0.1	0.1	0.1
Net Exports	0.1	1.9	2.4	1.6	0.7	-0.4	0.3	0.1	0.0
Growth rates (current prices)									
Nominal GDP	47.3	56.7	55.9	32.3	22.5	17.0	12.4	11.2	8.2
Private Absorption	63.5	51.3	48.4	33.2	23.1	21.1	13.5	12.1	9.4
Public Consumption	27.2	39.7	42.1	24.8	26.4	14.9	12.4	11.2	8.2
Public Gross Investment	108.2	75.5	75.4	56.0	58.0	27.6	12.4	11.2	8.2
Exports	41.4	54.6	55.8	19.9	13.6	10.7	8.8	8.1	6.0
Imports	56.1	45.6	44.8	18.5	14.8	15.3	9.8	9.1	7.5
Contributions (current prices)									
Nominal GDP growth	47.3	56.7	55.9	32.3	22.5	17.0	12.4	11.2	8.2
Private Absorption	45.1	40.1	38.1	25.0	17.3	15.9	10.5	9.5	7.4
Public Consumption	3.7	4.8	5.0	2.7	2.8	1.7	1.4	1.2	0.9
Public Gross Investment	1.8	1.8	1.7	1.5	1.5	0.9	0.4	0.4	0.3
Net Exports	-3.3	10.0	11.1	3.0	0.8	-1.5	0.1	0.0	-0.4
Deflators (Growth Rates)									
GDP	43.8	53.4	52.6	28.5	19.0	13.6	9.1	7.9	5.0
Private Absorption	56.7	49.8	48.1	31.3	21.7	16.9	10.3	8.8	6.0
Public Consumption	52.4	53.3	52.9	30.9	21.1	15.3	10.0	8.0	5.0
Public Gross Investment	43.8	53.4	52.6	28.5	19.0	13.6	9.1	7.9	5.0
Exports of goods and services	31.3	48.8	44.1	15.0	9.1	7.5	6.4	4.4	3.1
Imports of goods and services	44.6	47.4	42.1	18.4	12.0	10.3	7.9	5.1	4.2
CPI	52.4	53.3	52.9	30.9	21.1	15.3	10.0	8.0	5.0
GDP (current prices, USD billions)	...	...	...	...	...	...	...	...	…
GDP (current prices, SRD billions)	89.5	135.5	139.5	179.2	170.9	199.9	224.7	249.8	270.3
GDP deflator (Index = 100 in 2015)	593	895	905	1149	1077	1224	1336	1442	1514

Sources: IMF staff calculations and projections.

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

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

				Est.	Proj.							
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2026	2027	2028
					3rd Review		3rd Review					
Revenues	**6,434**	**7,066**	**16,010**	**24,021**	**35,432**	**35,814**	**45,291**	**43,321**	**51,590**	**57,987**	**64,469**	**69,739**
Taxes	4,717	5,133	11,831	16,649	23,106	23,117	33,370	29,832	35,648	40,083	44,051	47,968
Direct taxes	2,543	2,924	8,137	11,126	13,120	13,206	19,460	16,584	19,733	22,177	24,118	26,248
Of which: mineral taxes	910	1,452	4,502	7,070	6,053	6,193	9,755	7,652	13,690	15,936	17,429	18,995
Indirect taxes	2,173	2,209	3,693	5,523	9,986	9,912	13,910	13,247	15,915	17,906	19,933	21,720
Grants	0	0	140	87	645	664	0	0	0	0	0	0
Non-tax revenues	1,718	1,934	4,039	7,285	11,681	12,033	11,921	13,489	15,941	17,904	20,418	21,771
Of which:												
Mineral resource revenues	1,054	1,058	2,864	5,706	10,026	8,817	8,685	9,254	10,986	12,334	14,225	15,072
Expenditures	**12,852**	**11,695**	**19,465**	**26,422**	**36,663**	**37,231**	**45,958**	**45,254**	**52,083**	**59,062**	**66,157**	**71,645**
Primary expenditures	11,939	10,283	16,339	23,099	33,138	33,520	39,018	38,708	44,592	50,122	55,724	60,279
Compensation of employees	3,251	4,035	4,664	7,274	9,074	9,340	11,255	12,193	14,062	15,806	17,573	19,009
Other primary current expenditure	6,596	5,404	10,693	13,778	20,473	20,592	22,159	20,845	23,295	26,184	29,111	31,491
Of which: fuel and electricity subsidies			2,326	4,590	4,044	4,199	788	765	0	0	0	0
Of which: cash transfer programs		604	892	1,717	3,962	3,962	5,377	5,126	5,998	6,742	7,495	8,108
Net acquisition of nonfinancial assets	2,092	845	983	2,047	3,591	3,589	5,603	5,670	7,235	8,132	9,041	9,780
Interest	913	1,411	3,126	3,323	3,525	3,711	6,939	6,546	7,491	8,940	10,433	11,365
Overall balance (net lending/borrowing) 1/	**-6,418**	**-4,629**	**-3,455**	**-2,401**	**-1,231**	**-1,417**	**-666**	**-1,933**	**-494**	**-1,074**	**-1,688**	**-1,906**
Of which: primary balance	**-5,505**	**-3,217**	**-329**	**923**	**2,294**	**2,294**	**6,273**	**4,613**	**6,998**	**7,865**	**8,745**	**9,459**
Net financial transactions	**-5,315**	**-6,771**	**-3,325**	**638**	**-1,231**	**-1,417**	**-666**	**-1,933**	**-494**	**-1,074**	**-1,688**	**-1,906**
Net acquisition of financial assets 2/	-869	869	-267	0	0	0	0	0	0	0	0	0
Net incurrence of liabilities	4,446	7,640	3,058	-638	1,231	1,417	666	1,933	-683	1,074	1,688	1,906
Domestic (Net)	1,947	6,000	-2,328	-6,076	-428	-4,676	-2,033	-2,705	4,005	1,780	6,055	8,137
Amortizations	-1,257	-1,076	-2,846	-1,474	-5,120	-5,011	-6,053	-3,298	-2,395	-2,897	-5,460	-5,188
Central bank	0	0	0	0	0	0	0	0	-224	-337	-337	-337
Commercial banks	-1,204	0	-1,954	-629	-3,015	-2,949	-4,262	-1,649	-1,085	-1,280	-2,562	-2,426
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0	0
Other domestic 3/	-53	-1,076	-892	-844	-2,105	-2,062	-1,791	-1,649	-1,085	-1,280	-2,562	-2,426
Disbursements	3,205	7,075	518	-4,602	4,692	335	4,019	593	6,400	4,677	11,515	13,325
Central bank	1,451	4,986	-1,478	-6,252	0	0	0	0	4,000	0	0	0
Claims on government	1,391	6,232	252	0	0	0	0	0	0	0	0	0
Liabilities to government	-60	1,247	1,730	6,252	0	0	0	0	-4,000	0	0	0
Commercial banks	1,261	862	796	807	3,400	167	2,010	297	1,200	2,339	5,757	6,663
Suppliers credit	439	152	0	0	0	0	0	0	0	0	0	0
Other domestic 3/	53	1,076	1,200	843	1,292	167	2,010	297	1,200	2,339	5,757	6,663
Domestic arrears	938	877	2,748	-1,921	-4,873	-2,666	-2,215	-2,272	-1,727	0	0	0
Accumulation of arrears	938	877	3,359	1,519	0	1,672	0	0	0	0	0	0
Payment of arrears	0	0	-611	-3,440	-4,873	-4,338	-2,215	-2,272	-1,727	0	0	0
Foreign (Net)	1,561	107	-1,086	3,214	6,555	8,783	4,915	6,910	-2,961	-706	-4,366	-6,231
Amortizations	-722	-431	-2,922	-4,968	-3,946	-2,471	-4,205	-5,680	-5,329	-3,248	-12,372	-13,759
IFIs	-353	-349	-1,119	-1,960	-2,152	-2,090	-2,460	-2,265	-3,017	-3,263	-3,280	-3,686
Official bilateral	-212	-47	-257	-1,446	-1,793	-381	-1,746	-3,416	-2,318	0	-3,635	-3,757
Commercial	-157	-35	-1,546	-1,563	0	0	0	0	6	14	-5,457	-6,315
Disbursements	2,432	914	1,014	1,954	2,731	1,851	2,383	2,136	2,368	3,195	9,149	10,462
IFIs	303	530	1,006	1,954	2,731	1,851	2,383	2,194	2,435	2,635	2,622	2,608
Official bilateral	1,059	200	8	0	0	0	0	0	0	0	0	0
Commercial	1,070	184	0	0	-1	0	0	-59	-67	561	6,527	7,854
Official financing	-149	-376	822	6,228	7,770	9,402	6,737	10,454	0	-653	-1,143	-2,934
O/w: IMF	-149	-376	822	1,299	3,941	3,826	2,249	4,256	0	-653	-1,143	-2,934
Purchases	0	0	1,204	1,299	3,941	3,826	2,249	4,256	0	0	0	0
Repurchases	-149	-376	-381	0	0	0	0	0	0	-653	-1,143	-2,934
O/w: IFIs	0	0	0	4,928	3,829	5,576	4,488	6,198	0	0	0	0
External arrears (net)	0	656	3,724	4,145	-24	-23	0	0	0	0	0	0
Statistical discrepancy	1,103	-2,142	131	3,039	0	0	0	0	0	0	0	0
Memorandum items:												
Primary cash balance 4/	...	...	2,261	5,752	-343	1,829	4,058	2,341	5,047	7,529	8,408	9,123
Gross financing needs (incl. IMF debt service)	8,546	6,512	10,477	12,282	15,193	13,260	13,139	13,184	9,945	7,872	20,664	23,787
Electricity subsidy financed through the budget	1,492	881	2,326	2,986	3,649	3,805	788	765	0	0	0	0
Non-resource balance	-8,382	-7,138	-10,821	-13,440	-17,310	-16,435	-19,106	-18,871	-25,060	-29,078	-32,942	-35,491
Non-resource primary balance	-7,469	-5,727	-7,695	-11,853	-13,785	-12,716	-12,167	-12,293	-17,678	-20,404	-22,910	-24,608
Public (central government) debt 5/	26,664	56,699	70,344	103,008	144,979	121,534	168,278	157,331	171,396	183,017	191,783	199,265
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	...	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	...	...	...	...	...	...	...	...	...
Total central government debt interest rate (effective)	3.4	2.5	1.6	1.5	2.5	3.2	4.1	4.2	4.4	4.9	5.4	5.7
Domestic central government debt interest rate (effective)	2.4	4.7	1.4	1.1	3.2	12.6	5.3	8.6	6.0	6.6	6.7	6.7
External central government debt interest rate (effective)	4.2	1.5	1.6	1.5	2.3	2.5	3.9	3.5	4.1	4.6	5.1	5.4

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

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

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

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

4/ Defined as net financial transactions (cash-basis) plus net interest payment.

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

Table 4. Suriname: Central Government Operations

(In percent of GDP)

				Est.	Proj.							
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2026	2027	2028
					3rd Review		3rd Review					
Revenues	**20.3**	**18.2**	**26.4**	**26.8**	**26.1**	**25.7**	**25.3**	**25.4**	**25.8**	**25.8**	**25.8**	**25.8**
Taxes	14.9	13.3	19.5	18.6	17.1	16.6	18.6	17.5	17.8	17.8	17.6	17.7
Direct taxes	8.0	7.6	13.4	12.4	9.7	9.5	10.9	9.7	9.9	9.9	9.7	9.7
Of which: mineral taxes	2.9	3.7	7.4	7.9	4.5	4.4	5.4	4.5	6.8	7.1	7.0	7.0
Indirect taxes	6.8	5.7	6.1	6.2	7.4	7.1	7.8	7.8	8.0	8.0	8.0	8.0
Grants	0.0	0.0	0.2	0.1	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Non-tax revenues	5.4	5.0	6.7	8.1	8.6	8.6	6.7	7.9	8.0	8.0	8.2	8.1
Of which:												
Mineral resource revenues	3.3	2.7	4.7	6.4	7.4	6.3	4.8	5.4	5.5	5.5	5.7	5.6
Expenditures	**40.5**	**30.2**	**32.1**	**29.5**	**27.1**	**26.7**	**25.6**	**26.5**	**26.1**	**26.3**	**26.5**	**26.5**
Primary expenditures	37.6	26.6	26.9	25.8	24.5	24.0	21.8	22.7	22.3	22.3	22.3	22.3
Compensation of employees	10.2	10.4	7.7	8.1	6.7	6.7	6.3	7.1	7.0	7.0	7.0	7.0
Other primary current expenditure	20.8	14.0	17.6	15.4	15.1	14.8	12.4	12.2	11.7	11.7	11.7	11.7
Of which: fuel and electricity subsidies			3.8	5.1	3.0	3.0	0.4	0.4	0.0	0.0	0.0	0.0
Of which: cash transfer programs		1.6	1.5	1.9	2.9	2.8	3.0	3.0	3.0	3.0	3.0	3.0
Net acquisition of nonfinancial assets	6.6	2.2	1.6	2.3	2.6	2.6	3.1	3.3	3.6	3.6	3.6	3.6
Interest	2.9	3.6	5.1	3.7	2.6	2.7	3.9	3.8	3.7	4.0	4.2	4.2
Overall balance (net lending/borrowing) 1/	**-20.2**	**-12.0**	**-5.7**	**-2.7**	**-0.9**	**-1.0**	**-0.4**	**-1.1**	**-0.2**	**-0.5**	**-0.7**	**-0.7**
Of which: primary balance	**-17.3**	**-8.3**	**-0.5**	**1.0**	**1.7**	**1.6**	**3.5**	**2.7**	**3.5**	**3.5**	**3.5**	**3.5**
Net financial transactions	**-16.7**	**-17.5**	**-5.5**	**0.7**	**-0.9**	**-1.0**	**-0.4**	**-1.1**	**-0.2**	**-0.5**	**-0.7**	**-0.7**
Net acquisition of financial assets 2/	-2.7	2.2	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	14.0	19.7	5.0	-0.7	0.9	1.0	0.4	1.1	-0.3	0.5	0.7	0.7
Domestic (Net)	6.1	15.5	-3.8	-6.8	-0.3	-3.4	-1.1	-1.6	2.0	0.8	2.4	3.0
Amortizations	-4.0	-2.8	-4.7	-1.6	-3.8	-3.6	-3.4	-1.9	-1.2	-1.3	-2.2	-1.9
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Commercial banks	-3.8	0.0	-3.2	-0.7	-2.2	-2.1	-2.4	-1.0	-0.5	-0.6	-1.0	-0.9
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 3/	-0.2	-2.8	-1.5	-0.9	-1.6	-1.5	-1.0	-1.0	-0.5	-0.6	-1.0	-0.9
Disbursements	10.1	18.3	0.9	-5.1	3.5	0.2	2.2	0.3	3.2	2.1	4.6	4.9
Central bank	4.6	12.9	-2.4	-7.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0
Claims on government	4.4	16.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to government	-0.2	3.2	2.8	7.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0	0.0
Commercial banks	4.0	2.2	1.3	0.9	2.5	0.1	1.1	0.2	0.6	1.0	2.3	2.5
Suppliers credit	1.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 3/	0.2	2.8	2.0	0.9	1.0	0.1	1.1	0.2	0.6	1.0	2.3	2.5
Domestic arrears	3.0	2.3	4.5	-2.1	-3.6	-1.9	-1.2	-1.3	-0.9	0.0	0.0	0.0
Accumulation of arrears	3.0	2.3	5.5	1.7	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Payment of arrears	0.0	0.0	-1.0	-3.8	-3.6	-3.1	-1.2	-1.3	-0.9	0.0	0.0	0.0
Foreign (Net)	4.9	0.3	-1.8	3.6	4.8	6.3	2.7	4.0	-1.5	-0.3	-1.7	-2.3
Amortizations	-2.3	-1.1	-4.8	-5.6	-2.9	-1.8	-2.3	-3.3	-2.7	-1.4	-5.0	-5.1
IFIs	-1.1	-0.9	-1.8	-2.2	-1.6	-1.5	-1.4	-1.3	-1.5	-1.5	-1.3	-1.4
Official bilateral	-0.7	-0.1	-0.4	-1.6	-1.3	-0.3	-1.0	-2.0	-1.2	0.0	-1.5	-1.4
Commercial	-0.5	-0.1	-2.5	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	-2.2	-2.3
Disbursements	7.7	2.4	1.7	2.2	2.0	1.3	1.3	1.3	1.2	1.4	3.7	3.9
IFIs	1.0	1.4	1.7	2.2	2.0	1.3	1.3	1.3	1.2	1.2	1.0	1.0
Official bilateral	3.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	3.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	2.6	2.9
Official financing	-0.5	-1.0	1.4	7.0	5.7	6.7	3.8	6.1	0.0	-0.3	-0.5	-1.1
O/w: IMF	-0.5	-1.0	1.4	1.5	2.9	2.7	1.3	2.5	0.0	-0.3	-0.5	-1.1
Purchases	0.0	0.0	2.0	1.5	2.9	2.7	1.3	2.5	0.0	0.0	0.0	0.0
Repurchases	-0.5	-1.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.5	-1.1
O/w: IFIs	0.0	0.0	0.0	5.5	2.8	4.0	2.5	3.6	0.0	0.0	0.0	0.0
External arrears (net)	0.0	1.7	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statistical discrepancy	3.5	-5.5	0.2	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:												
Primary cash balance 4/	…	…	3.7	6.4	-0.3	1.3	2.3	1.4	2.5	3.4	3.4	3.4
Gross financing needs (incl. IMF debt service)	26.9	16.8	17.3	13.7	11.2	9.5	7.3	7.7	5.0	3.5	8.3	8.8
Electricity subsidy financed through the budget	4.7	2.3	3.8	3.3	2.7	2.7	0.4	0.4	0.0	0.0	0.0	0.0
Non-resource balance	-26.4	-18.4	-17.8	-15.0	-12.8	-11.8	-10.7	-11.0	-12.5	-12.9	-13.2	-13.1
Non-resource primary balance	-23.5	-14.8	-12.7	-13.2	-10.2	-9.1	-6.8	-7.2	-8.8	-9.1	-9.2	-9.1
Public (central government) debt 5/	84.0	146.4	115.8	115.1	107.0	87.1	93.9	92.1	85.7	81.4	76.8	73.7
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	…	…	…	…	…	…	…	…	…
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	…	…	…	…	…	…	…	…	…
Domestic debt interest rate (effective)	2.4	4.7	1.4	1.1	3.2	12.6	5.3	8.6	6.0	6.6	6.7	6.7
External debt interest rate (effective)	4.2	1.5	1.6	1.5	2.3	2.5	3.9	3.5	4.1	4.6	5.1	5.4

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

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

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

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

4/ Defined as net financial transactions (cash-basis) plus net interest payments.

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

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

	2019	2020	2021	Est. 2022	Proj. 2023 3rd Review	2023	2024 3rd Review	2024	2025	2026	2027	2028
Current account	**-448**	**260**	**176**	**76**	**54**	**90**	**38**	**94**	**39**	**58**	**53**	**44**
Exports of goods and services	2,287	2,447	2,300	2,600	2,586	2,685	2,645	2,744	2,760	2,786	2,875	2,947
Imports of goods and services	2,413	1,845	1,876	2,342	2,194	2,247	2,219	2,321	2,432	2,478	2,580	2,683
Trade balance, goods	**532**	**1,061**	**865**	**755**	**807**	**898**	**784**	**850**	**755**	**722**	**704**	**663**
Exports, f.o.b.	2,129	2,344	2,204	2,457	2,382	2,515	2,379	2,519	2,495	2,491	2,539	2,565
Of which: gold, petroleum	1,903	2,114	1,996	2,218	2,152	2,281	2,143	2,271	2,242	2,235	2,249	2,266
Imports, f.o.b.	1,598	1,282	1,338	1,701	1,576	1,617	1,595	1,669	1,740	1,768	1,835	1,902
Trade balance, services	**-658**	**-460**	**-442**	**-497**	**-415**	**-460**	**-358**	**-427**	**-427**	**-414**	**-409**	**-398**
Exports	157	103	96	143	204	170	266	225	265	295	336	382
Imports	815	563	538	640	619	630	624	652	692	709	745	780
Primary income, net	**-412**	**-466**	**-393**	**-308**	**-454**	**-464**	**-493**	**-436**	**-392**	**-348**	**-339**	**-317**
Credit	21	8	7	12	12	12	13	13	13	13	13	14
Debit	433	474	400	320	466	476	506	449	405	361	352	331
Secondary income, net	**90**	**124**	**146**	**126**	**116**	**116**	**106**	**107**	**103**	**98**	**97**	**96**
Capital and financial account	**-508**	**189**	**311**	**392**	**272**	**396**	**142**	**227**	**79**	**13**	**42**	**59**
Capital account	**-3**	**0**	**37**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial account	**-505**	**189**	**274**	**392**	**272**	**396**	**142**	**227**	**79**	**13**	**42**	**59**
Foreign direct investment	8	0	124	-3	29	64	-3	13	-14	-16	-48	-31
Portfolio investment	-117	-35	-47	19	0	0	0	0	0	0	0	0
Central government	125	0	0	0	0	0	0	0	0	0	1	2
Other investment	-397	225	197	376	243	332	146	214	93	29	91	90
Net Acquisition of Assets	-244	168	-43	-36	0	0	0	0	0	0	0	0
Net Incurrence of Liabilities	152	-57	-240	-411	-243	-332	-146	-214	-93	-29	-91	-90
Central government	104	52	-104	-122	-32	-17	-41	-86	-65	-1	-63	-62
Disbursements	201	98	55	79	71	50	53	52	52	65	178	197
IFIs	41	57	55	79	71	50	53	53	54	54	51	49
Official bilateral	142	21	0	0	0	0	0	0	0	0	0	0
Commercial	19	20	0	0	0	0	0	-1	-1	11	127	148
Amortization	97	46	159	202	103	66	94	137	117	66	241	259
IFIs	47	37	61	80	56	56	55	55	66	67	64	69
Official bilateral	28	5	14	59	47	10	39	83	51	0	71	71
Commercial	21	4	84	63	0	0	0	0	0	0	106	119
Other Sectors (including SOE)	48	-109	-136	-289	-211	-315	-105	-128	-28	-28	-28	-28
Errors and omissions	**-289**	**-114**	**240**	**118**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Overall balance	**-234**	**-43**	**179**	**-198**	**-218**	**-306**	**-104**	**-133**	**-39**	**45**	**11**	**-15**
Financing	**234**	**43**	**-179**	**198**	**218**	**306**	**104**	**133**	**39**	**-45**	**-11**	**15**
Change in reserves (- = increase)	254	83	-416	-225	-39	-1	-246	-268	-23	-32	12	71
Official financing	-20	-40	34	254	258	308	351	401	63	-13	-22	-55
O/w: IMF	-20	-40	34	54	158	158	251	251	63	-13	-22	-55
Purchases	0	0	55	54	158	158	251	251	63	0	0	0
O/w: for budget support	0	0	56	53	103	103	50	103	0	0	0	0
Repurchases	20	40	21	0	0	0	0	0	0	13	22	55
O/w: IFIs	0	0	0	200	100	150	100	150	0	0	0	0
External arrears (net) 1/			203	168	-1	-1	0	0	0	0	0	0
Financing from external debt restructuring 2/					114	114	114	144	12	28	614	-177
Memorandum items:												
Gross international reserves	648	585	992	1,195	1,234	1,196	1,480	1,464	1,488	1,520	1,508	1,438
In months of imports of goods and services	4.2	3.7	5.1	6.4	6.7	6.4	8.0	7.6	7.3	7.4	7.0	6.4
In percent of Reserve adequacy (risk-weighted measure) 3/	77	73	112	135	141	135	162	159	161	166	166	161
Usable gross international reserves 4/	505	129	512	865	995	962	1,241	1,230	1,253	1,285	1,274	1,203
In months of imports of goods and services	3.3	0.8	2.6	4.6	5.4	5.1	6.7	6.4	6.2	6.2	5.9	5.4
In percent of Reserve adequacy (risk-weighted measure) 3/	60	16	58	98	114	109	136	134	136	140	141	135
Reserve adequacy (risk-weighted measure), USD millions 3/	843	804	886	885	875	885	911	920	923	916	906	894
In months of imports	5.5	5.1	4.5	4.7	4.7	4.6	4.8	4.5	4.5	4.3	4.1	3.8
GDP (in millions of USD)	4,016	2,912	3,084	...	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,685	1,923	1,651	1,978	2,072	2,137	2,175	2,208
Oil price (USD per barrel)	61	42	69	96	80	80	80	80	76	73	70	67
Weighted average exchange rate (SRD per USD, period average)	7.9	13.3	19.7	...	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	...	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+=appreciation; percent change; period average)	0.7	-19.0	-0.6	...	...	...	...	...	...	...	...	...
External Debt 5/	3,779	3,650	4,088	4,178	4,170	4,194	4,382	4,425	4,421	4,333	4,191	4,042
External debt (Percent of GDP)	99.0	163.4	140.2	148.0	129.0	117.9	112.1	111.8	105.0	97.0	87.6	80.5
o/w: Change in external debt due to exchange rate movements	9.8	86.7	21.8	...	...	...	...	...	...	...	...	...

Sources: Surinamese authorities; and IMF staff calculations and projections.
1/ External arrears in 2020 are implicitly covered in errors and omissions.
2/ Calculated as a difference between the debt restructuring scenario and a scenario without debt restructuring.
3/ Based on IMF, 2015, "Assessing Reserve Adequacy."
4/ Excluding the PBOC swap and ring-fenced reserves.
5/ Includes both private and public sector debt.

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

				Est.	Proj.							
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2026	2027	2028
					3rd Review		3rd Review					
Current account	**-11.2**	**8.9**	**5.7**	**2.1**	**1.5**	**2.4**	**1.0**	**2.3**	**0.9**	**1.3**	**1.1**	**0.9**
Exports of goods and services	**56.9**	**84.0**	**74.6**	**71.6**	**73.1**	**71.6**	**66.2**	**66.4**	**62.8**	**60.8**	**59.1**	**57.9**
Imports of goods and services	**60.1**	**63.4**	**60.8**	**64.5**	**62.0**	**59.9**	**55.6**	**56.1**	**55.3**	**54.0**	**53.0**	**52.7**
Trade balance, goods	**13.2**	**36.5**	**28.1**	**20.8**	**22.8**	**23.9**	**19.6**	**20.6**	**17.2**	**15.8**	**14.5**	**13.0**
Exports, f.o.b.	53.0	80.5	71.5	67.7	67.3	67.0	59.6	60.9	56.7	54.3	52.2	50.4
Of which: gold, petroleum	47.4	72.6	64.7	61.1	60.8	60.8	53.7	54.9	51.0	48.7	46.2	44.5
Imports, f.o.b.	39.8	44.0	43.4	46.9	44.5	43.1	39.9	40.4	39.6	38.6	37.7	37.4
Trade balance, services	**-16.4**	**-15.8**	**-14.3**	**-13.7**	**-11.7**	**-12.3**	**-9.0**	**-10.3**	**-9.7**	**-9.0**	**-8.4**	**-7.8**
Exports	3.9	3.5	3.1	3.9	5.8	4.5	6.7	5.4	6.0	6.4	6.9	7.5
Imports	20.3	19.3	17.4	17.6	17.5	16.8	15.6	15.8	15.7	15.5	15.3	15.3
Primary income, net	**-10.3**	**-16.0**	**-12.7**	**-8.5**	**-12.8**	**-12.4**	**-12.4**	**-10.5**	**-8.9**	**-7.6**	**-7.0**	**-6.2**
Credit	0.5	0.3	0.2	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Debit	10.8	16.3	13.0	8.8	13.2	12.7	12.7	10.8	9.2	7.9	7.2	6.5
Secondary income, net	**2.2**	**4.3**	**4.7**	**3.5**	**3.3**	**3.1**	**2.6**	**2.6**	**2.3**	**2.1**	**2.0**	**1.9**
Capital and financial account	**-12.7**	**6.5**	**10.1**	**10.8**	**7.7**	**10.6**	**3.6**	**5.5**	**1.8**	**0.3**	**0.9**	**1.2**
Capital account	**-0.1**	**0.0**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Financial account	**-12.6**	**6.5**	**8.9**	**10.8**	**7.7**	**10.6**	**3.6**	**5.5**	**1.8**	**0.3**	**0.9**	**1.2**
Foreign direct investment	0.2	0.0	4.0	-0.1	0.8	1.7	-0.1	0.3	-0.3	-0.4	-1.0	-0.6
Portfolio investment	-2.9	-1.2	-1.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	-9.9	7.7	6.4	10.4	6.9	8.8	3.6	5.2	2.1	0.6	1.9	1.8
Net Acquisition of Assets	-6.1	5.8	-1.4	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	3.8	-2.0	-7.8	-11.3	-6.9	-8.8	-3.6	-5.2	-2.1	-0.6	-1.9	-1.8
Central government	2.6	1.8	-3.4	-3.4	-0.9	-0.4	-1.0	-2.1	-1.5	0.0	-1.3	-1.2
Disbursements	5.0	3.4	1.8	2.2	2.0	1.3	1.3	1.3	1.2	1.4	3.7	3.9
IFIs	1.0	2.0	1.8	2.2	2.0	1.3	1.3	1.3	1.2	1.2	1.0	1.0
Official bilateral	3.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	0.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	2.6	2.9
Amortization	2.4	1.6	5.2	5.6	2.9	1.8	2.3	3.3	2.7	1.4	5.0	5.1
IFIs	1.2	1.3	2.0	2.2	1.6	1.5	1.4	1.3	1.5	1.5	1.3	1.4
Official bilateral	0.7	0.2	0.5	1.6	1.3	0.3	1.0	2.0	1.2	0.0	1.5	1.4
Commercial	0.5	0.1	2.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0	2.2	2.3
Other Sectors (including SOE)	1.2	-3.7	-4.4	-8.0	-6.0	-8.4	-2.6	-3.1	-0.6	-0.6	-0.6	-0.6
Errors and omissions	**-7.2**	**-3.9**	**7.8**	**3.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance	**-5.8**	**-1.5**	**5.8**	**-5.4**	**-6.2**	**-8.1**	**-2.6**	**-3.2**	**-0.9**	**1.0**	**0.2**	**-0.3**
Financing	**5.8**	**1.5**	**-5.8**	**5.4**	**6.2**	**8.1**	**2.6**	**3.2**	**0.9**	**-1.0**	**-0.2**	**0.3**
Change in reserves (- = increase)	6.3	2.9	-13.5	-6.2	-1.1	0.0	-6.2	-6.5	-0.5	-0.7	0.2	1.4
Official financing	-0.5	-1.4	1.1	7.0	7.3	8.2	8.8	9.7	1.4	-0.3	-0.5	-1.1
O/w: IMF	-0.5	-1.4	1.1	1.5	4.5	4.2	6.3	6.1	1.4	-0.3	-0.5	-1.1
Purchases	0.0	0.0	1.8	1.5	4.5	4.2	6.3	6.1	1.4	0.0	0.0	0.0
O/w: for budget support	0.0	0.0	1.8	1.5	2.9	2.7	1.3	2.5	0.0	0.0	0.0	0.0
Repurchases	0.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	1.1
O/w: IFIs	0.0	0.0	0.0	5.5	2.8	4.0	2.5	3.6	0.0	0.0	0.0	0.0
External arrears (net) 1/			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing from external debt restructuring 2/					3.2	3.0	2.9	3.5	0.3	0.6	12.6	-3.5
Memorandum items:												
Gross international reserves	648	585	992	1,195	1,234	1,196	1,480	1,464	1,488	1,520	1,508	1,438
In months of imports of goods and services	4.2	3.7	5.1	6.4	6.7	6.4	8.0	7.6	7.3	7.4	7.0	6.4
In percent of Reserve adequacy (risk-weighted measure) 3/	77	73	112	135	141	135	162	159	161	166	166	161
Usable gross international reserves 4/	505	129	512	865	995	962	1,241	1,230	1,253	1,285	1,274	1,203
In months of imports of goods and services	3.3	0.8	2.6	4.6	5.4	5.1	6.7	6.4	6.2	6.2	5.9	5.4
In percent of Reserve adequacy (risk-weighted measure) 3/	60	16	58	98	114	109	136	134	136	140	141	135
Reserve adequacy (risk-weighted measure), USD millions 3/	843	804	886	885	875	885	911	920	923	916	906	894
In months of imports	5.5	5.1	4.5	4.7	4.7	4.6	4.8	4.5	4.5	4.3	4.1	3.8
GDP (in millions of USD)	4,016	2,912	3,084	...	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,685	1,923	1,651	1,978	2,072	2,137	2,175	2,208
Oil price (USD per barrel)	61	42	69	96	80	80	80	80	76	73	70	67
Weighted average exchange rate (SRD per USD, period average)	7.9	13.3	19.7	...	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	...	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+=appreciation; percent change;	0.7	-19.0	-0.6	...	...	...	...	...	...	...	...	...
External Debt 5/	3,779	3,650	4,088	4,178	4,170	4,194	4,382	4,425	4,421	4,333	4,191	4,042
External debt (Percent of GDP)	99.0	163.4	140.2	148.0	129.0	117.9	112.1	111.8	105.0	97.0	87.6	80.5
o/w: Change in external debt due to exchange rate movements	9.8	86.7	21.8	...	...	...	...	...	...	...	...	...

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

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

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

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

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

5/ Includes both private and public sector debt.

Table 7. Suriname: Gross External Financing Requirements

(In millions of US. dollars, unless otherwise indicated)

	2019	2020	2021	Est. 2022	Proj. 2023 3rd Review	2023	2024 3rd Review	2024	2025	2026	2027	2028
1. Gross external financing requirements	**557**	**-119**	**82**	**239**	**261**	**291**	**161**	**172**	**131**	**86**	**241**	**244**
A. Current account deficit	448	-260	-176	-76	-54	-90	-38	-94	-39	-58	-53	-44
B. Public sector debt amortization	122	146	259	308	203	166	194	237	142	116	266	260
(i) Central government	97	46	159	202	103	66	94	137	117	66	241	259
(ii) CBvS	0	0	0	0	0	0	0	0	0	0	0	1
(iii) SOEs	25	100	100	107	100	100	100	100	25	50	25	0
C. Other outflows	-13	-5	-1	7	111	215	5	28	28	28	28	28
2. Sources of financing	**611**	**-48**	**21**	**-77**	**-71**	**-128**	**-58**	**-105**	**79**	**103**	**-363**	**406**
A. Asset sales (net) (Other investment account)	244	-168	43	36	0	0	0	0	0	0	0	0
B. Foreign direct investment (net)	-8	0	-124	3	-29	-64	3	-13	14	16	48	31
C. Portfolio flows (net)	117	35	47	-19	0	0	0	0	0	0	0	0
(i) Central government	125	0	0	0	0	0	0	0	0	0	0	1
(ii) SOEs	0	51	0	0	0	0	0	0	0	0	0	0
(iii) Other	-9	-16	47	-19	0	0	0	0	0	0	0	-1
D. Public sector debt financing	201	98	55	79	71	50	53	52	52	65	178	197
(i) Central government	201	98	55	79	71	50	53	52	52	65	178	197
(ii) SOEs	0	0	0	0	0	0	0	0	0	0	0	0
E. Other inflows (net)	57	-14	0	-176	-114	-114	-114	-144	13	22	-589	178
Balance (2-1) excluding expected accumulation of gross reserves; Gap (-) Surplus (+)	54	71	-61	-316	-332	-419	-219	-277	-52	17	-603	161
3. Expected change in gross reserves of the CBvS; accumulation (-)	**254**	**83**	**-416**	**-225**	**-39**	**-1**	**-246**	**-268**	**-23**	**-32**	**12**	**71**
4. Errors and omissions	**-289**	**-114**	**240**	**118**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
5. Financing needs -(2-1+3+4)	**-20**	**-40**	**237**	**423**	**371**	**421**	**465**	**545**	**75**	**15**	**592**	**-232**
Allocation by:												
(i) Official financing	-20	-40	34	254	258	308	351	401	63	-13	-22	-55
a. IMF	-20	-40	34	54	158	158	251	251	63	-13	-22	-55
Purchases	0	0	55	54	158	158	251	251	63	0	0	0
O/w: for budget support	0	0	56	53	103	103	50	103	0	0	0	0
Repurchases	20	40	21	0	0	0	0	0	0	13	22	55
b. IFIs	0	0	0	200	100	150	100	150	0	0	0	0
(ii) External arrears (net)			203	168	-1	-1	0	0	0	0	0	0
(iii) Financing from external debt restructuring 1/					114	114	114	144	12	28	614	-177
					(In percent of GDP)							
1. Gross external financing requirements	**13.9**	**-4.1**	**2.7**	**6.6**	**7.4**	**7.8**	**4.0**	**4.1**	**3.0**	**1.9**	**5.0**	**4.8**
A. Current account deficit	11.2	-8.9	-5.7	-2.1	-1.5	-2.4	-1.0	-2.3	-0.9	-1.3	-1.1	-0.9
B. Public sector debt amortization	3.0	5.0	8.4	8.5	5.7	4.4	4.9	5.7	3.2	2.5	5.5	5.1
(i) Central government	2.4	1.6	5.2	5.6	2.9	1.8	2.3	3.3	2.7	1.4	5.0	5.1
(ii) CBvS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) SOEs	0.6	3.4	3.2	2.9	2.8	2.7	2.5	2.4	0.6	1.1	0.5	0.0
C. Other outflows	-0.3	-0.2	0.0	0.2	3.1	5.7	0.1	0.7	0.6	0.6	0.6	0.6
2. Sources of financing	**15.2**	**-1.6**	**0.7**	**-2.1**	**-2.0**	**-3.4**	**-1.4**	**-2.5**	**1.8**	**2.3**	**-7.5**	**8.0**
A. Asset sales (net) (Other investment account)	6.1	-5.8	1.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign direct investment (net)	-0.2	0.0	-4.0	0.1	-0.8	-1.7	0.1	-0.3	0.3	0.4	1.0	0.6
C. Portfolio flows (net)	2.9	1.2	1.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Central government	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) SOEs	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Other	-0.2	-0.5	1.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Public sector debt financing	5.0	3.4	1.8	2.2	2.0	1.3	1.3	1.3	1.2	1.4	3.7	3.9
(i) Central government	5.0	3.4	1.8	2.2	2.0	1.3	1.3	1.3	1.2	1.4	3.7	3.9
(ii) SOEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. Other inflows (net)	1.4	-0.5	0.0	-4.8	-3.2	-3.0	-2.9	-3.5	0.3	0.5	-12.1	3.5
Balance (2-1) excluding expected accumulation of gross reserves; Gap (-) Surplus (+)	1.3	2.4	-2.0	-8.7	-9.4	-11.2	-5.5	-6.7	-1.2	0.4	-12.4	3.2
3. Expected change in gross reserves of the CBvS; accumulation (-)	**6.3**	**2.9**	**-13.5**	**-6.2**	**-1.1**	**0.0**	**-6.2**	**-6.5**	**-0.5**	**-0.7**	**0.2**	**1.4**
4. Errors and omissions	**-7.2**	**-3.9**	**7.8**	**3.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
5. Financing needs -(2-1+3+4)	**-0.5**	**-1.4**	**7.7**	**11.6**	**10.5**	**11.2**	**11.6**	**13.2**	**1.7**	**0.3**	**12.2**	**-4.6**
Allocation by:												
(i) Official financing	-0.5	-1.4	1.1	7.0	7.3	8.2	8.8	9.7	1.4	-0.3	-0.5	-1.1
a. IMF	-0.5	-1.4	1.1	1.5	4.5	4.2	6.3	6.1	1.4	-0.3	-0.5	-1.1
Purchases	0.0	0.0	1.8	1.5	4.5	4.2	6.3	6.1	1.4	0.0	0.0	0.0
O/w: for budget support	0.0	0.0	1.8	1.5	2.9	2.7	1.3	2.5	0.0	0.0	0.0	0.0
Repurchases	0.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	1.1
b. IFIs	0.0	0.0	0.0	5.5	2.8	4.0	2.5	3.6	0.0	0.0	0.0	0.0
(ii) External arrears (net)			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Financing from external debt restructuring 1/					3.2	3.0	2.9	3.5	0.3	0.6	12.6	-3.5

Sources: Fund staff estimates and projections.

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

Table 8. Suriname: Depositary Corporations Survey and Central Bank Accounts

(Millions of SRD)

							Proj.			
	2017	2018	2019	2020	2021	2022	2023	2023	2024	2024
							3rd Review		3rd Review	
Monetary Survey										
Net foreign assets	**6,365**	**8,430**	**5,867**	**11,674**	**23,827**	**47,473**	**70,168**	**65,480**	**82,742**	**77,949**
Net international reserves (Held by the CBvS)	2,515	3,685	4,345	7,905	20,727	36,876	47,240	43,344	53,755	52,910
Net other foreign assets	3,850	4,745	1,522	3,769	3,100	10,596	22,928	22,136	28,987	25,039
Net domestic assets	**10,669**	**9,976**	**13,430**	**20,119**	**22,358**	**19,544**	**18,854**	**16,791**	**21,161**	**15,859**
Net claims on the public sector	3,726	3,462	4,787	11,310	10,682	4,684	1,693	607	894	-265
Of which: on central government	3,912	3,612	5,055	11,360	10,501	5,301	2,539	1,344	1,799	543
From CBvS	1,947	1,797	3,248	8,234	6,877	780	-2,039	-1,287	-3,127	-2,378
From Commercial Banks	1,964	1,815	1,807	3,126	3,624	4,521	4,578	2,631	4,926	2,921
Net claims LC	1,186	1,053	78	985	390	-385	-1,190	-1,562	-1,171	-1,592
Net claims FC	779	762	1,729	2,141	3,234	4,906	5,768	4,192	6,096	4,513
(In USD millions)	105	103	234	153	155	154	138	107	133	105
Credit to the private sector	7,618	7,278	7,310	9,299	11,019	18,255	23,938	23,022	28,731	26,199
Other items, net	-675	-764	1,334	-490	657	-3,395	-6,778	-6,837	-8,463	-10,076
Broad money 1/	**17,030**	**18,403**	**19,269**	**31,793**	**46,185**	**67,016**	**89,022**	**82,271**	**103,903**	**93,808**
Currency in circulation	1,288	1,504	1,973	3,498	4,397	5,578	6,696	6,473	7,985	7,712
Local currency deposits	4,783	5,731	6,842	8,473	10,623	13,321	17,224	16,649	21,081	20,361
Foreign currency deposits	10,959	11,168	10,454	19,823	31,165	48,117	65,102	59,149	74,837	65,735
Central Bank (CBvS)										
Net foreign assets	**512**	**1,992**	**2,394**	**4,039**	**11,266**	**28,020**	**35,497**	**32,356**	**40,856**	**40,766**
(In USD millions)	**69**	**269**	**324**	**288**	**539**	**882**	**847**	**825**	**891**	**945**
Net international reserves	2,515	3,685	4,345	7,905	20,727	36,876	47,240	43,344	53,755	52,910
(In USD millions)	340	498	587	564	992	1,161	1,127	1,105	1,172	1,226
Of which:										
Gross International Reserves	3,140	4,296	4,790	8,199	20,730	37,934	51,736	46,852	67,868	63,141
(In USD millions)	424	581	648	585	992	1,194	1,234	1,195	1,480	1,463
Liabilities	-625	-611	-445	-294	-3	-1,058	-4,496	-3,508	-14,113	-10,231
(In USD millions)	-84	-82	-60	-21	0	-33	-107	-89	-308	-237
Net other foreign assets	-398	-1,694	-1,951	-3,866	-9,461	-8,856	-11,743	-10,988	-12,899	-12,144
Gross Other foreign assets	360	256	21	44	63	95	135	121	147	133
(In USD millions)	49	35	3	3	3	3	3	3	3	3
Gross other foreign liabilities	-1,944	-1,950	-1,971	-3,910	-9,524	-8,951	-11,877	-11,109	-13,046	-12,277
(In USD millions)	-263	-264	-267	-279	-456	-282	-283	-283	-284	-284
SDR allocations	-900	-906	-901	-1,779	-6,189	-8,947	-11,872	-11,104	-13,040	-12,272
(In USD millions)	-122	-123	-122	-127	-296	-282	-283	-283	-284	-284
Other (incl. RMB Swap with PBoC)	-1,043	-1,043	-1,070	-2,131	-3,335	-5	-5	-5	-6	-5
(In USD millions)	-141	-141	-145	-152	-160	0	0	0	0	0
Net domestic assets	**3,162**	**2,983**	**7,198**	**8,766**	**7,689**	**-565**	**-4,124**	**-3,957**	**-3,325**	**-8,456**
Net claims on public sector	1,947	1,797	3,248	8,234	6,877	780	-2,039	-1,287	-3,127	-2,378
Of which: central government	1,947	1,797	3,248	8,234	6,877	780	-2,039	-1,287	-3,127	-2,378
Net claims on commercial banks	186	39	264	-2,496	-4,731	-7,380	-9,517	-9,203	-8,239	-11,327
Other items, net	1,029	1,147	3,686	3,027	5,544	6,035	7,431	6,532	8,041	5,249
Reserve money	**3,674**	**4,975**	**9,593**	**12,817**	**18,967**	**27,470**	**31,374**	**28,399**	**37,532**	**32,310**
Currency in circulation	1,550	1,757	2,263	3,861	4,792	6,084	7,411	7,169	8,837	8,542
Bankers deposits	2,007	3,109	7,211	8,869	14,054	21,229	23,713	21,002	28,426	23,522
Other demand deposits in national currency	74	68	90	19	23	14	49	39	49	39
Gold certificates	43	42	28	67	97	143	201	188	219	207
Memorandum items:			(12-month percent change, unless otherwise indicated)							
Monetary survey										
Velocity (GDP/broad money; end of period)	1.6	1.6	1.6	1.2	1.3	1.3	1.5	1.7	1.7	1.8
Broad money	9.0	8.1	4.7	65.0	45.3	45.1	32.8	22.8	16.7	14.0
Broad money (constant exchange rate)	8.6	8.1	4.7	16.4	60.2	11.7	13.8	10.3	13.7	11.7
Broad money (local currency portion only)	12.4	19.2	21.8	35.8	25.5	25.8	26.6	22.3	21.5	21.4
Broad money (in real terms)	-0.3	2.5	0.5	2.6	-9.6	-6.1	-5.1	-11.9	-2.7	-0.8
Broad money (Percent of GDP)	63.3	61.7	60.7	82.1	76.0	74.9	65.7	59.0	58.0	54.9
FX deposits	6.6	1.9	-6.4	0.0	5.5	1.6	2.5	-0.4	5.1	1.0
Credit to the private sector	1.2	-4.5	0.4	27.2	18.5	65.7	31.2	26.1	20.0	13.8
Credit to private sector (in real terms)	-7.4	-9.4	-3.6	-20.9	-26.3	7.2	-6.3	-9.5	0.0	-1.0
Credit to private sector (Percent of GDP)	28.3	24.4	23.0	24.0	18.1	20.4	17.7	16.5	16.0	15.3
Central bank										
Reserve money	22.3	35.4	92.8	33.6	48.0	44.8	14.2	3.4	19.6	13.8
Reserve money (constant exchange rate)	24.4	37.1	144.1	-5.6	24.3	21.8	10.6	5.1	19.3	12.4
Reserve money (local currency portion only)	19.3	33.1	19.1	42.7	26.3	32.3	31.8	27.4	24.0	15.9
Reserve money (in real terms)	11.9	28.4	85.0	-16.9	-7.9	-6.3	-18.4	-25.8	-0.3	-1.0
Reserve money (Percent of GDP)	13.7	16.7	30.2	33.1	31.2	30.7	23.2	20.4	20.9	18.9
Money multiplier (SRD broad money/reserve mor	1.9	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.5	1.6

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

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

Table 9. Suriname: Financial Soundness Indicators

(In percent)

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

Source: Central Bank of Suriname

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

* IMF staff calculations

Table 10a. Suriname: Original Schedule of Reviews and Available Purchases

Availability Date	Millions of SDR	Percent of Quota	Conditions
12/22/2021	39.4	30.6	Board Approval of the Extended Arrangement
3/15/2022	39.4	30.6	First review and continuous and end-December 2021 performance criteria
6/14/2023	39.4	30.6	Second review and continuous, end-December 2022 performance criteria 1/
9/14/2023	39.4	30.6	Third review and continuous and end-June 2023 performance criteria
12/14/2023	39.4	30.6	Fourth review and continuous and end-September 2023 performance criteria
3/14/2024	46.7	36.3	Fifth review and continuous and end-December 2023 performance criteria
6/14/2024	46.7	36.3	Sixth review and continuous and end-March 2024 performance criteria
9/14/2024	46.7	36.3	Seventh review and continuous and end-June 2024 performance criteria
12/6/2024	46.8	36.3	Eight and final review and continuous and end-September 2024 performance criteria
Total	**383.9**	**297.8**	
Memo:			
Quota	128.9		

Table 10b. Suriname: Proposed Schedule of Reviews and Available Purchases

Availability Date	Millions of SDR	Percent of Quota	Conditions
12/22/2021	39.4	30.6	Board Approval of the Extended Arrangement
3/15/2022	39.4	30.6	First review and continuous and end-December 2021 performance criteria
6/14/2023	39.4	30.6	Second review and continuous, end-December 2022 performance criteria 1/
9/14/2023	39.4	30.6	Third review and continuous and end-June 2023 performance criteria
12/14/2023	39.4	30.6	Fourth review and continuous and end-September 2023 performance criteria
3/14/2024	46.7	36.3	Fifth review and continuous and end-December 2023 performance criteria
6/14/2024	46.7	36.3	Sixth review and continuous and end-March 2024 performance criteria
9/14/2024	46.7	36.3	Seventh review and continuous and end-June 2024 performance criteria
12/6/2024	46.8	36.3	Eight review and continuous and end-September 2024 performance criteria
3/14/2025	46.8	36.3	Ninth and final review and continuous and end-December 2024 performance criteria
Total	**430.7**	**334.1**	
Memo:			
Quota	128.9		

Table 11. Suriname: Program Monitoring—Indicators of Fund Credit Under the EFF Supported Program

(In millions of SDR, unless otherwise indicated)

							Proj.						
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prospective Drawings	39.4	118.2	186.9	46.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of quota	30.6	91.7	145.0	36.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	9.8	16.4	40.6	67.9	71.8	71.8	61.9	55.4	31.2
Total Interest / Charges	2.0	8.5	18.3	28.8	30.1	29.3	28.3	25.3	19.6	14.8	11.1	8.0	5.4
Total Debt Services	2.0	8.5	18.3	28.8	39.9	45.7	68.9	93.2	91.4	86.6	73.1	63.4	36.6
Percent of exports	0.1	0.4	0.9	1.4	1.9	2.2	3.2	4.2	3.9	3.6	2.9	2.4	1.3
Percent of usable reserves	0.3	1.2	2.0	3.1	4.2	4.9	7.8	11.6	13.1	16.3	19.1	25.5	21.3
Percent of GDP	0.1	0.3	0.6	0.9	1.2	1.3	1.8	0.1	0.1	0.1	0.1	0.0	0.0
Percent of quota	1.6	6.6	14.2	22.3	31.0	35.4	53.5	72.3	70.9	67.2	56.7	49.2	28.4
Outstanding Credit (eop)	78.8	197.0	383.9	430.7	420.9	404.4	363.8	295.9	224.2	152.4	90.4	35.1	3.9
Percent of exports	4.1	9.8	18.8	21.0	20.4	19.1	16.7	13.2	9.6	6.3	3.6	1.3	0.1
Percent of usable reserves	12.2	27.4	41.8	46.3	44.3	43.0	41.0	36.9	32.1	28.7	23.7	14.1	2.3
Percent of GDP	2.9	7.0	12.4	13.2	12.4	11.3	9.7	7.4	5.3	3.4	1.9	0.7	0.1
Percent of quota	61.1	152.8	297.8	334.1	326.5	313.8	282.2	229.6	173.9	118.2	70.2	27.2	3.0
Memo items:													
Quota	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9
Exports of G&S (US$ million)	2,600	2,685	2,744	2,760	2,786	2,875	2,947	3,036	3,154	3,284	3,427	3,585	3,759
Gross International Reserves (US$ million)	1,195	1,196	1,464	1,488	1,520	1,508	1,438	1,321	1,182	953	752	572	467
as percent of ARA	135	135	159	161	166	166	161	151	138	112	90	69	57
Gross International Usable Reserves (excluding PBoC swap and ring-fenced reserves (US$ million)	865	962	1,230	1,253	1,285	1,274	1,203	1,086	948	719	518	337	233
as percent of ARA	98	109	134	136	140	141	135	124	110	85	62	41	28
Nominal GDP (SRD million)	89,472	139,490	170,864	199,932	224,725	249,844	270,266	292,603	316,857	343,065	371,510	402,254	435,481

Source: IMF staff calculations and projections.

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

(In millions of Suriname dollars, unless otherwise indicated)

	2020	2021				2022											
		end-Dec				end-Jan.				end-Feb.				end-Mar.			
	Act.	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14.018	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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

(In millions of Suriname dollars, unless otherwise indicated)

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

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

(In millions of Suriname dollars, unless otherwise indicated)

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

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

(In millions of Suriname dollars, unless otherwise indicated)

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

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

(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,020	Met	1,338	1,693	2,189	Met	1,529	1,826	[1897]	[Met]
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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

(In millions of Suriname dollars, unless otherwise indicated)

	2023															
	end-Sep.				end-Oct.				end-Nov.				end-Dec.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,721	1,790	[1909]	[Met]	1,912		TBD	TBD	2,103		TBD	TBD	2,294		TBD	TBD
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57		TBD	TBD	-73		TBD	TBD	-6		TBD	TBD
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214		TBD	TBD	4,722		TBD	TBD	4,121		TBD	TBD
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		TBD	TBD	25		TBD	TBD	30		TBD	TBD
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		TBD	TBD
Memorandum items																
Reserve money	29,440		26,720		30,049		TBD		30,670		TBD		31,374		TBD	
Reserve money (local currency portion only)	15,320		14,208		15,573		TBD		15,831		TBD		16,162		TBD	
Reserve money (constant exchange rates)	20,589		19,167		20,857		TBD		21,130		TBD		21,477		TBD	
NFA (constant exchange rates)	8,797		8,819		8,742		TBD		8,507		TBD		9,455		TBD	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		TBD		1,112		TBD		1,234		TBD	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		TBD		873		TBD		995		TBD	
Program exchange rate	14.018		14.018		14.018		TBD		14.018		TBD		14.018		TBD	

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

(In millions of Suriname dollars, unless otherwise indicated)

	2024														
	end-Jan.	end-Feb.	end-Mar.		end-Apr.	end-May.	end-Jun.		end-Jul.	end Aug.	end Sep.		end Oct.	end Nov.	end Dec.
	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC
Quantitative Performance Criteria															
Fiscal/debt targets															
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384	769	1,525	1,153	1,538	1,922	3,050	2,307	2,691	3,076	4,705	3,460	3,844	4,229	4,613
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. New central government guaranteed debt (continuous ceiling)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary targets															
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-25	-29	-37	-44	11	-8	0	-7	-28	-39	-39	-46	-65	-1
7. Net domestic assets of the central bank (ceiling) 2/	454	1,041	1,566	1,495	1,836	1,272	2,189	1,621	1,888	2,333	3,648	2,645	3,948	4,436	3,730
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 6/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	3	7	15	15	17	20	30	30	30	30	30	30	30	30	30
Indicative Targets															
1. Social spending of central government (floor) 2/			1,308	1,134			2,617	2,454			4,033	3,693			5,122
Memorandum items															
Reserve money	28,866	29,300	33,018	29,699	30,058	30,387	34,434	30,685	30,973	31,247	35,969	31,512	31,778	32,043	32,310
Reserve money (local currency portion only)	15,978	16,298	17,255	16,582	16,824	17,036	18,109	17,217	17,386	17,539	19,070	17,684	17,827	17,969	18,112
Reserve money (constant exchange rates)	20,761	21,085	22,637	21,373	21,619	21,834	23,557	22,018	22,190	22,348	24,584	22,495	22,642	22,788	22,933
NFA (constant exchange rates)	9,112	8,849	9,050	8,682	8,587	9,366	9,347	9,201	9,106	8,818	8,914	8,655	8,559	8,298	9,186
Gross international reserves (millions of U.S. dollar)	1,188	1,169	1,271	1,225	1,218	1,274	1,359	1,329	1,322	1,302	1,395	1,358	1,351	1,332	1,463
Usable international reserves (millions of U.S. dollar) 5/	955	936	1,033	991	984	1,040	1,120	1,096	1,089	1,068	1,156	1,124	1,117	1,099	1,229
Program exchange rate	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018

Source: Authorities and IMF staff calculations and projections.

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

2/ Cumulative flows from begining of the year.

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

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

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

6/ Non-observance for the month February 2023

Table 13. Suriname: Structural Benchmarks Under the EFF

Measure	SR ¶	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce strict limits on monetary financing (with transitional rules).		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters.	18	September 2023	Not met; implemented with delay in [December]	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	21	March 2024	Proposed to be reset to June 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	21	March 2024	Proposed to be reset to June 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	21	December 2023	Proposed to be reset to March 2024	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	18	December 2023		Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.

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Measure	SR ¶	Target date	Status	Objective
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	20	December 2023		Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility	20	October 2023	Met	Improve strength of the financial sector.

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

Measure	SR ¶	Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	11	December 2023		Strengthen social spending.
Publish a report of the 10 largest state-owned enterprises by total assets that identifies and quantifies the principal fiscal risks created by these enterprises.	12	December 2023	Proposed to be reformulated and reset as below	Contain fiscal risks.
Prepare a report that identifies and quantifies the principal fiscal risks generated by the largest state-owned enterprises.	12	June 2024	Reformulated as new SB	Contain fiscal risks.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.	11	June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption		July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.	11	October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detailed procedures) to halt payments of salaries for unregistered workers.	11	October 2023	Not Met; implemented with delay in November 2023	Strenthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	12	December 2023	Proposed to be reset to March 2024	Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	11	September 2023	Met	Strengthen PFM.
Publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries.	11	September 2024	Proposed new SB	Climate adaptation to contain fiscal risks.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	14	January 2024	Proposed new SB	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	11	January 2024	Proposed new SB	Improve governance and increase transparency.

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Annex I. Debt Sustainability Analysis

Figure 1. Suriname: Risk of Sovereign Stress

Horizon	Mechanical signal	Final assessment	Comments
Overall	…	**High**	The overall risk of sovereign stress is high.
Near term 1/	n.a.	n.a.	Not applicable
Medium term	**High**	**High**	Medium-term risks are assessed as high. The GFN tool suggests low risk due to declining GFN path and contained bank exposure to the government. On the other hand, the fanchart tool gives a high risk signal mainly driven by the width of the chart suggesting a high historical volatility of the macro-fiscal shocks.
Fanchart	**High**	…	
GFN	**Low**	…	
Stress test	…	…	
Long term	…	**Moderate**	Long-term risks are assessed as moderate. In the long-term, public debt to GDP is expected to continue declining but GFN to GDP is gradually increasing until 2033, mainly due to repayments to IFIs including the Fund and restructured debts. This underscores the importance of maintaining fiscal discipline in the long term.
Sustainability assessment 2/	…	Sustainable	The projected debt path is expected to stabilize and GFNs will remain at manageable levels.
Debt stabilization in the baseline			Yes

DSA Summary Assessment

Commentary: The authorities' debt restructuring scenario suggests that public debt and GFNs would be sustainable. However, even after restructuring, public debt would remain high (above 87 percent of GDP) until end-2023 and highly vulnerable to macro-fiscal shocks, including recapitalization needs of the banking system and the Central Bank of Suriname (CBvS). The vulnerability is particularly highlighted by the high risk signal of the fanchart, which is mainly caused by the past fluctuations in real exchange rate and inflation. The FX vulnerability can be mitigated by the significant share of government revenues received in foreign currency and potential future oil revenues that are not incorporated in the DSA following the international practice.

Source: Fund staff.
Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.
1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.
2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.

Figure 2. Suriname: Debt Coverage and Disclosures

1. Debt coverage in the DSA: 1/ CG (chosen) | GG | NFPS | CPS | Other

1a. If central government, are non-central government entities insignificant? No

2. Subsectors included in the chosen coverage in (1) above:

					Subsectors captured in the baseline	Inclusion	Comments
CPS	NFPS	GG: expected	CG	1	Budgetary central government	Yes	
				2	Extra budgetary funds (EBFs)	No	Not applicable
				3	Social security funds (SSFs)	No	Not applicable
				4	State governments	No	Not applicable
				5	Local governments	No	Not applicable
				6	Public nonfinancial corporations	No	Not applicable
				7	Central bank	No	Not applicable
				8	Other public financial corporations	No	Not applicable

3. Instrument coverage: Currency & deposits (chosen) | Loans (chosen) | Debt securities (chosen) | Oth acct. payable 2/ (chosen) | IPSGSs 3/ (missing)

4. Accounting principles:

Basis of recording		Valuation of debt stock		
Non-cash basis 4/ (chosen)	Cash basis	Nominal value 5/ (chosen)	Face value 6/	Market value 7/

5. Debt consolidation across sectors: Consolidated | Non-consolidated (chosen)

Color code: chosen coverage; Missing from recommended coverage; Not applicable

Reporting On Intra-Government Debt Holdings

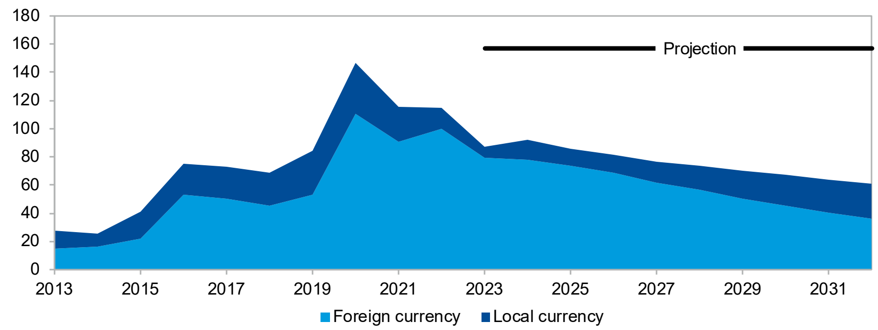
					Issuer / Holder	Budget. central govt	Extra-budget. funds	Social security funds	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
CPS	NFPS	GG: expected	CG	1	Budget. central govt									0
				2	Extra-budget. funds									0
				3	Social security funds									0
				4	State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

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.
2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.
3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.
4/ Includes accrual recording, commitment basis, due for payment, etc.
5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).
6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.
7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: Suriname's public debt under the DSA refers to central government debt including loans to IMF and CBvS. There is no estimate of local governments' and social security funds' debts but they should be considered minimal if any. There is no estimate of SOE debts, but the government has passed a law to expand the legal mandate of SDMO to include the whole NFPC and is expected to publish audited financial reports of 10 largest state-owned enterprises in 2023.

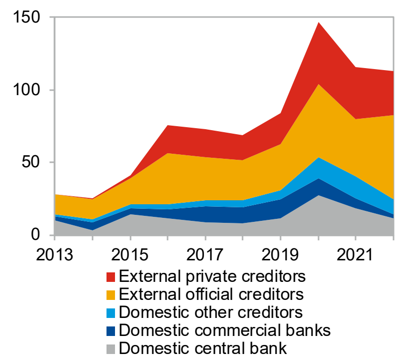
Figure 3. Suriname: Public Debt Structure Indicators

Debt By Currency (Percent Of GDP)



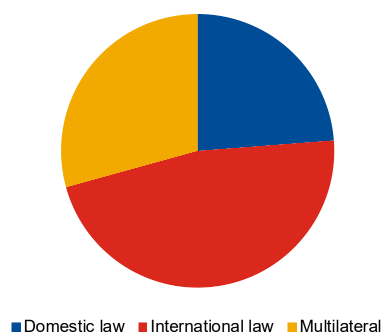
Note: The perimeter shown is central government.

Public Debt By Holder (Percent Of GDP)



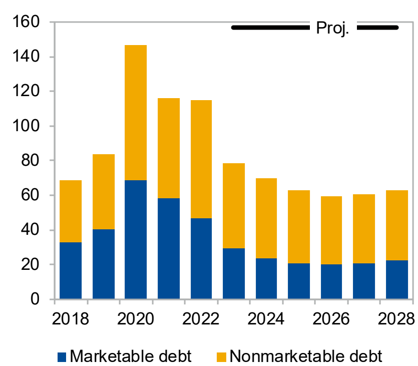
Note: The perimeter shown is general government.

Public Debt By Governing Law, 2022 (Percent)



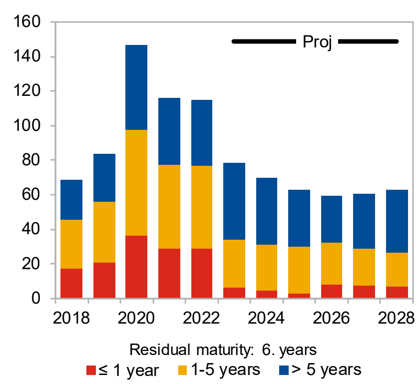
Note: The perimeter shown is general government.

Debt By Instruments (Percent Of GDP)



Note: The perimeter shown is general government.

Public Debt By Maturity (Percent Of GDP)



Note: The perimeter shown is general government.

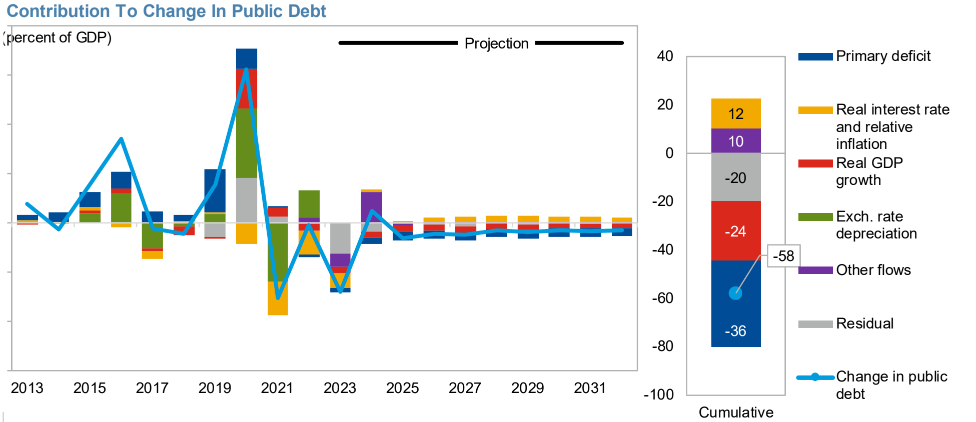
Staff commentary: Public debt is 115.1 percent of GDP as of 2022, out of which FX debt explains 100 percent of GDP and external public debt explains 88 percent of GDP. Multilateral debt accounted for 34 percent of GDP in 2022, about 3/4 of which is owed to Inter-American Development Bank (IADB). Other official debt includes bilateral debt (19 percent of GDP) and ECA-backed debt (6 percent of GDP). Among the official creditors, China is the largest at 15 percent of GDP, followed by the Paris Club at 3 percent of GDP and India at 1 percent of GDP. Private debt is comprised of bonds and loans, of which two eurobonds account for 21 percent of GDP and non-ECA backed securities account for only 0.4 percent of GDP. External arrears amount to 14 percent of GDP as of end-2022. Domestic debt is estimated to be 27 percent of GDP as of end-2022, of which debt owed to CBvS accounts for 9 percent of GDP, debt to commercial banks accounts for 4 percent of GDP, debt to non-banking institutions accounts for 7 percent of GDP. Domestic arrears, including supplier arrears, as of end-2022 are estimated at 7 percent of GDP.

Figure 4. Suriname: Baseline Scenario

(Percent of GDP unless indicated otherwise)

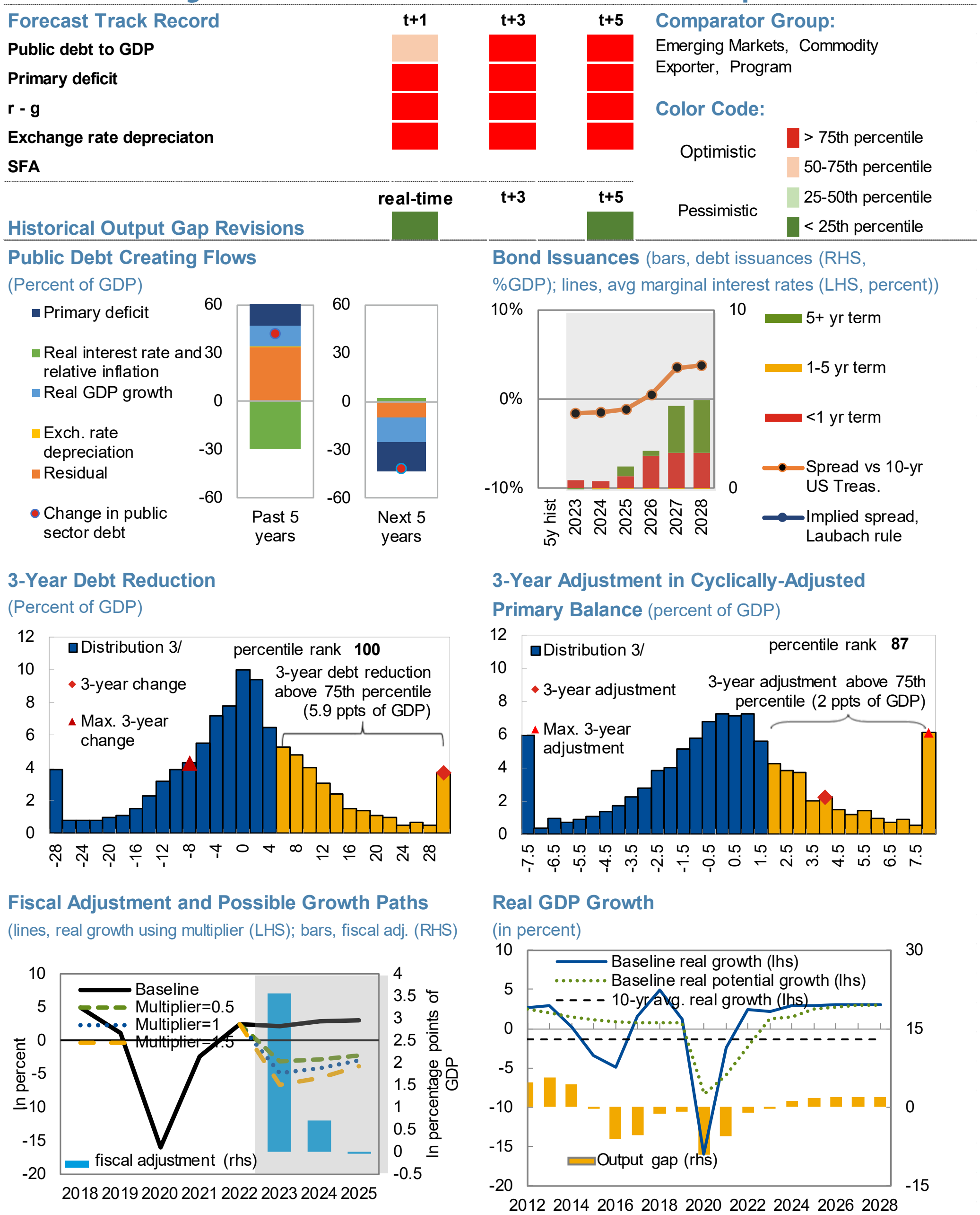
	Actual	Medium-term projection						Extended projection			
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Public debt	115.1	87.1	92.1	85.7	81.4	76.8	73.7	70.3	67.3	63.9	60.8
Change in public debt	-0.7	-28.0	5.0	-6.3	-4.3	-4.7	-3.0	-3.6	-3.1	-3.3	-3.1
Contribution of identified flows	-0.2	-15.4	8.4	-5.9	-3.7	-3.3	-2.9	-2.9	-3.0	-3.0	-3.0
Primary deficit	-1.0	-1.6	-2.7	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5
Noninterest revenues	26.8	25.7	25.4	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8
Noninterest expenditures	25.8	24.0	22.7	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
Automatic debt dynamics	-1.5	-8.5	-1.5	-1.9	-0.8	-0.3	0.2	0.2	0.1	0.1	0.1
Real interest rate and relative inflation	-9.6	-6.1	1.0	0.7	1.7	2.1	2.4	2.3	2.2	2.1	2.0
Real interest rate	-30.7	-36.2	-9.6	-6.9	-3.0	-1.6	0.7	0.7	0.7	0.7	0.8
Relative inflation	21.1	30.1	10.6	7.7	4.7	3.7	1.8	1.7	1.5	1.3	1.2
Real growth rate	-2.8	-2.4	-2.5	-2.7	-2.5	-2.4	-2.2	-2.2	-2.0	-2.0	-1.9
Real exchange rate (evaluated by eop FX)	10.9	…	…	…	…	…	…	…	…	…	…
Other identified flows	2.3	-5.2	12.6	-0.4	0.6	0.5	0.4	0.4	0.4	0.4	0.4
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit increase	4.1	0.0	0.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CBvS restructuring	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal haircut by restructuring	0.0	-6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recap assumption	0.0	0.0	9.1	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4
IMF finance: BOP	0.0	1.5	3.6	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution of residual	-0.5	-12.6	-3.5	-0.4	-0.5	-1.4	-0.1	-0.6	-0.1	-0.3	-0.1
Gross financing needs (incl. arrear clearance, base)	12.0	8.3	7.7	5.0	3.5	8.3	8.9	9.5	9.7	10.4	9.9
of which: debt service	10.9	8.0	9.1	7.6	7.0	11.8	12.4	13.0	13.2	13.9	13.4
Local currency	0.6	1.6	1.3	0.9	1.0	2.2	2.5	2.8	3.0	3.7	4.3
Foreign currency	10.3	6.4	7.8	6.7	6.0	9.6	9.8	10.2	10.2	10.2	9.1
Gross financing needs (excl. arrear clearance)		6.4	6.4	4.1	3.5	8.3	8.9	9.5	9.7	10.4	9.9
Memo:											
Real GDP growth (percent)	2.4	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Inflation (GDP deflator; percent)	43.8	52.6	19.0	13.6	9.1	7.9	5.0	5.1	5.1	5.1	5.1
Nominal GDP growth (percent)	47.3	55.9	22.5	17.0	12.4	11.2	8.2	8.3	8.3	8.3	8.3
Effective interest rate (percent)	4.7	3.6	5.4	4.8	5.2	5.7	6.0	6.1	6.2	6.3	6.4

Contribution To Change In Public Debt



Staff commentary: Public debt stands at 115.1 percent of GDP as of end-2022. It is projected to decline below 100 percent of GDP by 2023 due to fiscal adjustment efforts as well as restructuring agreements, and it would be placed on a steady downward trend over the medium and long term, falling to below 70 percent in 2030, and below 50 percent by 2036. GFN to GDP peaks at 9.6 percent in 2023 and is expected to decline to 3.5 percent in 2026; however, it is projected to gradually increase in the medium to long run towards 10.4 percent of GDP in 2031 because repayments to restructured external debts as well as the Fund loans would commence after grace periods. The GFN path is anchored by sustained primary surpluses and it is essential to continue fiscal adjustment efforts in the medium to long term. In addition, it is important to keep a liquidity buffer, including the government's deposits, against the increasing GFN in the long-run. Note that the recapitalization assumption, which has not been realized, adds up 10 percent of 2023 GDP on the public debt stock in 2024 (5% for the CBvS and 5% for commercial banks), while the nominal haircut by bondholders has an impact to reduce the public debt stock by 7% in 2023. The IMF's BOP finance component is added to the debt stock. The GFN underlying the GFN tool and restructuring targets reflects arrear clearances.

Figure 5. Suriname: Realism of Baseline Assumptions



Commentary: The tools alert to a rapid reduction in public debt and improvement in primary balance, but their projections are underpinned by the authorities' strong commitments to fiscal adjustment, ongoing debt restructuring as well as recovery from COVID-19. The interest-growth gap also shows optimism, but this is partly explained by the fact that about half of total financing is expected to come from IFIs without access to external market until 2026. The real interest rate is projected to be negative in 2023, reflecting the roll-over process of T-bill/T-note arrears with original interests, but it is assumed to be positive from 2024 when the inflation is expected to be relatively calmed down and the government could have more market access. In the medium to long term, the real exchange rate is assumed to converged to an appreciation of 0.6 percent per year due to Balassa-Samuelson effects.

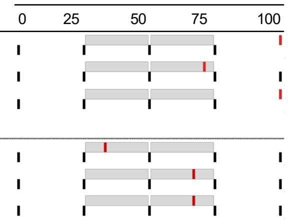
Figure 6. Suriname: Medium-Term Risk Analysis

Debt Fanchart And GFN Financeability Indexes

(percent of GDP unless otherwise indicated)

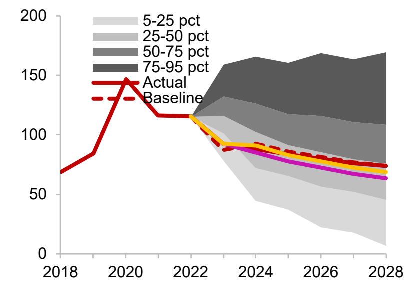
Module	Indicator	Value	Risk index	Risk signal
Debt fanchart module	Fanchart width	162.5	2.4	…
	Probability of debt not stabilizing (pct)	10.0	0.1	…
	Terminal debt level x institutions index	58.5	1.3	…
	Debt fanchart index	**…**	**3.7**	**High**
GFN finance-ability module	Average GFN in baseline	7.0	2.4	…
	Bank claims on government (pct bank assets)	7.2	2.3	…
	Chg. in claims on govt. in stress (pct bank assets)	7.7	2.6	…
	GFN financeability index	**…**	**7.3**	**Low**

EM, Com. Exp, Program

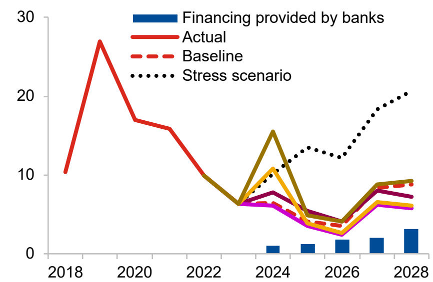


Legend: Interquartile range | Suriname

Final Fanchart (Percent Of GDP)



Gross Financing Needs (Percent Of GDP)

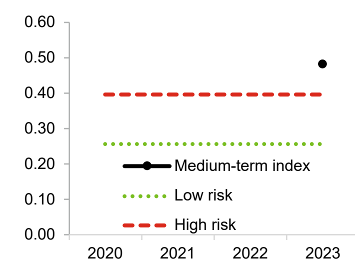


Triggered stress tests (stress tests not activated in gray)

Banking crisis | Commodity prices | Exchange rate | Contingent liab. | Natural disaster

Medium-Term Index

(index number)



Medium-Term Risk Analysis

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

Prob. of missed crisis, 2023-2028 (if stress not predicted): 54.5 pct.

Prob. of false alarm, 2023-2028 (if stress predicted): 3.4 pct.

Commentary: The Debt Fanchart Module points to high risk of debt distress mainly driven by the wide width of the fanchart. Suriname experienced large fluctuations in real exchange rate and inflation in the past, which contributes to the wide width; however, the flexible exchange rate regime and adjustments under the program are expected to mitigate such risks. The risk from debt-non stabilization is relatively contained because of the steady decline in public debt and fiscal adjustment efforts in the medium term, though the terminal debt level in 2028 still stands at a relatively high level (i.e., above 70 percent of GDP). The GFN finance-ability module suggests low risk of debt distress, supported by a declining GFN path in the medium term. The risk from the change in government's claims is relatively contained because exposure to external private creditors is limited in the medium term; however, the current fragile state of domestic banks could bring about additional risks in liquidity. In addition, the GFN could be larger than expected due to the recapitalization needs for CBvS and commercial banks which is highlighted by stress scenario in the chart. The recapitalization should be planned to avoid excessive risks in solvency and liquidity, while ensuring the financial health of CBvS and commercial banks. The modalities used in orchestrating the recapitalization will impact the GFN, with direct equity injections resulting in a significant increase of immediate GFN needs while the use of securities could reduce immediate GFN needs and would spread the financing of the recapitalization over a longer period of time. On the other hand, the risks on public debt can be mitigated by the significant share of government revenues received in foreign currency as well as potential future oil revenues. In line with the best international practice, the DSA does not incorporate impact of potential oil production since available information, so far, does not provide assurances about the economic viability of the oil reserves. Overall, the medium-term risk and overall risk are considered to be high even under the restructuring scenario, considering vulnerability to macro-fiscal shocks and potentially higher GFN needs from the recapitalization.

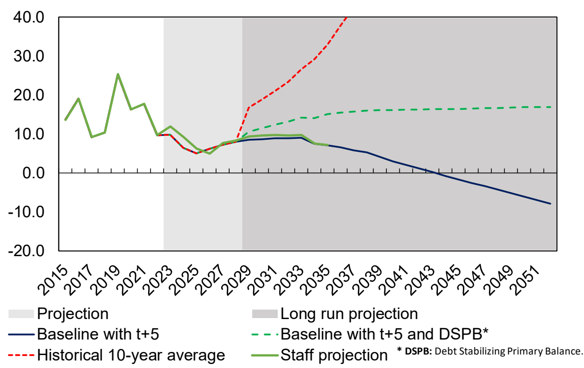
Figure 7. Suriname: Long-Term Risk and Analysis

Large Amortization Trigger

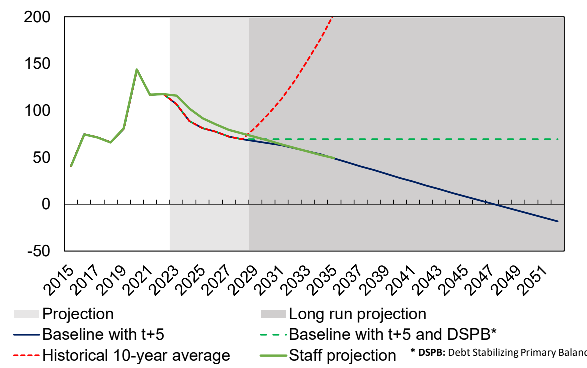
Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Medium-term extrapolation with debt stabilizing	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Historical average assumptions	GFN-to-GDP ratio	
	Amortization-to-GDP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

Alternative Baseline Long-term Projections

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

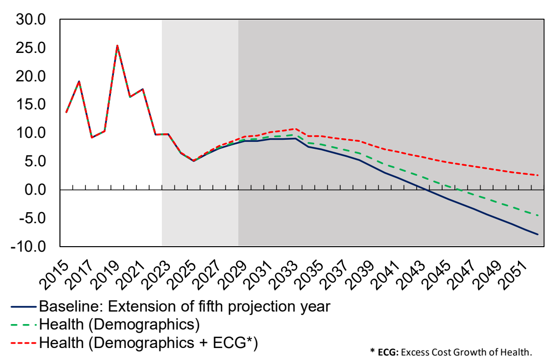


The long-term analysis indicates that GFN to GDP and public debt to GDP diverge very quickly if the government followed the past 10-year path. The historical 10-year average scenario is less informative because the scenario includes macro-fiscal shocks during the crisis period of 2020-22; nevertheless,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

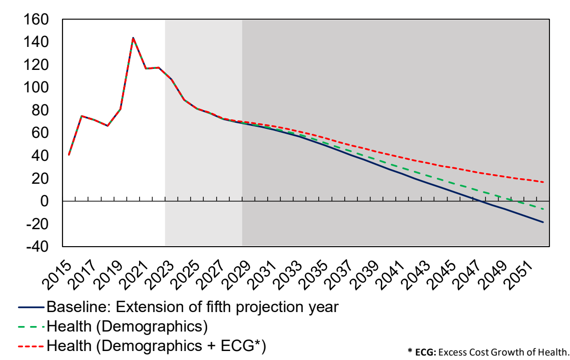
Note: staff projection shows the baseline until 2035. The staff projection deviates from the long-term module's (mechanical) baseline because the former reflects below-the-line transactions (e.g., arrear clearances, debt restructuring).

Demographics: Health

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

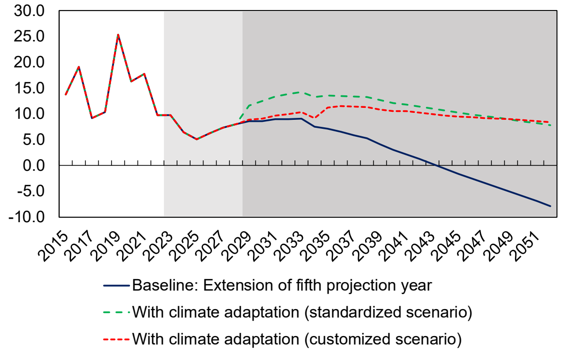


Health cost based on demographic changes could provide additional risks in the long-term but this would not have a material impact given that GFN to GDP and public debt to GDP keep declining paths based on continued fiscal efforts.

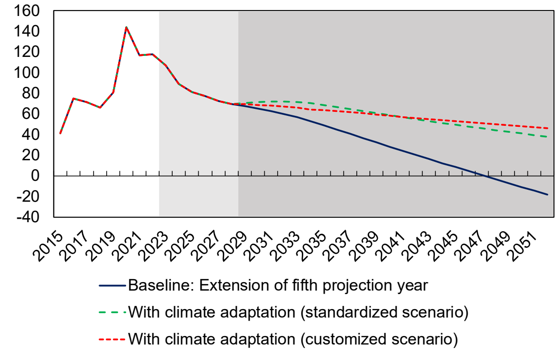
Figure 7. Suriname: Long-Term Risk and Analysis (concluded)

Climate Change: Adaptation

GFN-to-GDP Ratio



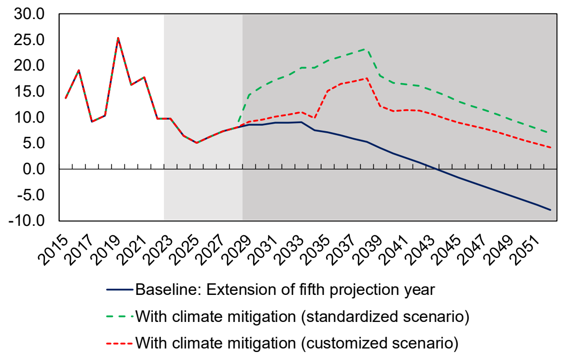
Total Public Debt-to-GDP Ratio



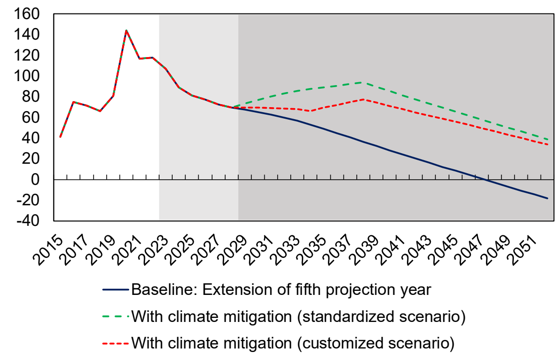
Suriname is outside the hurricane belt but is occasionally affected by the tails of hurricanes and local storm events, resulting in flooding. Climate adaptation could cause additional fiscal costs on top of the gradually increasing GFN to GDP in early 2030. In the customized scenario, adaptation requires additional investment worth 3 percent of GDP per year. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. The customized scenario assumes The long-term analysis refrains from conducting natural resource module until FID of a new oil development is confirmed.

Climate Change: Mitigation

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



Climate mitigation could cause additional fiscal costs on top of the gradually increasing GFN to GDP in early 2030. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. In the customized scenario, adaptation requires additional investment worth 5.7 percent of GDP.

A. Public Debt under Restructuring Scenario

1. The goal of debt restructuring, in conjunction with fiscal consolidation, is to put public debt on a firm downward trajectory and achieve the medium- and long-term debt anchors. The overarching objective of the program is to reduce public debt to 60 percent of GDP by 2035 and reduce GFNs to an average of 9 percent and an upper limit of 12 percent over 2023-2035. These serve as the long-term anchors of the program, providing sufficient buffer given the Suriname's vulnerabilities. A 60 percent debt-to-GDP target is consistent with other recent debt restructurings under IMF-supported programs in the region (for example Barbados and Jamaica).

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

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

- ***Debt restructuring with external private creditors***. The authorities reached an agreement in principle (AIP) with bondholders in May 2023. The formal debt exchange with private external bondholders was finalized in November 2023, reaching a participation rate over 96 percent.[1] The new bonds were issued in an aggregate principal amount of USD 650 million, with an additional USD 10 million issued to cover fees and expenses of the bondholder committee. Interest payments start from 2024 with a coupon of 4.95 percent in cash and with a coupon of 3 percent being capitalized until January 2026, when the coupon rate increases to 7.95 percent. The bonds are amortized in 14 semi-annual installments starting in 2027 equal to 1/14th of the outstanding principal amount. The bonds also include a VRI conditional on new revenue streams from a specific oil development project which is currently under the appraisal process. Note that the program baseline conservatively does not incorporate the additional oil revenue nor debt services on VRI given that a relevant final investment decision (FID) has not been made. After a "one-off" floor of USD 100 million secured for the government, the annual allocation to the VRI is limited to 30 percent of the royalty revenues from the oil development project.[2] In this sense, the VRI would not bring about additional debt sustainability concerns, and the new oil development is considered as potential upside risk. The aggregate amount paid under the VRI is capped at USD 787 million. Under the baseline (without the VRI), using the typical methodology used by official creditors such as the PC this restructuring scenario results in NPV reductions of 19 percent for official and 21 percent for external commercial creditors at a 5 percent discount

[1] An agreement on the non-ECA backed loans with private external creditors has not been reached. The Eurobonds comprise 95 percent of the total external debts with private external creditors (see the Table 1).

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

rate and 50 and 40 percent at the 10 percent discount rate. Other private creditors are assumed to be treated in line with either bondholders or official bilateral creditors.

- ***CBvS restructuring:*** MoFP and CBvS have reached an agreement on legacy debt owed to CBvS. Legacy debts to the CBvS have been restructured into a new loan with a grace period of 2 years and a maturity of 27 years. All short-term advances made to the CG will be repaid to the CBvS in 2023. Losses arising from this agreement are expected to be reflected in the CBvS recapitalization plan, which will follow the restructuring agreement.

- **Other domestic restructuring.** As of November 2022, accumulated domestic debt arrears peaked at SRD 3.3 billion, excluding arrears with the CBvS. The authorities have been engaged in restructuring negotiation on all the debts in arrears, a part of which was already cleared at the end of 2022 (i.e., SRD 1.2 billion). Since then, arrears have increased and stood at SRD 2.8 billion in September 2023. The authorities have prepared a concrete action plan for restructuring of domestic debts and are on track to completing the ongoing domestic restructuring by the end of 2023, while clearing all domestic debt arrears except technical ones.

- **Supplier arrears and other arrears.** The final audit of the legacy supplier arrears as of end-2021 confirmed a stock of SRD 4.1 billion. The authorities cleared (on a net basis) SRD 1.7 billion in 2022. The total stock of accounts payable is projected to increase to SRD 3.5 billion by end 2023. About 60 percent of this stock is more than 90 days past the due date and hence considered supplier arrears.[3] The authorities are committed to net clearance of at least SRD 1.7 billion in 2023 and to clearing all other accounts payable by 2025, while further improving their capacity through PFM reforms and TA. In addition, there exists a gold loan agreement in arrears, which is evaluated at SRD 0.4 billion at end 2022, and this will be cleared in 2024 under a renewed agreement. The domestic arrear repayment schedule in 2023 and 2024 that incorporate the government strategy and staff's assumption are summarized in the Text Table below.

Suriname: Domestic Arrear Clearance Schedule in 2023 and 2024 (net basis)

	2023		2024	
	SRD millions	% of GDP	SRD millions	% of GDP
Arrear repayments	**2,666**	**1.9%**	**2,271**	**1.2%**
CBvS	1,549	1.1%	0	0.0%
Debt	2,201	1.6%	0	0.0%
Gold	0	0.0%	544	0.3%
Supplier	-1,084	-0.8%	1,727	0.9%

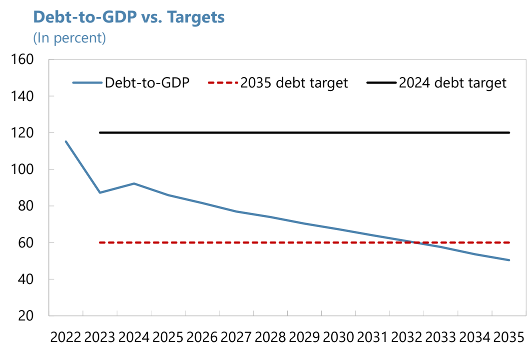
Source: IMF staff estimates.

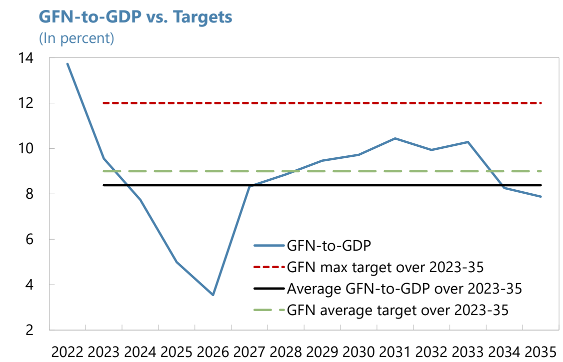
- ***Financing:*** Financing requirements are projected to decline significantly over the medium term due to the external debt restructuring (both through the face-value reduction and coupon reduction on existing external bilateral and commercial debt). Budget finance from multilateral

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

creditors is assumed until only 2024 as a conservative assumption, though the government might seek further support afterwards. Project financing from multilateral creditors is assumed to decline gradually in the medium to long term as Suriname switches to market financing of its capital expenditures. Financing from external private creditors is assumed to resume gradually over the medium and long term. Under the baseline, external market access is assumed to resume from 2026 with a potential financing gap in 2025 (when no budget support is assumed) that is filled by deposit withdrawal. The government has accumulated deposits of SRD 9.7 billion (11 percent of GDP) by end 2022, so potential delays in market access could be covered by the large liquidity buffer. Domestic financing is expected to be limited in 2024 and 2025 due to the ongoing restructuring process and gradual recovery in the market confidence. In particular, domestic financing in 2023-2025 is only limited to partial roll-over finance (i.e., negative net issuance). Recapitalization needs of the CBvS and commercial banks (¶15-16) are conservatively assumed to add to the public debt stock in 2024, increasing it by 10 percent of 2023 GDP (5 percent for the CBvS and 5 percent for the commercial banks). The CBvS is assumed to require annual injections to ensure capital and reserves grow with GDP. The recapitalization of the commercial banks is a one-off operation. The associated financing needs are not incorporated in the DSA because of the uncertainty regarding the scale and the modalities of the recapitalization. The modalities used in orchestrating the recapitalization will impact the financing needs (e.g., the use of securities could reduce immediate GFN needs and would spread the financing of recapitalization over a long-time horizon). The recapitalization of the CBvS is assumed to require annual interest payments in local currency equal to 9 percent of the aggregate injection.

3. **Public debt is assessed to become sustainable under the restructuring scenario and the implementation of the program.** Public debt would be placed on a steady downward trend over the medium and long term, falling below 100 percent in 2023, below 70 percent in 2030, and below 50 percent in 2036. Moreover, GFNs would decline sharply from 9.6 percent in 2023 to 3.5 percent in 2026. GFNs would rise to 8.3 percent in the medium to long term due to debt service to the IFIs (including the IMF) and repayments of restructured external claims, but it would remain at sustainable levels over the long term with GFN to GDP declining from 2033 onwards. If downside risks were to materialize, however, fiscal consolidation beyond the program period may be needed to generate buffers for the recapitalization of the CBvS and commercial banks.





Sources: IMF staff estimates.

B. External DSA

4. External debt is projected to be 118 percent of GDP at end-2023, lower from 148 percent at end-2022. Total external debt is forecasted to decline to 80 percent of GDP at end-2028. It is expected to track public sector external debt, which accounts for more than 50 percent of total external debt, over the next few years and decline substantially due to a large fiscal adjustment and public external debt restructuring.

5. While external debt is projected to decline substantially over the medium term, macroeconomic shocks pose significant risks (Figure 6). Various economic shocks reveal that the external debt would be generally kept below 150 percent of GDP. However, the historical scenario suggests that external debt would be considerably higher than the baseline absent efforts on fiscal adjustment, public external debt restructuring, and macroeconomic stability, especially exchange rate stability. Continued internal and external adjustment is critical to ensure external sustainability going forward.

Table 1. Suriname: Decomposition of Public Debt and Debt Service by Creditor 1/

(Non-Restructuring Scenario, 2022–2025)

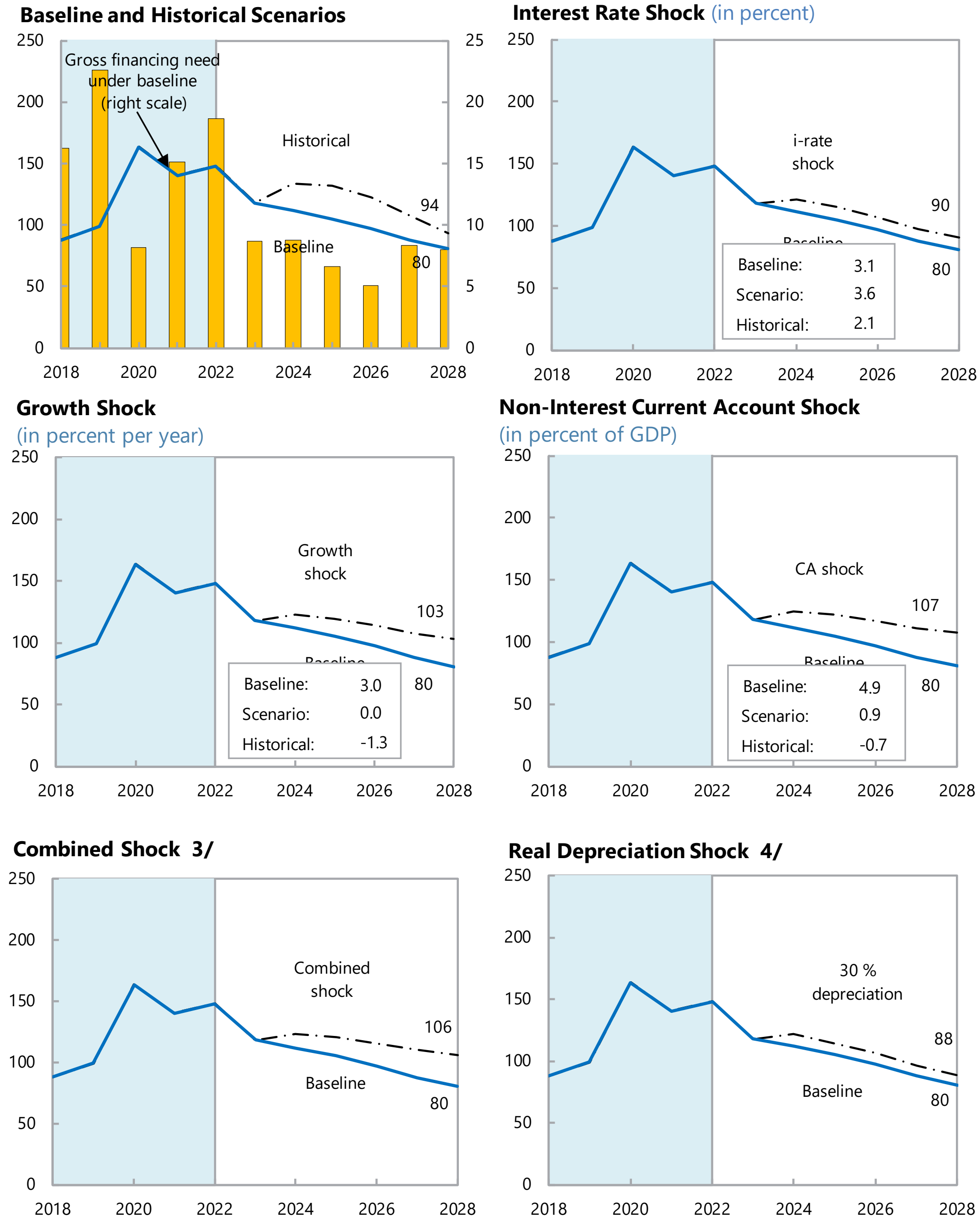
	Debt Stock incl. arrears end-2022			Debt Stock excl. arrears end-2022	Arrears end-2022	Debt Service 2023	2024	2025	2023	2024	2025
	(In USD)	*(Percent Total debt)*	*(Percent GDP)*	*(In USD)*	*(In USD)*	*(In USD)*			*(Percent GDP)*		
Total	3,250	100	115	2,665	585	416	327	278	11	7	6
External	2,477	76	88	2,092	385	241	202	209	6	5	4
Multilateral creditors	953	29	34	952	1	76	77	86	2	2	2
IMF	105	3	4	105	0	1	1	1	0	0	0
World Bank	6	0	0	6	0	0	0	1	0	0	0
IADB	691	21	24	691	0	53	54	65	1	1	1
Other Multilaterals	151	5	5	150	1	22	21	20	1	0	0
o/w Caribbean Development Bank	92	3	3	92	0	12	12	12	0	0	0
o/w European Investment Bank	1	0	0	1	0	0	0	0	0	0	0
o/w Islamic Development Bank	27	1	1	27	1	6	4	4	0	0	0
o/w The OPEC Fund for International Developmen	30	1	1	30	0	4	4	4	0	0	0
Official Creditors	607	19	21	502	104	61	62	61	2	1	1
Bilateral Creditors	437	13	15	383	54	39	40	40	1	1	1
o/w : Paris Club	30	1	1	30	0	0	3	4	0	0	0
China	390	12	14	346	44	37	36	35	1	1	1
India	16	0	1	6	10	2	1	1	0	0	0
ECA-backed loans	170	5	6	120	50	22	22	21	1	1	0
o/w: Paris Club	53	2	2	45	8	6	8	7	0	0	0
China	94	3	3	54	40	12	11	11	0	0	0
India	23	1	1	21	2	3	3	3	0	0	0
Private Creditors	918	28	33	638	280	105	64	62	3	1	1
Eurobonds	818	25	29	588	230	92	51	51	2	1	1
Other private creditors	100	3	4	50	50	12	13	11	0	0	0
o/w: Israel Discount Bank	3	0	0	3	0	2	1	0	0	0	0
o/w: Credit Suisse	9	0	0	9	0	3	3	3	0	0	0
o/w: ICBC				38	23	8	9	8	0	0	0
Domestic	773	24	27	573	200	175	125	69	5	3	1
Held by Central Bank	314	10	11	265	49	0	10	18	0	0	0
Held by Local Banks	165	5	6	118	46	87	35	17	2	1	0
Held by Local Non-Banks	294	9	10	189	105	66	40	17	2	1	0
o/w supplier arrears	75	2	3	-	75						

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

The table assumes the following:
- For external debts whose bilateral restrucuturing agreements were not completed by end-2022, reported debt stocks and debt services are based on original contracts. For external debt whose bilateral restructuring agreements were completed by end-2022 (i.e., France, Netherland, and Switzerland), reported debt stocks and debt services are based on these agreements. In the latter case, arrear repayments are included in the projected debt services. (c.f., when the restrucuting agreement only covers periods until 2024, the debt service in 2025 follow original contracts.)
- For domestic debts, the restructuring with CBvS is reflected to calculate domestic debt service.
- The figures are based on existing debts as of end-2022, and debt service from newly contracted debt in 2023 onward are not reflected.

Figure 8. Suriname: External Debt Sustainability: Bound Tests 1/2/

(External Debt in percent of GDP)



Sources: International Monetary Fund; Country desk data; and staff estimates.
1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented. Ten-year historical average for the variable is also shown.
2/ For historical scenarios, the historical averages are calculated over the ten-year period, and the information is used to project debt dynamics five years ahead.
3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and current account balance.
4/ One-time real depreciation of 30 percent occurs in 2024.

Appendix I. Letter of Intent

Paramaribo, Suriname
December 4, 2023

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

Dear Ms. Georgieva,

Since the approval of the extended arrangement under the Extended Fund Facility (EFF) by the IMF's Executive Board on December 22, 2021, we have made steady progress in implementing the needed macroeconomic adjustment and reforms to help Suriname recover from the unprecedented economic crisis. We are steadily laying foundations for a more sustainable and equitable fiscal policy, addressing financial sector vulnerabilities, and creating an enabling environment for the private sector to prosper. Recognizing our reaffirmed commitment to prudent fiscal management and macroeconomic stabilization and commending our ability to implement difficult policies amidst increasingly challenging domestic and external environment, the Executive Board completed the second review under the extended arrangement on June 14, 2023, and the third review on September 25, 2023.

Our performance on quantitative targets for this review has been strong despite the slow post-pandemic recovery. We met the end-September 2023 quantitative performance criteria (QPCs) on the floor on the primary fiscal balance (cash basis), the floor on the net international reserves (NIR), the ceiling on the net domestic asset (NDA) of the central bank, and the ceiling on the central government SRD mineral revenue. We have also refrained from direct FX interventions or any measures that would give rise to a breach of the related continuous program performance criteria. While we did not meet the indicative target (IT) related to social assistance spending, we are taking urgent corrective measures to meet it in the future. We have met all the other continuous PC.

We are steadily putting government finances on a healthy and sustainable track. On the expenditure side, in March, we eliminated fuel subsidies. In June, we implemented a schedule of electricity tariff increases for 2023 and approved a "no work, no pay" amendment to the Personnel Act. In November, we operationalized that amendment and began halting salaries for unregistered workers and to those that are chronically absent without a valid excuse. This will create fiscal space to modestly increase real salaries for registered civil servants. On the revenue side, we re-imposed fuel taxes in May and in November we broadened the VAT base by converting zero-rated products to exempt and imposing a standard VAT rate on previously zero-rated products. We have significantly expanded registration of companies and will continue to improve our technical capacity to ensure timely and accurate VAT refunds to eligible exporters. We are improving our collection of unpaid storage fees at the port.

During this difficult period of adjustment, we continue to expand our measures to protect poor and vulnerable households. We are channeling savings from eliminating inefficient energy subsidies towards expanding and strengthening our social safety net. Recognizing the disproportionate burden that high inflation imposes on the poor, in July we increased the value of cash transfers and in December we will issue an additional one-off payment to eligible beneficiaries. To make up for the shortfall in social assistance spending, we have intensified our efforts to rapidly deliver cash cards to our communities. We have completed a review of our social protection expenditures, and with the help of the IMF, the ILO and the IDB, in December we will develop a time-bound strategic plan to improve efficiency and effectiveness of our social benefits.

Our commitment to fiscal discipline and macroeconomic stabilization is starting to bear fruit. The nominal exchange rate has been stable since May. Inflation – while still high at 51 percent year-on-year in September – has shown an increasingly firm downward trend in recent months. Reserve money growth has stabilized and, supported by improved CBvS capacity to absorb SRD liquidity, has remained well below the central bank's targeted path. Private sector credit growth remains contained, albeit continuing to rely in part on the CBvS' time-bound bank-by-bank credit growth cap guidance. Monetary policy transmission to market rates remains weak with deposit and lending rates remaining negative in real terms, yet especially new term deposit rates continue to gradually increase as banks make greater efforts to attract liquidity. We will continue to closely monitor inflation and liquidity conditions and stand ready to undertake any tightening policy steps in consultation with Fund staff should evolving conditions so warrant.

We remain committed to a flexible, market-determined exchange rate and are making progress to improve the functioning of the FX market. We have refrained from direct FX interventions. Indirect FX sales by the mineral companies to essential goods importers to ease FX availability constraints continue to be conducted at market exchange rates, but we are in the process of phasing them out in line with easing FX demand pressures. Following procurement and technical delays, we will launch an electronic FX trading platform in December initially for inter-institution trades among banks and cambios with a view to improving price discovery, transparency and liquidity in the FX market. To support timely supply of FX to the market, the surrender requirement that requires exporters to offer a share of FX for sale to the market immediately upon repatriation of the FX also remains in effect.

We remain committed to further strengthening the independence of the central bank. In that regard, we will ensure that the new governance structure of the CBvS, in line with the new Central Bank Act, is fully constituted, as soon as possible, and develop a time-bound plan for its recapitalization. To enhance transparency and accountability, the CBvS has recently published on its external website the FY2020 audited IFRS financial statements, will proceed with publishing FY2021-22 financial statements and continue to implement outstanding safeguards recommendations. In consultation with the IMF, we will review the Foreign Exchange Regulation of 1947 to make it consistent with the new Central Bank Act and in December we will submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with the IMF.

We have made substantial progress with debt restructuring. Bilateral agreements with all the Paris Club (PC) creditors have now been completed. An agreement to restructure the official credit line from EXIM India was reached in March and an agreement on the loan backed by EXIM India was reached in May. An agreement in principle with the bondholders was reached in May 2023 and the formal debt exchange was finalized in November with a participation rate over 96 percent.

We reached an agreement in principle at the technical level with China on both the first phase (flow relief) and the second phase (stock relief) of the debt treatments, which ensures comparability of treatment among creditors and consistency with the program parameters. In July, we finalized the restructuring of the legacy debts to the central bank. We are on course to implement the plan to restructure domestic debt by end-2023, while clearing arrears on all domestic debt except technical ones. We commit to putting a halt to the accumulation of supplier arrears, which stood at SRD 3.6 billion in September and aim to clear all supplier arrears by end-2025.

We are committed to strengthening financial sector resilience. Banks incorporated the AQR results and adjusted their asset classification and provisions. In line with the post-AQR roadmap, the CBvS received the recapitalization and restructuring plans from banks with capital shortages and reviewed these plans to verify their credibility. We have submitted the Bank Resolution Bill and the amendments to the Banking and Credit System Supervision Act to the State Council and both acts are expected to be approved by the DNA in December. The CBvS and the MOF will agree on a governance framework for state-owned banks by end-December. We will also strengthen implementation of governance reforms in anti-corruption, public procurement, and AML/CFT.

To support our efforts, we request the completion of the fourth review of the extended arrangement under the EFF, which will make available an amount equivalent to SDR 39.4 million (30.6 percent of quota or about USD 52 million) upon completion (out of which SDR 25.6 million or about USD 34 million would be for budget support), and the completion of the financing assurances review. With the EFF arrangement expiring on December 21, 2024, we are requesting its extension through March 31, 2025, and for the access to be augmented by SDR 46.8 million. We also request that the quantitative program targets under the arrangement be set until December 2024 and new structural benchmarks be set.

The attached Memorandum of Economic and Financial Policies (MEFP) provides an update on recent developments since the third review of the EFF and sets out in detail the steps that the government intends to adopt to achieve its policy objectives. The government stands ready, if necessary, to take any additional measures that may be required during the course of the EFF in order to achieve the objectives of the program. In such cases, the government will consult in advance with the IMF on the adoption of these measures or revisions to the policies contained in the MEFP, in accordance with the Fund’s policies on such consultation, to ensure that the objectives of the government’s adjustment program are met.

Our efforts to strengthen accountability and domestic ownership of our economic plan is yielding positive results. The Suriname Economic Oversight Board (SEOB) established during the second review – with members from the private and public sector, unions, academia, and civil society – to conduct independent, home-grown assessment of our progress towards achieving the program goals, has been publishing its monthly bulletin detailing the progress in implementing the Fund-supported program since July. We will strive to keep our citizens and international partners informed about our policy actions and intentions. In that regard, we authorize the IMF to publish this letter, its attachments, and the related staff report.

The government will provide IMF staff with all the relevant information required to complete the scheduled program reviews and monitor performance on a timely basis. The government will observe the standard continuous performance criteria against imposing or intensifying exchange restrictions, introducing or modifying multiple currency practices, concluding bilateral payment agreements that are inconsistent with Article VIII of the IMF's Articles of Agreement, and imposing or intensifying import restrictions for balance of payments reasons.

Very truly yours,

_________/s/_________
Chandrikapersad Santokhi
President of Suriname

________/s/________	_____/s/_____
Kermechend S. Raghoebarsing	Maurice Roemer
Minister of Finance and Planning	Governor, Central Bank of Suriname
Paramaribo, Suriname	Paramaribo, Suriname

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

Attachment I. Memorandum of Economic and Financial Policies

BACKGROUND AND RECENT DEVELOPMENTS

1. **Our government remains fully committed to the 36-month arrangement under the Extended Fund Facility (EFF).** On December 22, 2021, the IMF Executive Board approved an extended arrangement under the EFF with access of 366.8 percent of quota (SDR 472.8 million or USD 673 million). The program aimed to: (i) restore fiscal sustainability and strengthen fiscal management; (ii) bring public debt down to sustainable levels; (iii) improve the social safety net to better protect the most vulnerable; (iv) upgrade the monetary policy framework and adopt a flexible, market-determined exchange rate; (v) improve the viability of the financial system (including, where needed, through recapitalization) and develop a more effective bank oversight; and (vi) tackle corruption, strengthen institutions and institutional governance, and enhance Suriname's AML/CFT framework.

2. **Our performance in implementing the program has improved despite both domestic and global challenges.** As demonstrated during the last two successfully completed reviews, we have made significant progress in implementing reforms under the EFF supported program. The government remains resolute in delivering a fiscal consolidation, securing debt sustainability, and improving governance. Important reforms were also put in place to adopt a new monetary policy framework that allows for a flexible exchange rate, tackle vulnerabilities in the financial system, and increase the independence of the central bank.

3. **We remain resolute in achieving fiscal and debt sustainability.** Fuel subsidies were discontinued, and fuel prices are now determined by an automatic pricing mechanism based on international prices. Specific duties on fuel have also been imposed. Distortionary and costly electricity subsidies are being phased out, the VAT base has been broadened, and reforms to strengthen fiscal institutions are underway. We have also made timely progress in debt restructuring and policies are being put in place to prevent the future accumulation of domestic arrears. Based on our demonstrated commitment to restore fiscal discipline despite challenging socio-political environment, the IMF Executive Board completed second and third reviews under the extended arrangement under the EFF in June and September 2023 respectively. Our next objective is to submit and approve a conservative 2024 budget that is in line with the fiscal consolidation envisioned under the program.

4. **Our concerted efforts to stabilize the economy are starting to bear fruit.** The exchange rate has been relatively stable since May. Inflation, while still high (at 50.8 percent year-on-year in September) is on a downward trend. Reserve money growth has stabilized and has remained below the central bank's targeted path. The excessive credit growth we previously observed has started to taper off. The economy is continuing to recover. Usable international reserves remain strong at 4.6 months of imports at end-September. The execution of the 2023 budget is on track to achieve the central government primary surplus target of SRD 2,294 million.

5. There are major challenges ahead and hard work to be done. While the economy is recovering, real GDP remains below its pre-pandemic level. Inflation is still too high, hurting real incomes, and some important reforms, in particular on strengthening governance, are yet to be implemented. Nevertheless, we will persevere, keeping the reform momentum going, despite headwinds from political opposition, reform fatigue among the population, and internal capacity constraints.

6. This memorandum outlines in detail the progress we have made toward meeting the objectives of our Fund-supported program since the last review and our policy plans to advance these objectives for a stronger, more prosperous Suriname for the remainder of the program. Tables 1 and 2 show how we plan to update the quantitative targets and structural benchmarks that serve to track our progress.

II. RETURNING PUBLIC FINANCES TO A SUSTAINABLE PATH

7. We are on track to achieve the SRD 2,294 million CG primary balance (PB) target for 2023. Mineral revenue has been revised downward as companies' investment plans in anticipation of oil sector developments weigh on short-term profitability and dividend payouts. Higher non-tax non-mineral revenue is offsetting declining mineral revenue to keep us on track for reaching the target. Gross financing needs remain aligned with the limits in the program, peaking at 9.8 percent of GDP in 2023 and averaging 7.4 percent of GDP over the medium term. Public debt stood at 116 percent of GDP in end-2022 and is expected to fall below 70 percent by 2028.

8. Lower expected mineral revenue, a subdued economic recovery, and rising social tensions call for a more measured pace of fiscal consolidation in 2024. The downward revision to mineral revenue projections for 2024 and the need to prevent further erosion of real wages in the public sector makes a 3.5 percent of GDP primary balance target very difficult to attain without disrupting the social consensus around the reform program. A PB target of 2.7 percent of GDP in 2024 would allow us to support the recovery, maintain social cohesion and help attract and retain qualified civil servants. At the same time, this primary balance target would still imply fiscal consolidation of 1.1 ppts of GDP in 2024 and remains consistent with our main objective of debt sustainability.

9. Fully implementing the measures agreed in the last review should help us reach the 2024 fiscal targets:

- *VAT*. On September 5, 2023 we enacted an amendment to the VAT Act to broaden the tax base to impose the standard 10 percent VAT rate on 60 percent of household consumption. We made significant strides in registering companies, with registrations 41 percent higher at end-September compared to end-January. We commit to improving our administrative capacity by fully implementing all the modules of our new information technology system by end-February 2024.

- *Wage bill*. We plan to stabilize the real wages of public sector workers, which have been eroded over the past three years. We will keep the wage bill constant in real terms in 2024 at 6.7 percent of GDP. To create space for real wage increases to retain our skilled civil servants, we will remove 1,000 unregistered workers from the public payroll this year. We estimate that up to 18 percent of workers remain unregistered and have sent letters to these unregistered workers. We published detailed procedures for halting payments to unregistered workers in line with the June amendment to the Personnel Act (*structural benchmark for end-October 2023, not met, implemented with delay in November)*. In January 2024, we will roll out a digital personnel data information system to monitor the size of the civil service, absenteeism, and the alignment between qualifications and appointments.

- *Fuel subsidies and taxes*. We fully eliminated fuel subsidies in March 2023. Fuel prices are now determined by an automatic pricing mechanism based on international prices. In May, we reinstated specific taxes on fuel of SRD 3.50 per liter, which are expected to generate 0.7 percent of GDP in revenue in 2023.

- *Electricity subsidies*. In June an adjustment of the tariff structure was implemented, which entails phasing out of the monthly discount for households of SRD 260 in 6 months and an increase of 31 percent of the tariffs of industrial and commercial users. The phasing out of the discount for households will result in an increase of the monthly electricity bill of 28 percent on average. For electricity prices to break even by the end of 2024 a quarterly adjustment of the tariffs will be conducted, starting in December 2023. We will coordinate both the announcement of this increase and the offsetting increase in social assistance payments with the Ministry of Social Affairs. Mitigating measures in the form of the newly-introduced social beneficiary program will be reassessed quarterly to ensure the poorest households are being adequately protected. We will formalize our process for determining electricity tariff changes, along with providing an advance schedule for tariff decisions. Specifically, we will continue to create public consensus for these reforms through an inclusive decision-making process that enables transparency by consulting key stakeholders such as unions and the business community, and to share information on the model used to determine the cost recovery price. To further promote transparency and accountability, we have started publishing on the Energie Autoriteit van Suriname external website quarterly updates of the tariffs for each consumer group, the rationale for the adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy *(structural benchmark for end-October 2023, met)*.

10. We are committed to strengthening fiscal institutions. Reforms are ongoing to improve tax administration, public debt management and public financial management (PFM). Our PFM reform strategy developed with the support of the IDB has identified four priorities areas: publishing quarterly budget execution reports, consolidating treasury functions, establishing a public investment management system, and assessing and managing fiscal risks from state-owned enterprises. Other PFM reform areas include improving public procurement practices and strengthening fiscal planning.

- *Improving treasury management*. Moving towards a Treasury Single Account is a priority for better treasury management. To enable this reform, we will issue a state decree to provide the Minister of Finance the authority to access all banks accounts held by government entities at commercial banks (*end-December 2023 SB, proposed to be reset to end-March 2024*). We will close separate bank accounts and gradually bring them into the Treasury Single Account (TSA). We aim to expand the coverage of the TSA to include all government accounts held at commercial banks by end-2024. With the help of IMF capacity development, we have improved the monitoring of supplier arrears. To prevent further accumulation of supplier arrears, improvements are being made to cash management and commitment controls systems. Further aided by IMF capacity development, we intend to create a cash management unit within the Treasury by end-2023 that will oversee the TSA, cover liquidity planning, accounts management, working capital management and cashflow management.

- *Strengthening tax administration*. Despite capacity constraints, a fully functioning large taxpayers' unit (LTU) is necessary for improved tax collections. We are expanding the functions of the LTU to include account maintenance, client relationship management, filing and payment compliance. We have begun the process of converting the Tax Directorate, including Customs, into a modern semi-autonomous revenue authority. With support from the IDB, we are working on a complete reorganization plan, after which the legislation required to convert the existing tax office to a revenue authority will be submitted to parliament.

- *Improving debt management and recording*. To ensure timely payments of debt obligations, we will further improve back-office capacity and coordination between SDMO, the MoFP, and the CBvS. We will set up an information system tasked with receiving and dispatching information regarding upcoming payments to external creditors. With help from IMF capacity development, we will produce and sign a memorandum of understanding (MOU) between these parties, which defines responsibilities for timely information provision to other agencies and processing of payments (*proposed new structural benchmark for end-January 2024)*. The MOU will also specify an escalation process within each agency and procedures for inter-agency monitoring.

- *Improving procurement practices*. To improve transparency in public procurement, in December the government will enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and an ex-post validation of delivery of the contracted services *(structural benchmark for end-September 2023, not met)*. We will then publish the information in line with the enacted law on an external government website by end-March 2024. In collaboration with the CARICOM Secretariat, we will incorporate in our Integrated Financial Management Information System a procurement module and integrate and connect this module with the regional system to increase spending efficiency.

- *Managing public investment better with climate considerations*. We will improve the public investment management (PIM) governance framework, first by establishing a dedicated public investment management unit. We will allocate resources for planning, pre-investment, and feasibility studies. Given our high vulnerability to the effect of climate change, we are committed to incorporate climate adaptation measures into the PIM manual to safeguard our public investment. We will publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries (*proposed new structural benchmark for end-September 2024*).

- *Strengthening fiscal planning*. With assistance from CARTAC, we have developed a medium-term macro-fiscal framework to generate medium-term revenue and expenditure projections. We will use this framework as the basis for 2024 budget. Building on this framework, and with further technical assistance from CARTAC, we will also submit a multi-year budget strategy to the parliament by April 2024 as required by law.

- *Strengthening SOE oversight.* We will strengthen our oversight over SOEs. We will collect and publish the latest financial information for the 10 largest SOEs. With help from IMF capacity development, SDMO has expanded its scope of collecting, recording, and reporting debt of SOEs. We will initiate quarterly financial monitoring of these SOEs. We will prepare a report that identifies and quantifies the fiscal risk generated by the largest SOEs (*end-December 2023 structural benchmark, proposed to be reformulated and re-set for end-June 2024*).

- *Improving fiscal transparency and accountability.* To improve budgetary control and fiscal transparency, we published a budget execution report for January to June 2023 (*structural benchmark for end-September 2023, met*). We will continue to publish budget execution reports, and with the help of IMF capacity development, will aim to improve their content and presentation.

- *Improving the quality of fiscal data.* With support from IMF capacity development, we established a system to compile and maintain in a central place an up-to-date list of public entities. We will further improve the collection and processing of source data by signing a memorandum of understanding between the Directorate of Taxes, MoFP, Finabank, CBvS and SDMO which specifies data provision requirements.

III. STRENGTHENING THE SOCIAL SAFETY NET

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

12. We are committed to achieving the social protection spending floor in 2023 to ensure sufficient protection of poor and vulnerable households. In July we increased the value of cash transfers by around 45 percent and expanded coverage of the social beneficiary program (SRD 1800 per month) to include recipients of the general old age pension. In December we issued an additional one-off payment to the beneficiaries. To speed up the expansion of coverage of the social beneficiary program, we have re-doubled our efforts to get payment cards to households across Suriname. While we missed the end-September IT by SRD 112 million, we are committed to expanding the coverage of social assistance programs and appropriately calibrating the value of cash transfers to ensure that vulnerable households are protected. We remain committed to expanding social protection spending to 2.8 percent of GDP in 2023 as a direct response to the difficult economic conditions.

13. We will formalize a process for reviewing nominal benefit and threshold levels on a quarterly basis to provide households with adequate protection in a high-inflation environment. We recognize that long delays in re-setting the value of cash transfers erode the protection afforded to vulnerable households when inflation is high. We will consider the social spending envelope, the poverty gap, erosion of the real value of benefits, and changes in coverage when determining how to recalibrate the value of cash transfers each quarter. We will institute a process that begins with gathering data ahead of each quarter and create a regular schedule for adjustments to the nominal level of benefits. Similarly, we will adjust our eligibility thresholds on a quarterly basis to ensure that households do not fall out of the social safety net because of high inflation. We will also adjust the nominal value of the social beneficiary program when electricity tariffs are adjusted quarterly to ensure that vulnerable households are protected while energy subsidies are phased out.

14. To overcome geographic and institutional challenges, we have intensified our administrative and digitalization efforts to expand coverage and improve delivery. We are continuing the process of shifting beneficiaries to digital payments using a government-provided debit card system. With the help of the IDB, we have purchased 40,000 cards to service our traditional and new cash transfer programs. Rolling out digital payments to households in the interior will vastly improve the efficiency of delivery significantly, particularly in hard-to-reach areas. This will enable us to make more timely and frequent payments to households in the interior and will allow for better geographical targeting in regions with a very high incidence of poverty. The new social benefits program has allowed us to rapidly increase the number of households in our database, with initial registrations reaching over 70,000 new households. This database, along with the digital cash transfer infrastructure, are critical pillars of preparedness for future economic shocks. With the help of the IDB, we will establish a monitoring and evaluation unit within the Ministry of Social Affairs and Housing in 2024.

15. To improve transparency, we will begin reporting on the performance and coverage of our cash transfer programs. We will publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district, along with the value of cash transfers made to recipients in each district under each program (*proposed new structural benchmark for end-January 2024*). Along with this, we will publish the eligibility criteria for each program to ensure that the public clear who is targeted under each program. Further, we will work towards better data collection to identify what share of the target population is being covered in each district.

16. Finally, we will take a comprehensive look at the efficiency and effectiveness of our social protection programs and develop a strategic plan to guide our future reform efforts in

this area. We are working with the ILO and IDB to develop our home-grown strategic plan in line with our Multi-Annual Development Plan 2022-26. In this plan, we will focus on areas where efficiency savings can be made by rationalizing programs and expanding coverage by integrating our various programs into a single coherent digital registry. We will emphasize improvements to public health insurance for low-income households. We will collaborate across the Ministries of Social Affairs and Housing, Health, Education, Labor, and Finance to ensure that we are working towards common objectives and that there is broad agreement on the path forward for social protection reform.

IV. RESTRUCTURING PUBLIC DEBT

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

- We are committed to bringing down public debt to 60 percent of GDP by 2035. We will lower our gross financing needs to an average of 9 percent of GDP in 2023-35 (and no higher than 12 percent of GDP in any one year). Our program ensures the fiscal position is fully financed from 2023 to 2024.

- We have followed best practices in sovereign debt restructuring, including considering inter-creditor equity and comparability of treatment of all official bilateral creditors. We are committed to working with all creditors to achieve debt treatments consistent with program parameters and recognizing that servicing debt on the original terms would not be consistent with debt sustainability.

- We reached an agreement in principle with the Paris Club creditors in June 2022. Subsequently, we have reached and signed bilateral agreements with all the Paris Club creditors.

- We have conducted our negotiations with private external creditors in good faith, by sharing relevant, non-confidential information with all creditors on a timely basis and providing creditors with an early opportunity to give input on the design of restructuring strategies. Our government’s approach has been based on four pillars: (i) a fair and equitable treatment for all our creditors (ii) transparency and constructive dialogue, (iii) a commitment to fiscal consolidation and reform policies going forward, and (iv) a sustainable debt solution within the IMF debt sustainability framework. In May 2023, we formally reached an agreement-in-principle with the Bondholder’s Committee and the actual debt exchange was launched in October. The exchange was successfully finalized in November, with participation of more than 96 percent of the creditors in this operation. The two outstanding Eurobonds are exchanged for one fixed income instrument with a face value of USD 660 million, a 10-year maturity, and a coupon of 7.95 percent. During the first two years, only 4.95 percent will be paid in cash with the remaining 3 percent capitalized. The new bond entails a 29 percent principal haircut on original face value and accumulated past due interest. The fixed income instrument is complemented with a value recovery instrument (VRI) paying out only if the Republic of Suriname receives royalties from Block 58. After an initial USD 100 million of oil royalties goes to the government, creditors would be able to claim 30 percent of the yearly oil royalties from block 58 to be compensated for the haircut they consented to. The VRI is structured to ensure that the Republic and its population will fully benefit from the other three sources of oil-related revenues (income taxes, a share in profit oil and dividends from Staatsolie).

- We presented restructuring offers to China and India in July 2022, and the EXIM India signed an agreement on official bilateral loan in March 2023, in line with the July 2022 offer. An agreement on ECA backed loans with India was reached in May 2023 that was fully consistent with program parameters. An agreement in principle at the technical level was reached with China on the two-stage (flow and stock relief) debt treatment. The AIP is comparable with that agreed with the Paris Club (PC) creditors. and consistent with debt sustainability.

- As part of the commitment to restore debt sustainability, we have made progress on restructuring domestic debt (including arrears) to banks. We are implementing a concrete time-bound action plan for restructuring domestic debts and commit to completing the ongoing domestic restructuring by the end of 2023. We have cleared about SRD 0.9 billion of domestic debt arrears and plan to clear all domestic arrears except technical arrears by the end of 2023.

- Supplier arrears stood at SRD 3.6 billion in September. We commit to put a stop to the accumulation of supplier arrears. In addition, we are determined to gradually clear the entire stock of arrears by the end of 2025. We are actively implementing measures to monitor and prevent the accumulation of supplier arrears (¶9).

- We concluded the negotiation on the legacy debts with the CBvS in July. Balancing the government's financial constraints and CBvS' financial health, the arrears to CBvS will be settled this year while remaining legacy debts have been restructured into a loan with a grace period of 2 years and a maturity of 27 years.

- Further, the government will not provide guarantees to debt contracted by other parties during the program, nor will it or the SOEs contract new debt that is collateralized by natural resource revenues (or allow the public sector to contract such debt on behalf of the central government). In order not to unduly influence the domestic FX market or complicate the reserve money targeting framework, the CBvS has discontinued the issuance of new FX-linked or FX-denominated securities.

V. REDUCING INFLATION

18. Our recent efforts to tighten monetary policy are showing signs of traction. SRD liquidity conditions remain tight for much of the banking system, supported by continued diligent implementation by the central bank's open market operations (OMOs), more regular wholesale auctions and direct issuances of Central Bank Certificates (CBCs), and the April increase in the local currency reserve requirement by 5 percent (from 39 to 44 percent). Private sector credit growth has slowed in recent months, contained in part by the CBvS guidance to commercial banks to limit the increase in the stock of nominal credit to 20 percent over a 12-month period through end-March 2024. These measures, alongside the government's restored fiscal discipline, have supported the

CBvS's ability to mop up excess system liquidity and a stabilization in the growth of reserve money, as well as a downward trend in monthly inflation. The CBvS has overperformed relative to its SRD reserve money target in recent months with a view to support faster deceleration in SRD reserve money growth and inflation. The end-September net domestic assets (NDA) also remained well below the ceiling agreed under the EFF-supported program. The improved monetary policy traction has also strengthened the CBvS' capacity to mop up liquidity more effectively, thereby enhancing the coordination with the fiscal policies. Transmission from recently increased OMO interest rates to market interest rates remains weak due to the uneven distribution of banking system liquidity and a limited interbank market, as well as concerns over bank asset quality and borrower repayment capacity. Nonetheless, tighter monetary conditions have continued to gradually feed into market interest rates, with interest rates for new term deposits and loans continuing to trend up. We continue to strengthen our monitoring and assessment of monetary conditions and stand ready to implement further tightening measures, as needed, to support the slowing of inflation and our ability to meet the monetary targets under the program.

19. The CBvS' standing lending and intraday facilities are in place to help banks cover sudden short-term liquidity gaps. To prevent reliance on the standing facility, it is priced on the basis of the weighted average price of open-market operations plus a modest spread. The CBvS will seek to sterilize liquidity from the use of the facility through OMOs to minimize disruptions to its reserve money targets. The CBvS has issued a revised circular on the ELA framework to provide emergency liquidity to banks. Banks' access to ELA is subject to CBvS supervisory decision based on the assessment of viability and solvency, and, as needed, remedial action.

20. Our foreign exchange policies are embedded in our commitment to a flexible, market-determined exchange rate. We have refrained from direct FX interventions. The FX market pressures have eased and the exchange rate has remained relatively stable in recent months, yet the underlying market conditions remain tight. To mitigate the risk of supply disruptions from FX shortages, the government is conducting limited indirect FX sales to essential goods importers – by allowing mineral companies to pay some of their government revenue obligations in SRD from corresponding FX sales – in line with its program commitments. Cumulatively the FX sales through end-September were limited to just over US$10 million in view of keeping the total central government SRD mineral revenue receipts under the program US$15 million ceiling, with a view to terminate the indirect sales by end-June 2024. The MoFP has also strengthened monitoring of the indirect sales to ensure they do not give rise to multiple currency practices, and to support continued accumulation of international reserves, will continue to transfer all other government net FX receipts (including from IFI budget support) at the prevailing market exchange rate to the CBvS only, except for transfers required to meet the government's domestic FX debt service obligations.[1]

21. We continue our work to improve functioning of the foreign exchange market. After series of procurement and technical challenge delays in the testing phase, the electronic inter-

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

bank/cambio FX trading platform (end-September 2023 SB, not met) will be launched in December. The initial participation in the platform is limited to inter-institutional transactions among banks and cambios, but will be expanded progressively as experience and confidence in the platform grows (the platform has built-in optionality to also incorporate gold-producers and other non-bank/cambio participants). To support timely FX availability to market participants, a surrender requirement for exporters to offer 35 percent of export proceeds for sale to the market remains in force, with sale of repatriated FX to follow banks' own daily rates as per the CBvS Circular 2023-2 issued on September 8, 2023. No additional FX market regulatory guidance by the authorities has been issued since, and we remain committed to consult with the Fund before issuing any such guidance. Moreover, we will refrain from any interventions or administrative measures that could impede efficient functioning of the FX market or be inconsistent with the program or Suriname's obligations under Article VIII, Sections 2 and 3 of the IMF's Article of Agreement.

VI. REDUCING BANKING SECTOR RISKS

22. We are committed to addressing acute vulnerabilities in the banking system. The reported level of capital adequacy ratio for the banking system is 18.7 percent as of September 2023. However, there are two banks with substantial recapitalization needs as indicated by the AQR results. Nonperforming loans continue to remain high. The banking system is liquid largely due to high reserve requirements with liquid assets comprising 53.7 percent of total assets. However, liquidity is unevenly distributed across banks and skewed towards two large systemic banks. The CBvS remains committed to prudently monitoring and supervising the banking system and taking appropriate measures, including prompt corrective actions, to address the problem banks.

23. In line with the post-AQR roadmap, the banks incorporated the AQR results and banks with capital shortages submitted their timebound recapitalization and restructuring plans to CBvS. The CBvS critically assessed banks' plans to verify their credibility *(structural benchmark)*. These plans are required to include time-bound actions and implementation milestones to address any breaches of prudential requirements and, where appropriate, a restructuring plan dealing with the root causes of the difficulties. Among the two banks with capitalization needs, the state-owned bank requires an immediate solution with the agreement between the MOF and CBvS. In parallel, the MoFP will agree with CBvS on a new governance framework for the government-owned banks to ensure they are run on a fully commercial basis *(end-December structural benchmark)*.

24. To enable the CBvS to address problems in the banking sector, we are in the process of strengthening the supervisory regime and resolution framework. We prepared a guidance for the management of non-performing loans portfolio and shared this guidance with banks. The amendments to the Banking and Credit System Supervision Act and the draft Bank Resolution Bill have been sent to the National Assembly and will be adopted by the National Assembly in December. The draft Bank Resolution Bill will strengthen CBvS' powers and tools for early intervention, recovery, and resolution of credit institutions. The amendments to the Banking and Credit System Supervision Act will enhance risk-based supervision of banks regarding banks' business strategies, governance, risk management (including provisioning policies and AML/CFT compliance), capital planning, budget forecasting, valuation of collateral, and profit and loss projections. This will allow the supervisors to adequately determine a bank's compliance with regulatory requirements to ensure that timely measures to prevent further deterioration in its financial position. In strengthening the supervisory regime, the focus is also on determining and preventing concentration risk within the financial sector.

25. The government is determined to implement other important financial sector reforms. We are committed to improving the supervision of the insurance and pension sector, the capital market and electronic payment systems, as well as establishing credit reporting, deposit insurance, and improving electronic transactions. CBvS is drafting acts and regulations in these areas. Ongoing efforts to strengthen the AML/CFT framework will support the financial sector resilience. The revised AML/CFT regulation will be issued by the end of 2023. Given limited resources, we will prepare a comprehensive plan to coordinate and integrate the various reform initiatives to ensure timely implementation, supported by technical assistance by the IMF and other parties.

VII. IMPROVING MONETARY GOVERNANCE

26. The CBvS has made progress in clearing the backlog of financial statements audits and continues to conduct special audits of program monetary data. The CBvS has published the FY 2015-2019 financial statements on its external website and has commenced the preparation of financial statements in line with International Financial Reporting Standards (IFRS). The FY 2020 statements have been recently published. We will normalize the auditing cycle, by publishing the FY 2022 audited financial statement by March 2024 *(structural benchmark, proposed to be reset to end-June)*. Audits of program monetary data conducted for each test date since the start of the program have not raised material issues. We will continue to perform these audits for each future test dates to confirm the data underlying the performance criteria. To reinforce the internal audit function, we will continue to co-source specifics audits while building capacity. Finally, to strengthen the governance and oversight of foreign reserves management by CBvS we requested IMF technical assistance.

27. The government is taking steps to fully implement the Central Bank Act. The Act has strengthened the mandate, autonomy and decision-making structure of the CBvS while prohibiting monetary financing of the government. The Act also improves the governance of the CBvS by:

- Clarifying and strengthening the mandate of the CBvS;
- Bringing the CBvS' institutional, financial, and personal autonomy into line with international best practice;
- Strengthening the CBvS's governance by providing for the collegial management of the CBvS and improving internal oversight;
- Increasing transparency, accountability, and oversight;

- Defining clear requirements on accounting, profit distribution, reserves, and eventual recapitalization of the CBvS.

We have taken steps to implement the new CBvS Act, including by establishing the Audit Committee and Risk and Compliance Committee in accordance with their approved charters and approved the Investment Policy, and is developing a regulation for the Supervisory Board and reviewing the Governance Handbook. The government is in the process of appointing members of the CBvS council in line with the new law.

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

29. We will finalize a recapitalization plan considering the recent restructuring of CBvS debt. The MoFP has agreed with the CBvS on consolidating the debt, the clearance of arrears and the repayment schedule. We will finalize the recapitalization plan, that was delayed due to the need to finalize audits of financial statements, which covers both the debt restructuring agreement, the latest audited CBvS financial statements and the Central Bank Act recapitalization needs *(structural benchmark, end-December 2023, proposed to be reset to end-March 2024)*. This plan will include a clear target level of capital, a trigger point for recapitalization, assume a recapitalization through instruments that could be marketable in the future as the fiscal restraint becomes more credible and contain a binding time frame to complete the recapitalization in line with the new CBvS Act. This is important to ensure that the CBvS has sufficient financial resources to execute its mandate.

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

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

- Following the ratification of the United Nations Convention Against Corruption (UNCAC), the government installed the Anti-Corruption Commission (ACC) on May 5, 2023, for a term of 5 years. With the help of Fund TA, the ACC will propose amendments to the legal framework to require income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance. We will also make changes to the Criminal Code to ensure it better reflects the requirements of Chapter III of the UNCAC *(end-December 2023 SB, proposed to be reformulated and reset to end-June 2024)*. Wages and salaries of high-ranking and high-risk public officials are already made public through state decrees. Furthermore, the government will look for suitable ways to share certain information of high-ranking and high-risk public officials with the public, while taking into account national and international rules and best practices. Meanwhile, to execute the income and asset declaration provision of the existing anti-corruption law, the President in August issued a state decree requiring registration of income and assets by high-ranking and high-risk public officials.

- We have ratified the Caribbean Community (CARICOM)'s Protocol on Public Procurement in July 2022. With support from the IDB, we will enact a new procurement *law (end-September 2023 SB)*, which will mandate the publication of beneficial ownership information of awarded procurement contracts.

- Based on the November 2022 assessment by the Caribbean Financial Action Task Force (CFATF), we enacted a new AML/CFT law in November 2022 to bring in line with international standards the key technical compliance deficiencies which placed Suriname on enhanced follow up. Going forward, we will work closely with donors and providers, including the IMF, United Nations Office on Drugs and Crime ('UNODC') and the World Bank to strengthen Suriname's anti-corruption and AML/CFT framework. To fully comply with CFATF requirements, we will: (i) implement AML/CFT supervision for all financial institutions (credit union, insurance, and pension fund sectors); (ii) develop and implement risk-based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit (FIU); (iv) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions Against Terrorism and Proliferation Financing.

- Suriname also made the commitment to initiate the process for a second National Risk Assessment (2020-2024). To this end Kroll AML Division has been contracted to advise and assist in the execution of this initiative. The Ministry of Economic Affairs already started the process for a sectoral assessment regarding Legal Persons including Ultimate Beneficial Ownership (UBOs) and Non-Profit Organizations (NPOs). In November 2022, the AML Steering Council (ASC) approved the AML Strategic Plan 2022-2025. In March 2023, the ASC approved a list of High Prioritized Actions for 2023 – Q2 2024, which is being rigorously implemented. The priority is for a follow up NRA to fill the gaps identified in the first NRA and provide more details on areas not addressed and to complete the second NRA by mid-2024. By presenting new draft legislation to National Assembly, the Ministry of Finance together with the Central Bank of Suriname are working towards strengthening the supervision regime for the financial sector. Also, the Ministry of Justice and Police has presented to the National Assembly draft legislation for strengthening the supervision regime for the gaming sector. Once these pieces of legislation are enacted, they will address the gaps identified in the CFATF Mutual Evaluation Report (MER). In this regard, the law of November 2022 called the "Prevention and Combating money laundering and Terrorist Financing" already led to a positive effect on the ratings of the MER of Suriname.

- To further strengthen the AML/CFT framework, in particular the implementation of a risk-based supervision framework and to comply with recommendation of the 4th MER, in April 2023 we began the Sectoral Risk Analysis (SRA) of the banking sector with technical assistance of OAS. The SRA is progressing, and the report is expected to be delivered in December 2023. The SRA report will contribute to establishing targeted AML/CFT policies and the frequency and intensity of supervision of the banking sector. It would also elaborate on the methodology used to perform the risk analysis. The SRA findings will be reported to CFATF in 2024. A number of projects are underway to strengthen the AML/CFT regime: a new AML/CFT regulation is under discussion and will be issued shortly and, legislation (in line with FATF requirements is pending in the DNA, with the technical assistance offered by IMF and UNODC/WB.

31. We are committed to improving governance and transparency of the extractive sector. Suriname joined the Extractive Industry Transparency Initiative (EITI) in 2017 and has published reports for fiscal years 2016 and 2017. The reports for fiscal years 2018 - 2020 were published in January 2023. The government intends to step up efforts to address the EITI recommendations including: (i) reforming the mining law to reduce room for discretion in investor incentives and strengthen the framework for mining titles; and (ii) legally compel companies in the extractive industry to disclose their beneficial owners. Work is underway on these measures.

IX. STATISTICS

32. The government is committed to improving the quality and dissemination of economic data, supported by IMF technical assistance. We have made important improvements to the quality and timeliness of monetary, financial, and balance of payments statistics. The government recognizes that timeliness of data availability (such as the long lag of publication of annual GDP and the lack of quarterly GDP statistics) remains an issue that requires urgent attention. With the support of the IMF, we will invest resources in the production of quarterly national accounts statistics and shorten the lag of annual national account data to six months from the current eight months. There is also a need to improve data quality, especially for the Consumer Price Index (CPI), fiscal sector statistics and public debt data, ensuring that they are consistent with other data sources (e.g., monetary accounts and fiscal flows in the balance of payments). We will also take steps to publish detailed monthly CPI data including all its subcomponents. The government is committed to accurately reporting all domestic arrears on a monthly basis. In addition, we will work towards broadening the institutional coverage of fiscal statistics to the public sector to better assess fiscal risks. We will seek technical assistance from our international partners to support our effort to improve the quality of economic data and statistics.

X. PROGRAM MONITORING

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

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

(In millions of Suriname dollars, unless otherwise indicated)

	2020	2021				2022											
		end-Dec				end-Jan.				end-Feb.				end-Mar.			
	Act.	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14.018	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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

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

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

(In millions of Suriname dollars, unless otherwise indicated)

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

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

(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,020	Met	1,338	1,693	2,189	Met	1,529	1,826	[1897]	[Met]
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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

(In millions of Suriname dollars, unless otherwise indicated

	2023															
	end-Sep.				end-Oct.				end-Nov.				end-Dec.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,721	1,790	[1909]	[Met]	1,912		TBD	TBD	2,103		TBD	TBD	2,294		TBD	TBD
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57		TBD	TBD	-73		TBD	TBD	-6		TBD	TBD
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214		TBD	TBD	4,722		TBD	TBD	4,121		TBD	TBD
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		TBD	TBD	0		TBD	TBD	0		TBD	TBD
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		TBD	TBD	25		TBD	TBD	30		TBD	TBD
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		TBD	TBD
Memorandum items																
Reserve money	29,440		26,720		30,049		TBD		30,670		TBD		31,374		TBD	
Reserve money (local currency portion only)	15,320		14,208		15,573		TBD		15,831		TBD		16,162		TBD	
Reserve money (constant exchange rates)	20,589		19,167		20,857		TBD		21,130		TBD		21,477		TBD	
NFA (constant exchange rates)	8,797		8,819		8,742		TBD		8,507		TBD		9,455		TBD	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		TBD		1,112		TBD		1,234		TBD	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		TBD		873		TBD		995		TBD	
Program exchange rate	14.018		14.018		14.018		TBD		14.018		TBD		14.018		TBD	

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

(In millions of Suriname dollars, unless otherwise indicated)

	2024														
	end-Jan.	end-Feb.	end-Mar.		end-Apr.	end-May.	end-Jun.		end-Jul.	end Aug.	end Sep.		end Oct.	end Nov.	end Dec.
	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC
Quantitative Performance Criteria															
Fiscal/debt targets															
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384	769	1,525	1,153	1,538	1,922	3,050	2,307	2,691	3,076	4,705	3,460	3,844	4,229	4,613
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. New central government guaranteed debt (continuous ceiling)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary targets															
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-25	-29	-37	-44	11	-8	0	-7	-28	-39	-39	-46	-65	-1
7. Net domestic assets of the central bank (ceiling) 2/	454	1,041	1,566	1,495	1,836	1,272	2,189	1,621	1,888	2,333	3,648	2,645	3,948	4,436	3,730
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 6/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	3	7	15	15	17	20	30	30	30	30	30	30	30	30	30
Indicative Targets															
1. Social spending of central government (floor) 2/			1,308	1,134			2,617	2,454			4,033	3,693			5,122
Memorandum items															
Reserve money	28,866	29,300	33,018	29,699	30,058	30,387	34,434	30,685	30,973	31,247	35,969	31,512	31,778	32,043	32,310
Reserve money (local currency portion only)	15,978	16,298	17,255	16,582	16,824	17,036	18,109	17,217	17,386	17,539	19,070	17,684	17,827	17,969	18,112
Reserve money (constant exchange rates)	20,761	21,085	22,637	21,373	21,619	21,834	23,557	22,018	22,190	22,348	24,584	22,495	22,642	22,788	22,933
NFA (constant exchange rates)	9,112	8,849	9,050	8,682	8,587	9,366	9,347	9,201	9,106	8,818	8,914	8,655	8,559	8,298	9,186
Gross international reserves (millions of U.S. dollar)	1,188	1,169	1,271	1,225	1,218	1,274	1,359	1,329	1,322	1,302	1,395	1,358	1,351	1,332	1,463
Usable international reserves (millions of U.S. dollar) 5/	955	936	1,033	991	984	1,040	1,120	1,096	1,089	1,068	1,156	1,124	1,117	1,099	1,229
Program exchange rate	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018

Source: Authorities and IMF staff calculations and projections.

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

2/ Cumulative flows from begining of the year.

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

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

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

6/ Non-observance for the month February 2023

Table 2. Suriname: Structural Benchmarks under the EFF

Measure	MEFP ¶	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce strict limits on monetary financing (with transitional rules).		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters..	21	September 2023	Not met; implemented with delay in [December]	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	26	March 2024	Proposed to be reset to June 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	26	March 2024	Proposed to be reset to June 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	29	December 2023	Proposed to be reset to March 2024	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	28	December 2023		Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.

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Measure		Target date	Status	Objective
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; 'Implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; 'Implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; 'Implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; 'Implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; 'Implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	23	December 2023		Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility	23	October 2023	Met	Improve strength of the financial sector.

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

Measure		Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	16	December 2023		Strengthen social spending.
Publish a report of the 10 largest state-owned enterprises by total assets that identifies and quantifies the principal fiscal risks created by these enterprises.	10	December 2023	Proposed to be reformulated and reset as below	Contain fiscal risks.
Publish a report that identifies and quantifies the principal fiscal risks generated by the largest state-owned enterprises.	10	June 2024	Reformulated as new SB	Contain fiscal risks.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption		July 2023	Not Met; imlemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.	9	October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detail procedures) to halt payments of salaries for unregistered workers.	9	October 2023	Not Met; implemented with delay in November 2023	Strenthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	10	December 2023	Proposed to be reset to March 2024	Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	10	September 2023	Met	Strengthen PFM.
Publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries.	10	September 2024	Proposed new SB	Climate adaptation to contain fiscal risks.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	10	January 2024	Proposed new SB	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	15	January 2024	Proposed new SB	Improve governance and increase transparency.

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

Measure		Target date	Status	Objective
Governance (anti-corruption)				
Ratify the United Nations Convention Against Corruption (UNCAC).		January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line the with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish proportionate sanctions for non-compliance.	30	June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC.		March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to reflect: i) adoption of legislation and or other measures as may be necessary to establish as criminal offences the relevant Articles contained in Chapter III of the UNCAC; and ii) enactment of legislation which creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	30	December 2023	Proposed to be reformulated and reset to June 2024	Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)				
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	10/30	September 2023	Not Met; implemented with a delayin November	Strengthen procurement efficiency.
Governance (AML/CFT)				
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).		August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.

Source: IMF staff. *Concluded*

1/ The target dates for all structural benchmarks are the end of the month.

Attachment II. Technical Memorandum of Understanding

This Technical Memorandum of Understanding (TMU) sets out the understanding between the Surinamese authorities and the IMF staff regarding the definition of quantitative performance criteria (QPC) and indicative targets (IT). It also sets out the QPC and IT adjusters and data reporting requirements for the duration of the Arrangement under the Extended Fund Facility (EFF), as described in the authorities' Letter of Intent (LOI) dated September x, 2023 and Memorandum of Economic and Financial Policies (MEFP). This TMU describes the methods to be used in assessing the program performance and the information requirements to ensure adequate monitoring of the targets. As is standard under all Fund arrangements, we will consult with the Fund before modifying measures contained in the LOI/MEFP or adopting new measures that would deviate from the goals of the program. We are also committed to providing Fund staff with the necessary information for program monitoring.

1. The QPC and IT are shown in Table 1 of the MEFP. Prior actions and structural benchmarks are listed in Table 2 of the MEFP.

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

I. QUANTITATIVE PERFORMANCE CRITERIA: DEFINITION OF VARIABLES

3. Definition of central government: The central government (CG), for the purposes of the program, consists of the set of institutions and government units currently covered under the state budget. Newly formed public sector entities will be examined and included within the CG perimeter if adjudged to meet the definition of a CG unit per the Government Finance Statistics Manual 2014.

4. Definition of State-Owned Enterprises (SOE): State-Owned Enterprises (SOE), for the purposes of the program, consists of the set of corporations that i) the CG is a shareholder or ii) are controlled by the CG directly or indirectly through other government-controlled entities. The control by the CG can be established through legislation or equity participation.

5. **Definition of debt**. External debt is determined according to the residency criterion (and, as such, would encompass nonresident holdings of Suriname law local currency and foreign currency debt). The term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take several forms; the primary ones being as follows:

i. loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

ii. suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

iii. leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the PV (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

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

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

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

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

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

i. The change in net CBvS credit to the CG, including changes in the government deposit position at the CBvS and excludes any accrued interest;

ii. The change in net credit from depository corporations, which includes changes in CG deposits and the net issuance of treasury bills, lending, and other CG securities held by commercial banks and excludes any accrued interest;

iii. The change in net non-bank credit to the CG, which includes net issuance of Treasury bills and other CG securities to non-banks, and other CG claims and debts vis-à-vis nonbank institutions and excludes any accrued interest;

iv. New external loan disbursements net of external loan amortization including repayment of external arrears;

v. Net sale of government assets (financial including privatization receipts).

Table 1. Suriname: Total Mineral Revenues of CG

	(In SRD millions)
Cumulative flows from the beginning of the fiscal year	
End-June 2023	8,396
End-July 2023	9,796
End-August 2023	11,195
End-September 2023	11,257
End-October 2023	12,508
End-November 2023	13,759
End-December 2023	15,010
End-January 2024	1,479
End-February 2024	2,957
End-March 2024	4,436
End-April 2024	5,914
End-May 2024	7,393
End-June 2024	8,871
End-July 2024	10,350
End-August 2024	11,828
End-September 2024	13,307
End-October 2024	14,785
End-November 2024	16,264
End-December 2024	17,742

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

Definition: Mineral revenue is defined as the government's tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue (Table 1).

The QPC for the fiscal balance is calculated based on the projected official exchange rate. Reporting (and adjustments, as defined below) will be made using the current official exchange rate.

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

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

1. downward (upward) to the full extent that cumulative project loans are more (less) than project loans given in Table 2.

2. upward to the extent of any rise in mineral revenue above the cumulative baseline projections given in Table 1.

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

Cumulative flows from the beginning of the fiscal year	(In USD millions)
External loans from IFIs for budget financing 1/	
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	150
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	150
External debt from bilateral and private creditors for budget financing 2/	
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	0
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0
External loans for project financing	
End-June 2023	36
End-July 2023	42
End-August 2023	48
End-September 2023	54
End-October 2023	59
End-November 2023	65
End-December 2023	71
End-January 2024	4
End-February 2024	9
End-March 2024	13
End-April 2024	18
End-May 2024	22
End-June 2024	27
End-July 2024	31
End-August 2024	35
End-September 2024	40
End-October 2024	44
End-November 2024	49
End-December 2024	53

1/ Excluding IMF disbursements.
2/ Including international capital markets.

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

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

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

C. New Central Government Guaranteed Debt (Continuous Ceiling)

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

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

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

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

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

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

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

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

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

F. Net International Reserves of the CBvS (Floor)

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

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

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

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

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

Source: Central Bank of Suriname.

23. Reporting: Data on foreign reserves and the foreign exchange cash flow will be provided by the CBvS to the Fund once a week. Data on the statistics indicated in Table 3 will be provided to the Fund on a monthly basis, in both official and program exchange rates, with a lag of no more than two weeks after the end of the month. At each program test date, the quarterly data on net international reserves submitted by the CBvS to the IMF will be audited by the CBvS external auditors in accordance with International Standards on Auditing, to ensure conformity with the program definition and calculation methods. Reports from the external auditors should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date. Data on total foreign exchange mineral revenue will be provided by the government to the IMF on a weekly basis. Inflows of the government's foreign exchange mineral revenue to the CBvS will be monitored as part of the weekly reporting of CBvS purchases and sales of foreign currency.

24. Adjusters: NIR targets will be adjusted:

1. upward (downward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2. Program loan disbursements are defined as external loan disbursements from official creditors that are usable for the financing of the CG.

2. upward (downward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.

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

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	46
End-July 2023	67
End-August 2023	89
End-September 2023	117
End-October 2023	135
End-November 2023	153
End-December 2023	170
End-January 2024	19
End-February 2024	38
End-March 2024	58
End-April 2024	77
End-May 2024	96
End-June 2024	115
End-July 2024	135
End-August 2024	154
End-September 2024	173
End-October 2024	192
End-November 2024	212
End-December 2024	231

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

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

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	76
End-July 2023	92
End-August 2023	112
End-September 2023	121
End-October 2023	136
End-November 2023	163
End-December 2023	204
End-January 2024	21
End-February 2024	54
End-March 2024	76
End-April 2024	97
End-May 2024	131
End-June 2024	152
End-July 2024	173
End-August 2024	208
End-September 2024	230
End-October 2024	251
End-November 2024	284
End-December 2024	306

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

5. downward by the amount of FX sales by the CBvS insofar as these sales occur via competitive auctions in response to the intraday depreciation in the exchange rate versus the U.S. dollar that is more than 2 percent and are less than USD 2 million per day. This adjustor is capped at USD 20 million per quarter.

G. Net Domestic Assets of the BvS

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

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

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

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

Source: Central Bank of Suriname.

- **The value of NFA at program exchange rates** is calculated as the difference between foreign assets and foreign liabilities, defined as follows:

- **Foreign assets** are claims on nonresidents denominated in foreign currencies. They include foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities), monetary gold, IMF reserve position, and SDR holdings.

- **Foreign liabilities** are defined as liabilities of the CBvS vis-à-vis nonresidents denominated in foreign currencies; all outstanding credit from the IMF resulting from purchases under arrangements and SDR allocation; the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets.

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

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

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

1. downward (upward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2.

2. downward (upward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.

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

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

5. Downward by the full amount of the CBvS' cumulative purchases of foreign exchange from the market relative to the baseline projections reported in Table 7.

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

Table 7. Suriname: FX Purchases by CBvS

(Baseline Projection)

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

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

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

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

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

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

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

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

II. OTHER CONTINUOUS PERFORMANCE CRITERIA

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

III. INDICATIVE TARGETS: DEFINITION OF VARIABLES

J. Social Spending of Central Government (Floor)

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

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

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

IV. INFORMATION REQUIREMENTS

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

- Special drawing rights (SDRs);
- Currency and deposits;
- Debt securities;
- Loans;

- Insurance, pension, and standardized guarantee schemes; and
- Other accounts payable.

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

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

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

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

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

42. Daily/Semi-weekly

- Official nominal exchange rates.
- Volumes and nominal exchange rates (inclusive of any fees, commission, or other types of charge) of foreign exchange transactions (purchases and sales) by banks and cambios.
- Volumes and nominal exchange rates of direct purchases/sales of foreign exchange by the CBvS and/or central government from/to SOEs and private sector.
- Monitoring Template IMF (no. 25[41]) - Deposits including largest 5 depositors in accordance with the Enhanced Supervision framework, within one week after the reporting period.
- Monitoring Template IMF (no. 26) – Liquid assets held by banks in accordance with the Enhanced Supervision framework, within one week after the reporting period.
- Liquidity Coverage SRD template (no. 30) in accordance with the Enhanced Supervision framework, within one week after the reporting period.

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

43. Weekly/bi-weekly

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

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

44. Monthly

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

- Holdings of domestic T-notes and T-bills (SRD-denominated and foreign currency-denominated) by investor, maturity, and currency. The reporting lag should not exceed four weeks after the end of the month.

- Legal measures that affect the revenue of the CG, such as tax rates, import tariffs, and exemptions. The reporting lag should not exceed six weeks after the end of the month.

- Balance sheet of the CBvS within two weeks of end of the month.

- A summary of the monetary survey of the banking system (including CBvS and deposit-taking institutions). This information should be received with a lag of no more than six weeks after the end of the month.

- Income statement of the CBvS on a cash and accrual basis, with a lag of no more than three weeks from the end of the month.

- Projections of CBvS purchases and sales of foreign currency (FX cash flow table, 12 months ahead).

- Information on interconnectedness of the financial sector and related party lending (templates no. 6 and 37) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.

- The deposit funding structure of the banks (template no.8) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.

- Information on measures taken by the banks in the context of the COVID-19 pandemic (templates no.33-35), within four weeks after the end of the month.

- Banks' claims on the government and State-owned Entities with breakdown by type (debt types, loan types including the gross amount of overdrafts) within four weeks after the end of the month.

- The Monthly Returns as reported to the CBvS, within four weeks of the end of the month.

- A written update on the progress of the Asset Quality Review (until the review has been concluded) that includes any issues encountered by CBvS and/or their advisor and any remedial actions taken.

- Data on foreign reserve assets and foreign reserve liabilities for NIR target purposes (Table 2) evaluated at both official and program exchange rates, within two weeks of the end of the month.

- Data on NDA, NFA, and reserve money (Table 4) evaluated at both official and program exchange rates, within two weeks of the end of the months.

- Data on foreign reserve assets split into ring-fenced and non-ring-fenced assets evaluation at official exchange rates, within two weeks of the end of the months.

- Consumer price index, including by sub-components of the CPI index within four weeks after the end of the month.

- Cash flow of EBS showing government transfers to cover the gap between the average electricity tariff and EBS recovery cost within eight weeks after the end of the month.

- Electricity average tariff, total electricity consumption volume, total billing and amount collected (in SRD) to be provided by consumption categories (household, commercial, and industrial) and by consumption volume. This information should be received with a lag of no more than eight weeks after the end of the month.

- Electricity costs including: (i) production costs: fuel costs, Staatsolie electricity costs, hydropower costs, separately, (ii) other operational costs: personnel costs and financing costs, and (iii) investment costs. This information should be received with a lag of no more than eight weeks after the end of the month.

- EBS committed and executed payments to Staatsolie for purchases of fuel and electricity. This information should be received with a lag of no more than eight weeks after the end of the month.

45. Quarterly

- Detailed balance of payments data within 60 days after the end of the quarter.

- Detailed International Investment Position data within two months after the end of the quarter.

- Projections regarding banks' balance sheets and profit and loss statement (template no. 2 and 3) in accordance with the Enhanced Supervision framework, within four4 weeks after the end of the quarter.

- Liquidity forecast and realization (templates no. 14, 16 and 18) in accordance with the Enhanced Supervision framework, within four weeks after the end of the quarter.

- Progress reports of the banks on inspection items identified by CBvS, within six weeks after the end of the quarter.

- A full set of quarterly Financial Soundness Indicators (FSI) calculated by the CBvS within 60 days after the end of the quarter.

- CG spending on social protection programs, by program, as defined for the indicative target on social spending. The reporting lag should not exceed six weeks after the end of the quarter.

46. Annual

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

Statement by the Staff Representative on Suriname
Executive Board Meeting
December 15, 2023

1. **This statement provides information that has become available since the staff report was finalized.** This information does not alter the thrust of the staff appraisal.

2. **Recent consumer price data release indicates faster-than-expected decline in inflation in October.** According to the General Bureau of Statistics of Suriname, the monthly inflation in October was lower (1 percent versus 2.2 percent), due to the easing in transportation subcomponents (operations, maintenance, and repair). In the same vein, the yearly inflation relative came to 42.9 percent compared to staff's projection of 44.7 percent. Staff expect limited impact of the VAT broadening on inflation in November. If 1 percent monthly inflation continues for the remainder of the year, the end-2023 inflation will reach 34.4 percent compared to staff's current projection of 39.3 percent.

3. **Standard and Poor's (S&P) has upgraded Suriname's sovereign credit rating with a stable outlook**. On December 6, 2023, S&P raised their long and short-term foreign and local currency sovereign credit ratings on Suriname to 'CCC+/C' from selective default ('SD). The upgrade follows the conclusion of Suriname's foreign currency debt exchange. S&P noted that further progress on concluding restructuring agreements with the remaining creditors, the implementation of conditions and reform targets of multilateral lending institutions, the continued implementation of proactive economic policies, and strengthened debt management could result in a rating upgrade over the next year.

4. **The National Assembly has approved the Bank Resolution Bill and the revised Banking and Credit System Supervision Act.** The Bank Resolution Bill will strengthen the central bank's powers and tools for early intervention, recovery, and resolution of credit institutions. The amendments to the Banking and Credit System Supervision Act will enhance risk-based supervision of banks (including provisioning policies and AML/CFT compliance), capital planning, budget forecasting, valuation of collateral, and profit and loss projections. This will allow the supervisors to take timely measures to prevent further deterioration in banks' financial positions.

5. **The government made temporary concessions on fuel taxes.** The government fuel tax, which is SRD 3.50 per liter, will be reduced to SRD 2.50 per liter for one month in December. The revenue loss is expected to be small (less than 0.05 percent of GDP), and the December primary balance target remains achievable. The government has transparently communicated the opportunity cost of this measure (about SRD 38 million in lost revenues) to the public and has also communicated that the fuel tax will be automatically re-set to SRD 3.50 per liter on January 1, 2024.

Statement by Mr. Bevilaqua, Mr. Saraiva, and Mr. Eckhorst on Suriname
December 15, 2023

On behalf of our Surinamese authorities, we would like to convey their appreciation to Ms. Guscina and her team for the constructive dialogue during the fourth review under the Extended Fund Facility (EFF) arrangement. The authorities broadly concur with the staff's appraisal of the economic performance and outlook as well as the assessment of the program implementation, under very challenging circumstances and capacity constraints.

The reform efforts have started bearing fruits. Macroeconomic adjustment and the progress with the reform agenda, together with the recent strides in the debt restructuring process have produced a major shift in sentiment about the prospects of the Surinamese economy. Fiscal conditions improved, high inflation is gradually declining, the volatility of the local currency has reduced, and economic growth has recovered. Suriname's sovereign spread reached 670 basis points this week, compared to more than 1100 only three months ago, an improvement far more substantial than in any other country in that period, and its rating was raised from selective default. These reassuring results reinforce the authorities' commitment to the structural reforms under the EFF, which will help consolidate fiscal sustainability and macroeconomic stability. Our Surinamese authorities are, nevertheless, mindful of the economic hardship that some of the adjustment measures impose on the population and will continue to seek ways to enhance protection to the most vulnerable. To support the reform efforts, the authorities are requesting the extension of the EFF arrangement through March 31, 2025, and a corresponding augmentation of access to financing.

Recent Developments and Outlook

The Surinamese economy is projected to grow by 2.1 percent in 2023, with upside risks in the medium term. The main drivers of economic growth have been private sector consumption, public sector investment and the recovery of gold production and exports. Over the medium term, the economy is expected to grow by 3 percent, but the growth rate may be higher, with investment to exploit offshore oil and gas reserves expected to start by the end of 2024 and prospects of oil production starting in 2028. These investments and their spin-off will certainly spur growth significantly.

Inflation has shown a firm downward trend in recent months. Fiscal restraint and monetary policy tightening, controlling liquidity in the economy and stabilizing exchange rate developments, as well as favorable external factors, such as lower international commodities and oil prices have contributed to the downward trend in inflation. Headline inflation is expected to decline to under 40 percent at the end of this year from 54.6 percent at the end of 2022. In 2024, supply factors, including the further phasing-out of subsidies on utilities and cooking gas, should continue to exert upward pressures on domestic prices, although the second-round effects are expected to be controlled by the tight policy stance.

Fiscal, Social and Tax Policies

The authorities remain committed to further fiscal consolidation. In order to meet the primary surplus target of 1.7 percent of GDP this year, the Administration has been undertaking bold actions to lower expenditures and increase revenues. These include tripling the prices of cooking gas as of September 1st, 2023, and adopting quarterly adjustments thereafter to reach cost recovery tariff levels, while at the same time reducing subsidies from the energy company EBS to the cooking gas company Ogane. Furthermore, increased enforcement of tax compliance boosted tax revenues recently. In addition, to contain the wage bill, new hirings have been forbidden.

However, measures to mitigate real income losses had to be taken. In order to partially compensate civil servants' real income losses, given the stringent policy on nominal wages, the government and the unions reached an agreement to extend a fixed-amount monthly bonus to every civil servant through end-2023 and undertake quarterly evaluations thereof. In addition, an adjustment in the income brackets for tax purposes, including an increase in the tax-free income floor, was also agreed for 2024. The authorities are cognizant that further measures to raise revenues and rationalize expenditures will be required to meet the fiscal target. The extension of the program for another quarter, though, provides room for a somewhat smoother path for fiscal consolidation, supporting its effective implementation.

The social safety net has been further strengthened to mitigate the impact of some adjustment measures, while targeting the most vulnerable segments of the population. As of July 1, 2023, the government increased the old age pension by 40 per cent, child support by 60 per cent, financial transfers to people with disabilities by 43 per cent and financial transfers to vulnerable households by 40 per cent. The Social Beneficiary Program has been implemented with a delay in February and has since been expanded substantially, and continues to further incorporate eligible persons to receive the purchasing power enhancement. The 2023 budget assigned SRD 1.2 billion for this program covering 60.000 eligible households and was further expanded with 50.000 old age pensioners. The authorities will further increase cash transfers using their traditional instruments, compensating for the phasing out of electricity and other subsidies. The Ministry of Social Affairs is currently enhancing administration and distribution mechanisms to meet the indicative floor for social spending by December 2023.

In November, the Treasury Department at the Ministry of Finance and Planning (MoFP) became operational. Supported by capacity development provided by FAD and CARTAC, the Treasury Department was established with a narrow focus on core functions related to the management of government's banking, payment systems, cash flow, liquidity management and supplier arrears. Relatedly, the MoFP has committed to halt the accumulation of supplier arrears and aims to clear all supplier arrears by end-2025. Information available in the Free Balance system (IFMIS), better cash management, and commitment controls systems have improved monitoring of supplier arrears in Q4 this year, to prevent further accumulation of arrears. To ensure complete clearance by the deadline and no further accumulation, a supplier arrears management strategy is now being developed. Moreover, the MoFP is establishing a cash management unit to oversee the Treasury Single Account (TSA), covering liquidity forecasting, accounts management, working capital management and cashflow management. An effective implementation of the TSA will be supported by a revised Public Financial Management Law, which is now being assessed by the authorities on its way to parliament.

The establishment of a modern revenue authority is making progress as the implementation of the VAT proceeds. The expansion of the functions of the Large Taxpayers Unit is proceeding to include account maintenance, client relationship management, and filing and payment compliance. In addition, the process of implementing a modern Semi-Autonomous Revenue Authority (SARA) has started. With support from the IDB, an external firm is drafting a complete reorganization plan, after which the legislation required to convert the existing tax office into a revenue authority will be submitted to parliament. Furthermore, the VAT Evaluation Commission is expected to present a final report soon on the evaluation of the VAT law and its effect on revenues and inflation.

Debt Management and Sustainability

Remarkable progress has been made towards the conclusion of the restructuring process with external creditors. Based on the agreement in principle reached with the Bondholder's Committee in May 2023, the debt exchange with external private creditors was finalized on November 3, with bondholders representing more than 96 percent of the outstanding debt accepting the offer. The two outstanding Eurobonds are being exchanged for one fixed income instrument that entails a 29 percent principal haircut on original face value and accumulated past due interest. The fixed income instrument is complemented by a value recovery instrument (VRI), which will be paid out only when Suriname receives royalties above a certain threshold from a specific oil and gas exploration area (Block 58). The VRI is structured to ensure that the Republic of Suriname and its population will fully benefit from the other three sources of oil-related revenues (namely, income taxes, a share in profit oil and dividends from the state oil company, Staatsolie).

Debt restructuring negotiations with Exim Bank China have made critical strides since the last IMF review. A delegation from Exim Bank China held technical meetings in Paramaribo at the end of September, and Suriname's Foreign Minister visited Beijing for high-level meetings in early November. Discussions have been constructive with a view to reaching a resolution comparable to that of the Paris Club. A working level agreement on the two-stage, flow and stock, relief has been reached with Exim Bank China, ensuring consistency with the program parameters and comparability of treatment with other bilateral creditors. The working level agreement have been submitted for approval to Exim Bank's management and the Chinese authorities, and we are confident that the renegotiation process is close to an end.

Monetary and Financial Policies

The Central Bank of Suriname (CBvS) complied with all end-September 2023 monetary criteria and targets. A tighter policy stance was taken by combining open market operations, higher reserve requirements and credit growth caps and was instrumental to meet the end-September 2023 monetary criteria and targets. The monetary policy tightening contained reserve money growth well below the targeted path, ultimately leading to a promising downward trend in inflation. Moreover, several banks have recently increased term-deposit and lending rates, signaling gradual improvement in monetary policy transmission to market interest rates. The employment of Central Bank Certificates to absorb excess liquidity in the banking system, which resulted in a competitive weighted average annual interest rate, helped in this process, as some banks tried to compensate for the decline in their reserve base. The high inflation rate continues to be mainly driven by cost-push factors, as the phasing out of subsidies on utilities and cooking gas proceeds, while demand-pull factors have been contained.

The CBvS has assessed and approved the time-bound recapitalization and restructuring plans of the banks with capital shortages. Following the asset quality review, two banks (one private and one public) with significant capital shortfalls presented recapitalization and restructuring plans, which have been approved by the CBvS based on their credibility and feasibility. The CBvS will closely monitor on a monthly basis the implementation of the plans for the private bank, which will rely only on private resources. In the case of the state-owned bank, the CBvS and the MoF are agreeing on a specific course of action to provide an immediate solution, which will cost substantially less than what was expected at the inception of the program. Simultaneously, the monetary authorities will also design a new governance framework for state-owned banks ensuring that they run on a fully commercial basis.

The National Assembly has adopted the Bank Resolution Bill and the revised Banking and Credit System Supervision Act. These legislations will strengthen CBvS's ability to manage and resolve credit institutions affected by financial distress and will enhance its risk-based supervisory powers and tools. Both legislations will enable the CBvS to prevent financial stress and crises at an early stage.

Exchange Rate Policies

The foreign exchange market has stabilized, as excess demand in the economy has been successfully contained and the supply of foreign currency increased. Market sentiment has improved, as continued fiscal restraint and monetary policy tightening contributed to proper matching supply and demand conditions in the foreign exchange market. The CBvS has supported the functioning of the foreign exchange market through an electronic FX Trading Platform that encourages transparency and competition in foreign currency trading among banks and money exchange houses ('cambios').

Governance and Anti-Corruption

The Government of Suriname is committed to strengthen the anti-corruption regulatory framework in line with international treaties and best practices. The government has taken effective steps towards the routine registration, verification and eventual publication of assets and incomes of high-ranking and high-risk public officials, as well as for the registration of receipts. To execute this arrangement in accordance with the law, a State Decree was issued including the corresponding standard registration form. To further enhance public financial management and transparency, a new Procurement Law mandating more disclosure of information on awarded contracts for public works was submitted and will be discussed by the National Assembly in the coming weeks.

Improving Program Implementation and Monitoring

The private-sector-initiated Economic Oversight Board (SEOB) has been monitoring the implementation of the EFF-supported economic program. The SEOB built a dashboard on its website with key performance indicators of the EFF-supported economic program, which are also presented in a monthly bulletin. As part of the broader communication strategy, the SEOB will organize stakeholder consultations and information sharing sessions twice a year with representatives from the private sector, public sector, and civil society in order to gain better insight into the expectations of the stakeholders.

We thank the Board, the staff and management for their support to the program and look forward to the discussion at the Board.