

## SUMMARY

### **Annual action programme 2016 in favour of Suriname to be financed from the 11<sup>th</sup> European Development Fund**

#### **1. Identification**

EDF allocation	11 <sup>th</sup> EDF comprising of: EUR 13 000 000 – Enhancement of Sustainable Agricultural Development EUR 800 000 - Technical Cooperation Facility and Support to the NAO.
Total cost	EUR 13 800 000
Legal basis	Commission Decision C(2016)

#### **2 COUNTRY/THEMATIC BACKGROUND**

There is a longstanding partnership for development between the EU and Suriname that has evolved and matured over the years. The EU is one of the main provider of grant funding to Suriname.

The combined EU commitments of funds to Suriname are over 165 million Euros since cooperation started in 1976. In line with the broad framework of the EU's Development Policies and in particular with the European Consensus on Development, the EU interventions in Suriname have been increasing the country's ownership and accountability for the programmes.

Under the 10th EDF framework from 2007-2013 EU-Suriname cooperation has focused on road infrastructure with a total budget of 19.8 Million Euros. It is also very important to highlight the volume of EC assistance through a specific budget line to the restructuring of Suriname's banana industry over the last ten years (more than Euros 22 million) which has helped to successfully increase competitiveness of the industry and privatize the state company.

Besides bilateral cooperation Suriname has substantially benefitted from regional programmes as well as from EU-ACP programmes. Direct cooperation with civil society organisations is done through the European Instruments for Human Rights and Democracy (EIDHR) with a first call for proposals in 2014.

The strategic and programming framework to facilitate Suriname-EU cooperation for the period 2014 to 2020 is articulated in the 11th EDF National Indicative Programme (NIP) with an allocation of 13.8 million Euros. It has identified sustainable agriculture as the priority area.

### **3 SUMMARY OF THE ACTION**

This Annual Action Programme (AAP) 2016 includes two programmes namely the Enhancement of Sustainable Agricultural Development programme and Technical Cooperation Facility and Support to the NAO which constitutes the National Indicative Programme (NIP). 2014 -20 for Suriname.

#### **Specifically, the Action pertaining to the Enhancement of Sustainable Agricultural Development programme aims at:**

The increased, more competitive and safer production of selected crops through an enabling environment and enhanced capacities of private sector and institutions, taking in consideration the impacts of climate change.

#### **The Action pertaining to the Technical Cooperation Facility and Support Services to NAO programme aims at:**

1. Strengthening the implementation and management capacities of the National Authorising Office (NAO), line ministries and relevant state and non-state institutions involved in the Suriname-EU cooperation.
2. Identifying, formulating and preparing future programmes to be financed under the EDF and other EU-funded programmes
3. Developing policies, documents and guidelines in support of national development issues related to EU cooperation
4. Increasing the visibility of Suriname-EU cooperation.

**Coherence with the programming documents:** The proposed AAP 2016 is fully aligned with the 11<sup>th</sup> EDF National Indicative Programme 2014-2020 and is also in line with the Agenda for Change as well as Regulation (EU, Euratom) No 966/2012.

#### **Expected results of this AAP:**

##### **i) Under the Enhancement of Sustainable Agricultural Development programme programme),the expected results are as follows:**

1. Increased horticultural production and export achieved for 1000 small-scale farmers through 20 viable businesses
2. Improved food safety capacities and standards achieved for private sector and institutions

##### **ii) Under the Technical Cooperation Facility and Support Services to NAO programme, the expected results are as follows:**

1. Strengthened operational capacity of the NAO office.
2. Improved policy development and coherence between national policies and the EU's Agenda for Change.
3. Improved strategic communication on EU development policy priorities.

#### **Identified Actions**

i) **Under the Sustainable Agricultural Development programme**, the identified actions include:

1. Development of 20 viable businesses through market studies, technical assistance, value chain analysis, call for proposal to select businesses eligible for support to small farmers, definition of monitoring system and evaluation of scheme outcomes, sustainability and impact
2. Effective services supporting production, business development and exports are delivered through mapping of private sector, NGO and farmers services demand, building up of a roster of service provider, Provision of equipment, Technical Assistance mechanisms for service provision ...
3. Ministry of Agriculture (LVV) capacities will be strengthened to provide effective services to farmers through selection of selected group of extension officers, training and capacity building, identification of equipment needs, procurement and supply, support to LVV capacities for production and delivery of improved planting material with cost recovery mechanism ...
4. Interinstitutional coordination, dialogue and legislative and regulatory framework for national food safety standards are in place through reinforcement of coordination mechanism for food safety and promotion of a national dialogue, Participatory assessment and review of the Act of national Body for Food Safety Coordination, Update and drafts of food laws for submission to the Parliament, a national food safety and certification monitoring system developed ...
5. National laboratory capacities, food safety monitoring certification through baseline survey for laboratory capacities and comprehensive development plan for the three leading food safety institutions (LVV, Ministry of Health and Ministry of Trade), targeted support for filling gaps on laboratory equipment and capacities...
6. Improved awareness and food safety standards for farmers and companies through training of farmers in selected districts, support services for farms and businesses certification...

ii) **Under the Technical Cooperation Facility and Support Services to NAO programme**, identified actions include

(a) support to the NAO Office through a programme estimate, (b) enhancing policy dialogue in the focal sectors of EU assistance through the provision of policy advice and expertise of technical consultants, (c) improved strategic communication on EU development policy priorities through visibility contracts.

**Past EU assistance and lessons learnt:**

- Previous cooperation experiences in Suriname advise lends credence to the need for institutional support based on inter-institutional integration and dialogue, working to overcome resistances for coordination and harmonization.
- The market led approach of the proposed programme design builds on past weak institutional performances and public sector resistance to change observed over the past decade in Suriname.
- As the proposed business development model (market-led, based on farmers and entrepreneurs' partnership) is new in Suriname, lessons have been learned from ongoing private sector experiences in production, processing and exports. Five (5)

established business models have been studied during the programme identification phase and lessons extrapolated to inform programme design.

### **Complementary actions/donor coordination:**

Complementary actions/donor coordination: This AAP is complementary to other EU and non-EU financed programmes. The proposed actions shall produce multiplier effect through effective linkages and synergies with relevant actions envisaged within the programs under the Bananas Accompanying Measures (GAP certification and European market access) and regional programs on Sanitary and Phytosanitary (SPS) measures, as well as fisheries.

- Coordination mechanisms will be established with the IDB investment programme on food safety, supporting LVV. IDB shall be focusing on Institutional support to LVV and the EU on Institutional support to Ministry of Health and Ministry of Trade and Industry. EU will also support a study on preparation of the overall coordination on food safety to implement the NAFSHA.
- The World Bank is currently formulating a project with Ministry of Trade and Industry to improve Business Environment in Agriculture.
- UNDP is implementing a GCCA+ programme in Suriname. Complementarities and synergies could include activities related to small-scale farmers climate adaptation and climate change mitigation measures supporting farmers' groups involved in horticultural production and supported by the Programme.
- The signed EPA will allow for an increase in the agricultural exchanges with EU private actors and the Caribbean tourism-based island economies.
- The Caribbean Investment Facility provides a great opportunity to complement the programme with a credit facility, and the implementing partner will actively pursue this by engaging with IFIs.

## **4 COMMUNICATION AND VISIBILITY**

- The European Commission and its implementing partners will abide by the visibility rules for European Union financing as per relevant provisions in the respective agreements and contracts. A communication plan will be prepared and additional communication measures might be taken if necessary.

## **5 Cost and financing**

Actin 1 - Enhancement of Sustainable Agricultural Development	EUR 13.000.000
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Action 2 - Technical Cooperation Facility and Support to the NAO.	EUR 800.000
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Total EU contribution to the measure	EUR 13.800.000
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The Committee is invited to give its opinion on the attached Annual Action Programme 2014-2020 in favour of Suriname.



This action is funded by the European Union

**ANNEX N. 1**  
of the Commission Decision on the  
**Action Document for Sustainable Agriculture Development in Suriname**

<b>1. Title/basic act/ CRIS number</b>	CRIS number: FED/2016/039-784 Sustainable Agriculture Development in Suriname financed under the 11th European Development Fund			
<b>2. Zone benefiting from the action/location</b>	Suriname			
<b>3. Programming document</b>	11 <sup>th</sup> EDF National Indicative Programme for co-operation between the Republic of Suriname and the European Union			
<b>4. Sector of concentration/ thematic area</b>	Agriculture			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 13,000,000 Total amount of EDF contribution EUR 13,000,000			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality: Indirect management with FAO			
<b>7. a) DAC code(s)</b>	Main DAC code 310 Agriculture Sub-code 31120 Agricultural Development		Dev. Aid: YES	
<b>b) Main Delivery Channel</b>	41301 - Food and Agricultural Organisation			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	+
	Aid to environment	<input type="checkbox"/>	+	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	+	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	+	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	+	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>

	Biological diversity	+	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	+	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	+	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	+	<input type="checkbox"/>
<b>9. (GPGC) thematic flagships</b>	N.A.			
<b>10. SDGs</b>	<p>Main SDG Goal(s) <b>2</b> End Hunger, achieve food security and improved nutrition and promote sustainable Agriculture</p> <p>Secondary SDG Goal(s) <b>1</b> End poverty in all its form everywhere <b>4</b> Achieve gender equality and empower all women and girls - <b>8</b> Promote sustained, inclusive and sustainable economic growth.</p>			

## **SUMMARY**

The National Indicative Programme for the period 2014 - 2020 allocated an amount of Euro 13 million for agricultural sector development. The agricultural programme aims at increased, more competitive and safer production of selected crops through an enabling environment and enhanced capacities of private sector and institutions.

Two main results are expected:

1. Increased capacity of the private sector to produce and export marketable non-traditional products in a sustainable and competitive manner
2. Strengthened capacity of the private and public sector to ensure food safety and compliance with international sanitary and phyto-sanitary requirements

The first component will be market-led; viable businesses will be developed by entrepreneurs (including NGOs and small-scale farmers associations) from expansion of existing agri-businesses or development of new ones. Business development will be supported with the sustainable promotion of a favourable business environment and support services. The result will involve the provision of services required for overcoming key constraints for production, processing and marketing, including the support to the development of bankable dossiers, market studies, entrepreneurship capacity development, technical assistance and facilitation of access to finance. Businesses development will be based on small-scale farmers production and each business will generate socio-economic benefits to farmers, the programme targeted end-beneficiaries.

Access to credit for selected viable businesses will be facilitated by the implementing partner in coordination with an International Financial Institution (IFI) and a national development bank.

Selected Projects, with an approximate ceiling of 5000 € support per farmer and up to a maximum of 300,000 € EU contribution for small farmers support per project, will support the purchase of production and processing equipment; ownership of capital will be of farmers and or farmers groups. Farmers will need to co-finance the support provided to them.

Food safety goals will be supported at three levels:

1. At macro level supporting the interinstitutional coordination, dialogue, legislative and regulatory framework for national food safety standards
  2. At institutional level supporting national laboratories, food safety monitoring and certification
  3. At local level with farmers and businesses certifications and food safety awareness campaigns
- Crosscutting issues are addressed with improved sector and food safety governance, a gender perspective and certification and capacity building for a friendly and sustainable approach to production.

Risk analysis evidence relevant risks and adequate mitigation measures have been devised.

FAO has been identified as Implementation Partner, on the basis of its experience in Suriname (support to the design of agricultural sector White Papers) and specific competences related to food safety, business development and production alliances.

The envelope has been indicatively allocated on the basis of 48% to Component 1, 34% to Component 2 and 18% to management and other costs.

## **1. CONTEXT**

### **1.1 Sector Context (max. 3 pages)**

#### **Sector overview**

Suriname's macro-economy has been affected by recent plunge of international prices of its main export commodities including oil, gold and aluminium, driving the economy into a severe recession. The Government of Suriname, facing a deep economic and political crisis, is seeking prospects to boost the economy, with an urgent need to scale down the public sector, while increasing employment in the private sector and improving socio-economic conditions of the population. The Government identified agriculture as a priority area and a driver for future development: with abundance of agricultural land and favourable agro-ecological conditions, Suriname scores with noticeable opportunities for increased production and export.

Agriculture is an important economic sector, providing employment and income to some 17% of the economically active population. Nevertheless, agricultural production has gradually fallen behind in competitiveness over the years, which has resulted in a widening deficit on the country's agricultural and food trade balance.

Climate change is among one of the causes of the decreased production and productivity. Most of agricultural activities are concentrated in the coastal zone and are therefore vulnerable to a number of climate change impacts. For example, rice (87% of production and 96% of agricultural land) is highly vulnerable to unevenly distributed rainfall and bananas are affected by changes in rainfall patterns and high winds. These changes result in higher costs to the farmers, as artificial irrigation and drainage have to be applied<sup>1</sup>.

In the framework of the cooperation with the European Commission, Suriname signed the National Indicative Programme (NIP) for the period 2014-2020 in June 2014 for € 13.8 million. An amount of Euro 13 million has been allocated for agricultural sector development. The aim of the NIP is to promote sustainable agricultural development, to alleviate poverty and contribute to inclusive, resilient and low-emission growth and employment.

#### ***1.1.1 Public Policy Assessment and EU Policy Framework***

Agriculture is one of the strategic priorities of the Government of Suriname. The "National Development Plan 2012-2016 (Ontwikkelingsplan), Suriname in Transition" identifies 6 main policy areas, agriculture being one of them. The policy paper "Crossroad, Together to Better Times" (2010-2015) called for the preparation of an agricultural sector policy document and the formulation of sub-sectoral white papers. In 2011, the Ministry of Agriculture, Animal Husbandry and Fisheries presented its policy document 2010-2015 (BeleidsNota). An Agricultural Master Plan was completed in 2015, although the study failed to provide practical operational guidelines for investment and sub-sectors growth. As underlined in the intended nationally determined contribution to the United Nations Framework Convention on Climate Change, Suriname has outlined climate resilience measures as part of the 2012-2016 National

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<sup>1</sup> The ND-Gain (an index that classifies country in function of their vulnerability and readiness to climate impacts) shows that Suriname can improve its readiness capacities and that agriculture and water are the most vulnerable sectors.



Development Plan and is currently undertaking projects and actions as a direct response to climate change. The country is beginning to integrate climate resilience in infrastructure programs as well as in the social and productive sectors such as in agriculture, coastal zone management, education, health, and tourism.

In collaboration with the Food and Agriculture Organization (FAO), Suriname developed a series of white papers, which form the basis of policy direction and implementation. These policy papers include the following topics: rice, bananas, fisheries, agribusiness in horticulture, livestock, agricultural health and food safety, aquaculture and sustainable agriculture in the interior. A national NAHFSA act was drafted in 2010; this needs to be updated and endorsed by the National Assembly.

The programme is also fully aligned to EU policy framework supporting the main pillars of the Agenda Change and EU development policy through i) contributions to the agricultural and food safety governance, ii) supporting civil society as a partner for dialogue and governance, iii) designing effective actions for inclusive growth, sustainable development and poverty reduction, iv) providing full attention to improved environmental practices in agricultural production, through global gap and organic certifications and v) developing alliances and partnerships amongst farmers, entrepreneurs and civil society, while strengthening a value chain approach.

The programme establishes as well effective linkages between EU development and trade policies, supporting improved capacities for Suriname export of selected products to EU markets.

### ***1.1.2 Stakeholder analysis***

Key stakeholders for increased production, processing, marketing and enhanced food safety standards include:

- **Small-scale farmers:** These are the end beneficiaries of the intervention. The programme aims to increase production, revenues and improved socio-economic conditions to a group of approximately 1000 small scale farmers, including isolated and disadvantaged communities of the interior. Farmers' groups, cooperatives and associations are few and in general very weak. Women farmers are a sub-group that will be specifically targeted by programme mechanisms. Small-scale farmers are a very diverse group, including government employees around Paramaribo dedicated to part-time farming, low-income people of urban and peri-urban areas dedicated to produce small amount of food crops for consumption and / or market and people from isolated villages from the interior, whose main activity relates to subsistence farming, often based on a slash-and-burn system. The vulnerabilities of the farmers of these small communities to the impacts of climate change are unique, due to their strong dependence to natural resources. The common feature of end-beneficiaries is that they pertain to the lower income group of Suriname society and practice agricultural activities based on hand labor. Plots range from less than one 1 acre to a maximum of 5 - 6 acres. Approximately half the group is located around Paramaribo and the rest is dispersed over the Country, according to the population distribution pattern

- **Entrepreneurs:**<sup>2</sup> Main drivers of businesses development, entrepreneurs will be responsible for the success of selected actions. They are key direct beneficiaries of the action and will gain benefits from services to improve business environment and actors capacities. This category includes as well a diverse group of economic actors, with a common feature of driving the development of agro-processing and marketing businesses. Numbers are contained, maybe a few dozens in Suriname, the majority is living in or around Paramaribo and is already dedicated to different types of economic activities. They do pertain to the middle-higher end socio-economic groups of Suriname Society, in general (but not always) well connected to political circles. Entrepreneurs are often well-educated people, with a past history of education and or business connections in Netherland. Entrepreneurs could also represent leading business groups in Suriname, already involved in production, processing and export of food commodities. Only in a few cases these business people are already involved in out-growers schemes. The group includes as well business people who are genuinely driven by development and social goals and practice corporate social responsibility principles. Company sizes, to afford competitive, production, processing and export needs to be medium-large with capital assets of 0,5 to 2 M € and above.
- **Ministry of Agriculture, Animal Husbandry and fisheries (LVV);** Main programme counterpart, sector regulator and service provider for small-scale farmers. LVV also plays an important role in food safety capacities and standards, including responsibilities for laboratory analysis of raw products. Key services supported by the programme will be: Direction of Planning, Agricultural Production, Extension and Food Safety.
- **Ministry of Health:** Important player for laboratory analysis of processed products as well as food safety inspections
- **Ministry of Trade and Industry:** Responsible for export and for the national bureau of standards. The Ministry is also one of the key institutional players for food safety standards (SSB) and certification (SBC).
- **National body for food safety and sanitary and phytosanitary coordination;** this interinstitutional body, essential to support and coordinate food safety measures for export, has not yet been formally established and will represent an important stakeholder and beneficiary of the food safety component
- **Civil Society Organizations and Associations:** Direct beneficiaries of call for proposals; they will play an important role in supporting disadvantaged farmers groups, traditional and isolated communities, linking them with programme mechanisms and enabling them to access to expected benefits. They will also play a role in oversight and monitoring.
- **CELOS and University of Suriname:** National Institutions supporting education as well as a range of services for farmers (including planting material provision, training of trainers and laboratory services)

### ***1.1.3 Opportunity and problem analysis and priority areas for support***

The identification phase highlighted significant chances to support increased production and marketing:

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<sup>2</sup> The grant scheme supported by the programme may not produce a profit for entrepreneurs as a direct result of the action

- An increasing demand for agricultural products in export markets. Local demand for better quality, healthier and safer products, particularly in supermarkets and hospitality industry is expanding significantly
- Small scale farmers are, for their majority, relatively well educated, with potential access to financial resources and land for expansion
- Farmers are interested to opportunities to diversify and increase their agricultural income
- A good ratio of extension staff / farmers
- A number of progressive medium size farmers and entrepreneurs is pulling their neighbouring small-scale farmers into advanced levels of productivity (e.g. outgrower schemes, GAP compliance)
- Several value chains are emerging in zones with comparative advantages.

Notwithstanding opportunities offered for increased production and export, the agricultural sector is severely constrained by a range of problems. Dependence on revenues from mineral exports has contributed to the " Dutch Disease", eroding competitiveness and incentives for small-scale farmers to increase production and export.

Weak institutions, an obsolete legislative and regulatory framework, limited access to credit, high production costs, lack of infrastructures, export constraints (including lack of food safety standards) also contribute to limit the potential to increase production and export. Entrepreneurial capacities are also few.

Local market, although featuring an expanding demand, is of a reduced size (the town of Paramaribo has a population of less than 300,000), and behaves as a niche-market, with broad oscillation of prices and with quick saturation to expansion of offer. Export markets (French and British Guyana, CARICOM and Netherlands) are of difficult access, also due to international food safety standards. Export mechanisms and procedures tend to be slow, cumbersome and expensive.

To answer NIP goals, programme identification focused on two key areas:

1. A market led increased production, processing and export; this component seizes the opportunities offered for increased agricultural production, processing and export, providing services and products that will assist farmers and entrepreneurs to overcome technical, financial, institutional and organizational challenges
2. For the second component the identification developed a package of results addressed to increase private and public sector capacities to achieve improved food safety standards

The selected strategy rests on the following approach:

- Market-led mechanisms will support production, processing and export. Market distortions will be avoided <sup>3</sup> and the private sector will be the main

<sup>3</sup> Financial resources made available to the private sector through the role for the public sector, are programme features designed to

Programme design, in order to contribute to socio-economic impacts for small-scale farmers, will need to develop trust and positive interactions amongst the three main categories of players:

- Private Sector
- Institutions
- Civil Society

port

driver for increased production and export Institutions will play their statutory role of policy development, coordination and service provision, with support for improved governance

- Civil society will be involved to improve access to poor and isolated communities and improve the social impact of the programme. Civil Society will also be associated to sector governance and oversight.

The programme will seek a balance between economic impact related to marketable production and export and the social impact related to improved socio-economic conditions for small-scale farmers

## 2. Risks and Assumptions - *RISK LEVELS: H,M,L*

Risks	Risk level	Mitigating measures
Call for proposal addressed to NGOs and associations will not provide adequate response for sustainable production growth and export	M	<ul style="list-style-type: none"> <li>• Advertisement campaign before CfP</li> <li>• Capacity building for project design before implementation</li> <li>• Strong screening for sustainability</li> <li>• Process oversight mechanisms</li> </ul>
Private Sector will be unwilling to increase investments and to assume risks in unfavourable export environment	L	<ul style="list-style-type: none"> <li>• Non financial incentives provided by the programme</li> <li>• Improving business environment and export mechanisms</li> </ul>
Entrepreneurs will not be inclined to work with out-growers and will prefer to contract labour at their conditions, limiting programme social impact	M	<ul style="list-style-type: none"> <li>• Strong screening for social impact<sup>4</sup></li> <li>• Process oversight mechanisms</li> <li>• Broaden mechanisms for social impact (including new jobs directly or indirectly provided by private sector expansion)</li> </ul>
Weak capacities and decentralised implementation procedures will not allow an earnest EU - Government of Suriname policy dialogue, with clearly defined agenda, results and roadmap, supporting the reform process for a better doing-business and export environment	H	<ul style="list-style-type: none"> <li>• Dialogue agenda (including ISO 9001 at port and airport)</li> <li>• Dialogue monitored by programme and EAM and eventually supported by EEAS</li> <li>• Storage facilities at airport operational and conform to international standards</li> </ul>
Small-scale farmers will have no capacities, commitment and incentives to meet challenges for increased production and meeting export standards	M	<ul style="list-style-type: none"> <li>• Awareness building campaign for targeted small scale farmers</li> <li>• Financial and non-financial incentives provided to farmers</li> <li>• Farmers' capacity building and support mechanisms</li> </ul>

<sup>4</sup> Mechanisms for social impact prioritization and screening may include: clear clause of social impact targets on contract with the implementing partner, design of Call for Proposal, design of credit line for business development, business development monitoring by implementing partner (with social impact indicators), monitoring of small-scale farmers development by NGOs

Unviable proposals will be submitted by private sector, associations and NGOs to access to financial and other benefits sponsored by the Programme	H	<ul style="list-style-type: none"> <li>•Strong screening of proposals</li> <li>•Verification visits after concept notes in all cases</li> <li>•Process oversight mechanisms</li> </ul>
Local pressures and weak implementation capacities will not allow to achieve standards for good sector governance and full transparency	M	<ul style="list-style-type: none"> <li>•Well defined results and standards for governance and transparency</li> <li>•Process oversight mechanisms</li> </ul>
Lack of good coordination amongst Development Partners for food safety and private sector development	H	<ul style="list-style-type: none"> <li>•Political coordination between main donors</li> <li>•Reinforcement of a local coordination mechanisms for Development Partners on food safety</li> </ul>
Lack of coordination between Ministry of Health, Ministry of Trade and Industry and LVV will hinder capacities to implement institutional reforms and adjustments supporting food safety	H	<ul style="list-style-type: none"> <li>•Institutional coordination part of the political dialogue agenda</li> <li>•Involvement of three Ministers and Permanent Secretary in the Political Dialogue</li> <li>•Clear reform agenda and set of results for NAHFSA</li> </ul>
Implementing Partner will be unable to face challenges related to both private sector development and food safety capacity building	M	<ul style="list-style-type: none"> <li>•Identify Partners with best value added for each component</li> <li>•Agreement / contract with Partners providing adequate guarantees</li> <li>•Result-based design</li> <li>•Oversight mechanisms</li> </ul>
Lack of qualified personnel and laboratories doesn't meet international standards	M	<ul style="list-style-type: none"> <li>• Capacity building</li> <li>•Support to laboratory capacities and standards</li> </ul>
Implementing Partner will be unable to implement a result-based approach	M	<ul style="list-style-type: none"> <li>•Agreement / contract with Partners providing adequate guarantees</li> <li>•Specifications and profiles for TA and Programme Management</li> <li>•Verification procedures and Joint Monitoring</li> </ul>

### 3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES (MAX. 1 ½ PAGES)

#### 3.1 Lessons learnt

The market led approach of the design builds on past weak institutional performances and public sector resistance to change observed over the past decade in Suriname.

Previous cooperation experiences in Suriname advise as well for an institutional support based on interinstitutional integration and dialogue, working to overcome resistances for coordination and harmonization.

As the proposed business development model (market-led, based on farmers and entrepreneurs' partnership) is new in Suriname, lessons have been learned from ongoing private sector experiences in production, processing and exports. 5 established business models have been

studied during the programme identification phase and lessons extrapolated to inform programme design.

### **3.2 Complementarity, synergy and donor coordination**

Proposed interventions shall produce multiplier effect through effective linkages and synergies with relevant actions envisaged within the programs under the Bananas Accompanying Measures (GAP certification and European market access) and regional programs on Sanitary and Phytosanitary (SPS) measures, as well as fisheries.

Coordination mechanisms will be established with the IDB investment programme on food safety, supporting LVV. In a meeting in July with the Minister of Agriculture, Animal Husbandry and Fisheries, EU and IDB, the Minister confirmed the division of work on food safety between IDB and EU, IDB focusing on Institutional support to LVV and EU on Institutional support to Ministry of Health and Ministry of Trade and Industry. EU will also support a study on preparation of the overall coordination on food safety to implement the NAFSHA.

The World Bank is identifying a project with Ministry of Trade and Industry to improve Business Environment in Agriculture.

UNDP is implementing a GCCA+ programme in Suriname. Close synergies will be established between the 2 projects. Complementarities and synergies could include activities related to small-scale farmers climate adaptation and climate change mitigation measures supporting farmers' groups involved in horticultural production and supported by the Programme.

A coordination platform has been recently established at LVV, who organised ad hoc meeting with the main donors; coordination meetings are expected to be organized twice a year.

The signed EPA will allow for an increase in the agricultural exchanges with EU private actors and the Caribbean tourism-based island economies.

The Caribbean Investment Facility provides a great opportunity to complement the programme with a credit facility, and the implementing partner will actively pursue this by engaging with IFIs.

### **3.3 Cross-cutting issues**

The programme design supported improved governance, positive environmental impacts, a gender perspective and an increased empowerment of the civil society in agricultural development.

**Governance;** Several measures have been designed for strengthening sector governance:

- Oversight and monitoring of business development
- Transparent procedures for grant awards and access to investment loans
- Governance mechanisms studied for food safety and SPS coordination
- Civil Society capacity building and participation to programme oversight

- Certification capacities
- Promotion of dialogue and Interinstitutional coordination
- Result-based approach and monitoring system

### **Gender**

- Call for proposals will include specific measures to promote participation of women farmers
- Service provision (including capacity building, extension services) will include a gender perspective
- Monitoring of results related to accrued production and improved socio-economic conditions will be disaggregated by gender
- Women will be the main target of a food safety campaign designed to increase awareness and demand for improved food safety standards

### **Environment**

Global GAP certification, biological production and organic food certification will contribute to the establishment on a large scale of environmental friendly practices. The implementation of these practices, including integrated pest and crop management, will be supported by strengthened extension services.

### **Climate Change Adaptation**

The diversification of the national production for internal consumption and exportation will also increase the resilience of Suriname's agricultural production to the effects of climate change. At farms' level, the resilience will be increased thanks to improved agricultural techniques and, as the case may be, the use of irrigation and drainage systems that will duly take the protection of water resources into consideration and avoid any form of water salinization.

### **Climate Change Mitigation**

The programme addresses private sector development and food safety in Suriname and is not designed to impact significantly on carbon dioxide emissions. Overall, the intervention is expected to decrease CO<sub>2</sub> emissions, as it will be supporting production systems alternative to traditional practices slash and burn for some 1000 small scale farmers. The carbon footprint of the programme will be measured through indicators related to CO<sub>2</sub> emission with and without intervention.<sup>5</sup> The programme will actively pursue synergies with the UNDP implemented GGCA programme, as it includes a pilot on climate change modelling in agriculture.

## **4. DESCRIPTION OF THE ACTION**

### **4.1 Objectives and results**

#### **Objectives**

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<sup>5</sup> The baseline, or "without programme" values can be measured for sample of small scale farmers living close-by and in similar conditions to programme beneficiaries and adopting traditional farming practices).

The overall objective of the National Indicative Programme is to enhance sustainable agricultural development in Suriname, to alleviate poverty and contribute to inclusive, resilient and low-emission growth and employment.

The **agricultural programme specific objective** aims at increased, more competitive and safer production of selected crops through an enabling environment and enhanced capacities of private sector and institutions, taking in consideration the impacts of climate change.

## Results

Two main results are expected:

S.O. 1 Increased horticultural production and export achieved for 1000 small-scale farmers through viable businesses

S.O. 2 Improved food safety capacities and standards achieved for private sector and institutions

### **S.O. 1 - Increased horticultural production and export achieved for 1000 small-scale farmers through viable businesses**

The market led-approach will support the development of competitive export businesses related to agro-processing of selected horticultural crops (see box on the right). Each business will be linked to 20 to 100 small-scale contract farmers. The entrepreneur will be the main actor responsible for the success of its business, and the project will support the development of an enabling environment for production, processing and marketing.

Business development will be supported through improved access to financial and technical resources to entrepreneurs, NGOs and Farmers Associations.

Entrepreneurs will be the main drivers of production, processing and marketing development and will be Enabled to expand or develop new business by providing support to “their” small farmers. Additional non-financial incentives will be provided under results 1.2, 1.3 and certification support (result 2).

NGOs and farmers associations can also participate – as entrepreneurs – in the Call for Proposals.

#### **Result 1.1 - viable businesses are developed with small scale farmers enhanced production capacities**

The result will involve the provision of services required for overcoming key constraints for agri-business development, including the support to the

#### **Selected crops and export products (indicative)**

- Horticultural products
- Chilly pepper
- Yard-long bean
- Fruits
- Fruit / Super-fruit juices
- Canned fruits (i.e. pineapple)
- Dried fruits
- Candied fruits
- Pectines, fruit pulp
- Non-Timber Forest Products (NTFP)
- Açai (podosiri)
- Cassava by-products
- Coconut by-products
- Fine flavoured cacao
- Flowers and Ornamentals



development of bankable dossiers, market studies, entrepreneurship capacity development, technical assistance and facilitating the access to finance <sup>6</sup>

The Implementing Partner will provide support to technical and administrative arrangements and will overview the dossiers for bankable proposals. A communication campaign advertising the programme and opportunities for investments related to programme goals will also be implemented under this result. The monitoring system will take into account mainly business performance indicators and business socio-economic impacts on small-scale farmers.

As an accompanying measure the programme will provide support to an International Financial Institution, based on submission of bankable projects and business plans for agricultural production, processing and export. <sup>7</sup>

A call for proposal for business development targeting individual entrepreneurs, NGO and Farmers Associations will be launched in order to select the best business proposals. Proposals may include support for small farmers' production, processing and marketing. Proposals will have to clearly identify the small-scale farmers involved in production and an indication of their needs in terms of equipment, capacities and other needs. The winning proposals will qualify for technical assistance support from the PMU (see result 1.2).

Best concept notes will be selected against criteria of business sustainability and social impact. . The purchase of production and processing equipment (see box below) will be done by the PMU and ownership of capital will be of farmers and or farmers groups. Selected Projects, with an approximate ceiling of 5000 € support per farmer and up to a maximum of 300,000 € small farmer support per project, will support the purchase of production and processing equipment; ownership of capital will be of farmers and or farmers groups. The support for the small farmers will need co-financing contributions by the small-scale farmers. Co-financing arrangements will be specified in the call for proposals, which the farmers' co-investment should match at least the value of the grant.

The social impact, a key aspect of programme design, will be verified all through the cycle of projects development: i) the initial proposal will have to clearly define beneficiaries and amounts of benefits expected, ii) verification visits will be carried out for all projects during the process, iii) farmers benefits will be stipulated in the farmers - entrepreneur contract, iv) monitoring system will closely follow up both business and farmers performances and socio-economic changes and v) the end of programme evaluation will specifically focus on social impacts for intended beneficiaries. Additional studies and lesson-learning arrangements can be devised to specifically seize the amount of benefits for small-scale farmers, focusing on aspects of sustainability, impact and lessons to upscale the process.

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<sup>6</sup> Limited access to finance being the major constraint for business development, the facilitation of access to finance needs to be considered a key condition for programme success

<sup>7</sup> During the formulation phase IFIs have been identified as potential partners for the development of the credit line, including EIB, the Caribbean Development Bank and the Agence Française de Développement. National financial institutions who could be involved are NOB and Suritrust.

Examples of **eligible investment costs** for grants: low-cost greenhouses, irrigation equipment, fruit driers, land preparation costs, drainage canals, storage, cooling equipment. When adapted, the program will promote equipment devised to reduce production and processing carbon dioxide emissions as for example solar pump, solar driers, biogas production, green-houses and other specialized equipment.

**Non-eligible costs** may include transportation, infrastructure (as construction of offices, houses and other buildings), operation and or recurrent costs, management, salaries,

### **Result 1.2 Effective services supporting production, business development and exports are delivered.**

The programme will organize and deliver a number of services to overcome production, business and export constraints, including:

- Entrepreneurship capacities development
- Access to credit
- Linkages to export markets
- Support to product marketing, labelling and packaging
- Quality control
- Access to insurances (*note: the programme will not provide resources for insurance scheme*)
- Access to land titling
- Institutional dialogue
- Strengthened coordination amongst value chain actors

This result aims not only to improve service provisions to targeted businesses, but improving as well the business environment for future sustainable private sector growth. The result implies establishing sustainable service delivery capacities.

Services will be developed according to demands and specific needs, using as much as possible existing mechanisms and services providers. A client-oriented and result-based will be adopted for contracting services. The monitoring system will measure services delivery, client satisfaction, outcomes and contributions to project goals.

#### ***Design Options***

*Design considered as whether to use an existing (or new) mechanism to deliver these services as for instance business platforms (i.e. the Suriname Business Forum). The identification mission evidenced how the private sector is reluctant to rely on institutional support and distrust amongst actors is strong. It is recommended to deliver these services through the project implementation unit in order to increase performances and effectiveness*

*A coordination platform could also be supported by the programme but not necessarily linked to service delivery*

### **Result 1.3 LVV capacities will be strengthened to provide effective services to farmers;**

Ministry of Agriculture, Animal Husbandry and Fisheries services will be strengthened in the following respects:

- Extension to horticultural producers; a group of specialized extension staff will be trained to support programme outgrowers; extension staff will target outgrowers groups, in close coordination with the entrepreneur, to achieve desired production and quality standards
- Support to improve planting materials and seed policy; In coordination with entrepreneurs and farmers LVV services will select best planting materials for each export business; these will be multiplied and distributed to farmers.

## **S.O. 2 - Improved food safety capacities and standards achieved for private sector and institutions**

Food safety goals will be supported at three levels:

1. At macro level supporting the interinstitutional coordination, dialogue, legislative and regulatory framework for national food safety standards
2. At institutional level supporting national laboratory capacities, food safety monitoring certification
3. At local level with farmers and businesses certifications and increased consumers' awareness and food safety

### **Result 2.1 Interinstitutional coordination, dialogue and legislative and regulatory framework for national food safety standards are in place**

This result aims at establishing sustainable levels of inter-institutional coordination for effective development of food safety standards and improved export capacities. The result will need to support a coordination platform and dialogue mechanisms, the update of the policy, legislative and regulatory framework, develop dialogue and coordination mechanisms with Development Partners and support adequate capacity development related to food safety strategies, policies, coordination, legislation, regulations and management.

### **Result 2.2 National laboratory capacities, food safety monitoring certification**

The result aims to establish an adequate and efficient system of laboratory capacities supporting food safety and SPS standards. The programme will support the definition and strengthening of laboratory networks, including laboratories from LVV, Ministry of Health, CELOS, the Surinamese Bureau of Standards and private sector.

A partnership with an European Institution supporting laboratory standards for food safety will be established, to coach and provide technical support to specific demands, including for capacity building, of the laboratories network of different institutions.

The division of tasks will be improved in view of an efficient and cost-effective service provision, avoiding duplication of functions, supporting quality, reliability and access to services.

### **Result 2.3 Improved awareness and food safety standards for farmers and companies;**

The result will aim to establish increased awareness and demand at farmers, business and consumer level, for improved food safety standards. Capacities will be strengthened. The result aims to achieve the following targets:

- 500 small scale farmers will be certified
- 15 Export businesses will achieved ISO / HACCP certification

**Coherence with Agenda 2030.** This programme is relevant for the Agenda 2030. It contributes primary to the progressive achievement of SDG Goal 2, end hunger, achieve food security and improved nutrition and promote sustainable Agriculture, but also promotes progress towards Goals 1: End poverty in all forms everywhere, 4: Achieve gender equality and empower all woman and girls, 8: Promote sustained, inclusive and sustainable economic growth. This does not imply a commitment by the Suriname Government benefiting from this programme.

## 4.2 Main activities

**Component 1.** Main activities to be developed for Component 1 will include:

### **Result 1.1 - Viable businesses are developed;**

- Market studies and product development studies
- Coordination and support to the IFI and to a national financial institution
- Technical assistance, entrepreneur coaching and support
- Support to the preparation of bankable dossiers
- Facilitation of access to finance for business development
- Monitoring system set up based on business performances and socio-economic benefits to small-scale farmers
- Value chain analysis

It is important that businesses will be identified and supported, with access to finance, within the first 12 months of implementation. Contracts between businesses and outgrowers will also need to be stipulated within the first year.

The call for proposal that will select the businesses will need to be designed in an early stage of implementation. The design will have to take into account: capacities and demands for small-scale farmers and NGOs and possible role for NGOs in farmers support and business development. Sustainable financial and organizational mechanisms for implementation need to be identified. Activities will include:

- Communication campaign reaching all Districts
- Support and capacity building for concept note development
- Launch of call for proposals with clearly defined selection and award criteria
- Concept Notes screening and selection
- Coaching workshops and technical assistance for the elaboration of grant proposals

- Contract preparation and contract award
- Technical assistance, support and capacity building
- Monitoring system and evaluation of scheme outcomes, sustainability and impact

**Result 1.2 Effective services supporting production, business development and exports are delivered;** Service support will be managed and contracted by the programme management unit. Capacity building of service provision will aim to establish sustainable promotion and growth for private business development. Activities will include:

- Mapping of private sector, NGOs and farmers services demand and assessment of the offer of existing services, including assessment of capacities, quality and quantity of service provision
- Building up of a roster of service providers
- Technical Assistance mechanisms to support service provision and definition of mechanisms of service support
- Develop sustainable mechanisms for service provision including capacity building to an existing platform for business coordination and support
- Design and implementation of capacity building mechanisms
- Service monitoring, with a result-based and client satisfaction approach. Monitoring will follow up as well the increased capacities for service delivery

**Result 1.3 LVV capacities will be strengthened to provide effective services to farmers;**

Main activities will include:

- Selection of a selected group of extension officers dedicated to horticulture development and selected production of crops for processing and marketing
- Support to the elaboration of a capacity development strategy and plan, with CELOS as implementing partner
- Training and capacity building activities
- Identification of equipment needs, equipment procurement and supply
- Extension plan and support to implementation and management
- Extension service monitoring (to be integrated to LVV monitoring system, developed with a result-based and client satisfaction approach)
- Support to LVV capacities for production and delivery of improved planting materials, with cost-recovery mechanisms

## **Component 2**

**Result 2.1 Interinstitutional coordination, dialogue and legislative and regulatory framework for national food safety standards are in place**

Main activities will include:

- Reinforcement of coordination mechanisms for food safety and promotion of a national dialogue
- Participatory assessment and review of the Act for the National Body for Food safety Coordination
- Update and drafts of food laws for submission to Parliament

- Regulatory framework update
- Linkages with CAHFSA
- Policy dialogue to support export mechanisms
- Study to support export capacities (including: airport export procedures and mechanisms, packaging facilities)
- Support for international airport ISO 9001 certification (customer satisfaction)
- A national food safety and certification monitoring system developed

## **Result 2.2 National laboratory capacities, food safety monitoring certification**

Main activities include:

- Baseline survey for laboratory capacities and comprehensive capacity development plan defined for the three leading food safety institutions (Health, Trade and Industry and LVV)
- Targeted support, filling gaps on laboratory equipment and capacities
- Establishment of an inter-institutional laboratory support unit, providing technical assistance, maintenance support at national level (implementation modality: twinning mechanism with EU food safety organization)
- Certification capacities strengthened for major certifications (including: GlobalGap, National Gap, Organic, Rainforest Alliance)
- Standards capacities strengthened
- Consumers and stakeholders awareness campaign on food safety
- Monitoring system developed

## **Result 2.3 Improved awareness and food safety standards for farmers and companies;**

Main activities include:

- Strategy and capacity development plan for training of trainers
- Planning of a training campaign for farmers in selected Districts
- Coordination and support to the training campaign
- Support services for farms and businesses certification
- Food safety awareness campaign
- Monitoring system developed

## **4.3 Intervention logic**

The narrative of the Programme intervention logic, summarized by the logical framework (annex) works as follows:

A. Production and export of horticultural production in Suriname is currently constrained by several factors, a part of which could be overcome through adequate support to businesses and farmers. The stagnation of agricultural production and lack of export opportunities contribute to poverty, particularly amongst the rural population.

B. The EU is committed to support poverty reduction in Suriname and the financial instrument of the 11th EDF allows to provide financial resources to support an agricultural programme related to poverty reduction, increased exports and improved food safety

C. The Programme is meant, through a partnership with FAO as implementing partner, to overcome key constraints that limit production and food safety standards.

D. The following products and services will be delivered through FAO partnership:

1. Support to 20 viable businesses (capacities, access to credit, linkages to market, technical assistance, specific studies)
2. Capacities and equipment for small scale farmers linked to businesses
3. Increased capacities for LVV to support small scale farmers
4. Improved policy and regulatory framework for food security
5. Improved institutional and laboratory capacities for food safety
6. Export certifications for farmers and businesses

Several important assumptions work at this level, in order that programme delivery (outputs) could be transformed in sustainable outcomes:

- Efficient, result based and effective delivery by the Implementing Partner;
- Viable businesses proposals are identified;
- Capacities for business expansion existing;
- Markets available to place products;
- Credit line will be made available to the private sector for investment costs;
- Farmers, businesses and institutions will overcome distrust and will be willing to work together for common goals;
- Institutions will join efforts for effective coordination and harmonization of food safety measures;
- The Government of Suriname will provide full support to overcome constraints to business and export and promote a favourable environment for export.

E. The logic continues that if this products and services will be delivered, (and with the concurrence of commitment of farmers, businesses and government, a favorable macro-economic conditions for exports and continued demand for Suriname products) businesses will expand, with improved socio- economic conditions for some 1000 small scale farmers and improved food safety conditions for consumers.

F. This will contribute to decrease poverty, improve situation of rural population and women and will contribute to decrease carbon dioxide emissions related to slash and burn agriculture (impact level).

## **5. IMPLEMENTATION (MAX. 4 PAGES)**

### **5.1 Financing agreement**

In order to implement this action, it is **not** foreseen to conclude a financing agreement with the partner country referred to Article 17 of Annex IV to the ACP-EU Partnership Agreement

## **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, through the Indirect Management Agreement with FAO is 48 months from its signature.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements to this decision constitute non-substantial amendment in the sense of Article 9(4) of the Annex to Regulation (EU) No 323/2015.

## **5.3 Implementation modalities**

### **5.3.1. Indirect management with international organisation**

This action will be implemented in indirect management with FAO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 EDF applicable by virtue of Article 17 of the Annex to Regulation (EU) No 567/2014.

This implementation entails the whole programme described above. This implementation with FAO as implementing partner is justified in view of i) the organization's role in supporting the preparation of Suriname agricultural sector "White Papers", ii) their presence and relevant experiences in the Region and iii) specific experiences and value added related to food safety, value chain development, agri-businesses development and follow up and farmers - private sector alliances

The entrusted entity would carry out the following budget-implementation tasks: recruitment of Technical Assistance, procurement of supplies and works as well as grants to public institutions, NGOs, farmers associations and visibility activities.

### **5.3.2 Procurement (direct management)**

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Audit and evaluation	Services	2	2022 Q1



## 5.4 Indicative budget

Budget Item	EU Contribution (M €)	National Contribution (M €)
Total Indirect Management with FAO	12.8	
Audit and Evaluation	0.2	
<b>TOTAL</b>	<b>13</b>	<b>0</b>

## 5.5 Organisational set-up and responsibilities

The identification phase has identified FAO as Implementing Partner. A result-based contract will be prepared prior to programme start up and signed with the implementing partner after endorsement by Ministry of Finance. The Implementing Partner will sign Memorandum of Understanding with relevant institutions Ministry of Agriculture, Animal Husbandry and Fisheries (LVV), Ministry of Trade and Industry and Ministry of Health).

A Programme Implementation Unit will be established and Implementing Partner procedures will be adopted as defined in the Indirect Management Agreement with FAO.

A programme Steering Committee will be established with meetings every six months. Result-based reports will be submitted at 6 months intervals. The Steering Committee will include FAO, Ministry of Finance, European Union and the main stakeholders involved in the programme: LVV, Ministry of Trade and Industry, Ministry of Health, private sector and civil society in representation of end beneficiaries.

Monitoring and Evaluation arrangements will include:

- A result-based management approach will be adopted, with specific result-based monitoring mechanisms. A detailed monitoring framework will be established for all results (see logical framework), with measurable indicators, well established targets and baseline values. The programme monitoring will be aligned to systems of LVV, Ministry of Trade and Industry and Ministry of Health when relevant.
- A technical oversight body, with representation of private sector, institutions and civil society will monitor implementation, including involvement, ownership and benefits for intended final beneficiaries. The body will refer to the Steering Committee
- Result - Oriented Monitoring assessment by end of years 1, 2 and 4
- Mid-term evaluation by year 3
- End of programme evaluation by end of year 5

**Baseline values;** The logical framework specifies "0" as baseline values (2016): measurement of changes will consider incremental values (i.e.: cultivated area, number of businesses, farmers employed, value of export, certifications).

Specific baseline values to be assessed at programme start-up will include:

- Laboratory capacities
- Extension services capacities
- Certifications (Global Gap, HACCP and others)
- Credit / grant delivery and businesses development
- Relevant food laws updated <sup>8</sup>

A result-based management approach will be adopted, with specific result-based monitoring mechanisms.

## **5.6 Performance monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix for project modality. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The implementation of this project will be monitored by the Steering Committee as mentioned above. Periodic reports on implementation and joint supervision missions will be the key mechanisms of the monitoring process.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.7 Evaluation**

Having regard to the importance and nature of the action, a mid-term and a final evaluation will be carried out for this action or its components through joint missions that will be foreseen in the delegation agreement with FAO.

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<sup>8</sup> In coordination with IDB

The mid-term evaluation is foreseen: It will be carried out for risk mitigation, problem solving improving performances and strengthening effectiveness. The mid-term will focus on performance indicators and achievement of targets. The evaluators will specifically assess viability of the businesses and farmers production schemes.

The programme incidence on cross-cutting priorities, including gender mainstreaming, environmental management and climate change adaptation will be considered.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that Suriname has to develop its agriculture to climate change in order to be sustainable. The final evaluation will assess achievement of results against targets, and will focus on criteria of effectiveness, sustainability, impact, coherence and complementary and leverage (particularly for the capacity of the programme of leveraging private sector investment for production, marketing and export)

The Commission shall inform the implementing partner at least 90 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

## **5.8 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

## **5.9 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

The visibility activities will be carried out by FAO. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget entrusted for management to FAO.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities.

Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. It will be included in the Indirect Management Agreement with the Implementing Agency.

## ANNEX : Logical Framework

	Intervention logic	Indicators	Baseline 2016	Targets 2022	Sources and means of verification	Assumptions
Overall objective: Impact	<b>OO. To enhance sustainable agricultural development in Suriname, to alleviate poverty and contribute to inclusive, resilient and low-emission growth and employment.</b>	1.Export rate of fruits and vegetables commodities as percentage of GDP  2.-Real GDP growth, (i) latest year and (ii) average over last 5 years **	1. N.A.  2. 1.5%.	1. Increase by 20%  2. 3%	Macro-economic indicators	
Specific Objectives	<b>SO1 Increased horticultural production and export achieved for 1000 small-scale farmers through 15 viable businesses</b>  <b>SO2 Improved food safety capacities and standards achieved for private sector and institutions</b>	1.1 * Exports (volume) of non-traditional fruits and vegetables  1.2 Number of registered farmers 1.3 Number of has cropped  2.1 National capacities are established to support Global Gap and ISO certifications ** EURF indicator 31 Level 2	1.1 N.A.  1.2 0 1.3 0  2.1 N.A.	1.1 Increase by 30%  1.2 1000 1.3 1000  2.1 N.A.	General Bureau of Statistics of Suriname (ABS)  Programme monitoring system  (Specific result-based monitoring for each business and farmer)  Ministry of Trade records	<ul style="list-style-type: none"> <li>• Political commitment to improve export and business environment and incentives for small scale farmers</li> <li>• Loans will be made available for business development (<i>a sine qua non for achieving desired production and export goals</i>)</li> <li>• Entrepreneurs will be capable and willing to face risks for business development</li> <li>• Political willingness for interinstitutional cooperation to support food safety and SPS standards</li> <li>• Willingness of farmers and private sector to meet standards even against significant costs</li> <li>• Willingness of LVV, Ministry of Trade and Industry and Ministry of Health to cooperate for effective food safety and SPS capacities</li> <li>• Willingness of Donors to cooperate and harmonize efforts</li> </ul>
	Output 1 (SO1) 20 viable businesses are developed with small scale farmers enhanced production capacities	1.1.1 Number of Bankable Businesses plans approved by development bank 1.1.3 Number of jobs per businesses 1.1.4 Number of low-cost greenhouses established 1.1.5 Has of land prepared 1.1.6 Has of irrigated plots	1.1.2 0  1.1.3 0 1.1.4 0 1.2.5 0 1.2.6 0	1.1.2 15  1.1.3 4 1.1.4 100 1.2.5 500 1.2.6 100	Programme monitoring system and site visits	<ul style="list-style-type: none"> <li>• Export barriers at international airport are addressed and overcome</li> <li>• Entrepreneurs will have capacities and interest to submit bankable and successful businesses proposals</li> <li>• Entrepreneurs will be willing and capable to establish alliances with farmers and civil society to contribute to socio-economic impacts</li> <li>• Farmers groups will have capacities to submit eligible grant proposals to support viable businesses</li> <li>• Proposals will represent farmers legitimate interests and not disguised agendas by business people and other groups</li> </ul>

	Intervention logic	Indicators	Baseline 2016	Targets 2022	Sources and means of verification	Assumptions
	Output 2 (SO1) Effective services supporting production, business development and exports are delivered	1.2.1N. of trainees for entrepreneurship development successfully completing courses 1.2.2Number of Titles for land obtained by small scale farmers	1.2.1 0  1.2.2 0	1.2.1 25  1.2.2 100	Training records and evaluations  Ministry of Spatial Planning, Land and Forest Management	<ul style="list-style-type: none"> <li>•Effective service providers will be available to support business development</li> <li>•Institutional and policy context will be favourable and supportive to service provision</li> <li>•Distrust and reluctance to work together will be overcome through improved dialogue and a result-based approach</li> </ul>
	Output 4 (SO1) LVV capacities strengthened to provide effective extension and seed multiplication services to farmers	1.3.1Level of farmers satisfaction about extension for horticultural crops  1.3.2Number of extension staff trained and provided with motorcycles	1.3.1N.A.  1.3.2 0	1.3.1 over 60%  1.3.2 10	LVV records Farmers satisfaction survey (Baseline -end of 2018) Programme evaluation, ROM)	<ul style="list-style-type: none"> <li>•Full political support will be provided to the institutional strengthening process</li> <li>•LVV will adhere to a client-oriented approach and management by results of extension and planting materials multiplication services</li> </ul>
	Output 5 (SO2) Interinstitutional coordination, dialogue and legislative as well as regulatory framework for national food safety standards are in place	1.4.1 Coordination mechanisms in place and effectively used for food safety and promotion of a national dialogue 1.4.2.Endorsement of the Act for the National Body for Food safety Assembly 1.4.3Number of Regulatory framework updated 1.4.4Number of studies to support export capacities completed 1.4.5International airport ISO 9001 certification	1.4.1 0  1.4.2 0  1.4.3 0  1.4.4 0  1.4.5 0	1.4.1 1  1.4.2 1  1.4.3 1  1.4.4 3  1.4.5 1	NAHFSA and CAHFSA acts, legislation and regulations  Study / Project documents  ISO Certification records	<ul style="list-style-type: none"> <li>•Effective dialogue and political and technical coordination amongst the leading institutions will overcome existing barriers</li> <li>•Full political support will be provided, both the EU and the Government of Suriname, to the process of institutional reform and strengthening</li> <li>•Agendas of political groups, institutions and private sector will not block the process of reform for improving export and business environment</li> </ul>
	Output 6 (SO2) National laboratory capacities increased and food safety monitoring certification	1.5.1Number of Policy document specifying responsibilities and test for each laboratory  1.5.2 * National laboratories are accredited towards international Standards (compliance with	1.5.1 0  1.5.2 0	1.5.1 1  1.5.2 2	Laboratories Diagnostic  Laboratories Division of labour paper  Laboratory records	<ul style="list-style-type: none"> <li>•Willingness of laboratories from different institutions and sectors to work together for a more effective and performing compliance to international food safety and SPS standards</li> </ul>

	Intervention logic	Indicators	Baseline 2016	Targets 2022	Sources and means of verification	Assumptions
		food safety standards tests for export ) 1.5.3 To specify: specific test capacities supported by EU programme	1.5.3 N.A	1.5.3 N.A.	Programme report and monitoring	
	Output 7 (SO2) Improved awareness and food safety standards for farmers and companies;	1.6.1 * Number of small scale farmers certified for Global GAP or other certifications 1.6.2 Number of Export businesses with ISO / HACCP certification	1.6.1 0  1.6.2 0	1.6.1 500  1.6.2 15	Official certification records by certification bodies and LVV and Ministry of Trade records	<ul style="list-style-type: none"> <li>• Capacities will be established to train trainers and hundred of farmers on global gap standards and procedures</li> <li>• Alliances and co-financing mechanisms will be successfully established to meet certification costs</li> <li>• Local market will strengthen the demand of better and safer products</li> </ul>



## ANNEX 2

of the Commission Decision on the Technical Cooperation Facility and Support to the NAO

### Action Document for Technical Cooperation Facility and Support to the NAO

<b>1. Title/basic act/ CRIS number</b>	CRIS number: 2016/039-857 Technical Cooperation Facility and Support Services to NAO financed under 11 <sup>th</sup> European Development Fund			
<b>2. Zone benefiting from the action/location</b>	Suriname, Caribbean			
<b>3. Programming document</b>	11th European Development Fund, National Indicative Programme (2014 – 2020) for co-operation between the Republic of Suriname and the European Union.			
<b>4. Sector of concentration/ thematic area</b>	Various Sectors	DEV. Aid: YES		
<b>5. Amounts concerned</b>	Total estimated cost: EUR 800 000. Total amount of EDF contribution EUR 800 000.			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality: – Direct Management – Indirect Management with the partner country			
<b>7 a) DAC code(s)</b>	15110 - Public sector policy and administrative management			
<b>b) Main Delivery Channel</b>	EU – 42003			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>



## **SUMMARY**

The overall objective of the Technical Cooperation Facility and Support Services to National Authorising Officer (NAO) programme is to ensure the efficient and effective utilisation of EU development assistance in support of the implementation of Suriname's development strategies and policies. The current and future portfolio of the NAO features a number of EU-funded support programmes that are key to the country's development, namely, the ongoing Banana Adaptation Measures (BAM) programme, the future 11<sup>th</sup> EDF Sustainable Agriculture Development programme, CIF blending programme as well as anticipated participation in Regional Programmes.

This action will support the institutional capacity within the NAO Office for the efficient planning, implementation and monitoring of development projects and programmes financed by the EU. It will also improve awareness among key actors in the country of general development and of EU policies in these areas. An indicative amount of maximum EUR 150,000 is foreseen for support to the NAO Office.

Another important component is the Technical Cooperation Facility (TCF) for the provision of technical assistance to the focal sectors and other areas of common interest. The TCF will be used to provide short- and long-term technical assistance, policy advice and studies as needed in the programming, preparation or implementation of actions, as well as for audits and evaluation if not covered under the respective Financing Agreements (FAs). An indicative amount of maximum EUR 600,000 is foreseen for the TCF.

Communication and visibility of EU policies and programmes will be enhanced through activities to ensure a stronger, more coherent promotion of the EU and its cooperation. An indicative amount of maximum EUR 50,000 is foreseen for Strategic Communications.

## **1 CONTEXT**

### **1.1 Country context**

Suriname is an upper middle income country. It is the smallest country of South America and the only Dutch speaking member of the regional Caribbean Community (CARICOM). Once a colony of the Netherlands, Suriname gained its independence in 1975 and has a population of approximately 573,000 with a very diverse ethnic heritage.

Suriname's economy has been affected by the plunge in international prices of its main export commodities including oil, gold and aluminium, driving the economy into a severe recession. The Government of Suriname, faced with an economic and political crisis, is even now seeking prospects to boost the economy, with an urgent need to scale down the public sector, while increasing employment in the private sector and improving socio-economic conditions of the population.

EU relations and cooperation with Suriname are carried out both on bilateral and regional bases, the latter within the framework of the on-going EU-CELAC and EU-CARIFORUM dialogues. Suriname is party to the "Cotonou Agreement", the partnership agreement between the members of the African, Caribbean and Pacific Group of States and the European Union.

At the regional level, in October 2008 Suriname, together with other Caribbean countries, signed the Economic Partnership Agreement (EPA) between the Caribbean Forum (CARIFORUM countries) and the EU. This is a framework to help make trade, investment and development assistance easier for all parties, in particular promoting regional integration.

Suriname and the EU have a long-standing trade relationship, and the EU is the primary destination for Suriname's exports, receiving almost 25% of exports. After the USA, the EU is the main origin of imports. The main exported products are aluminum, gold, oil, and agricultural products such as rice, fruits and vegetables, shrimp and fish.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

The Government of Suriname has developed complementary strategy documents. The National Development Plan (NDP 2012-2016) identifies key development challenges and highlights priorities across fifteen core thematic areas that can be summarised under the four headings, namely, (i) good governance; (ii) economic sustainability; (iii) social sustainability; and (iv) environmental sustainability.

The NDP seeks to modernise and improve institutions, enhance governance and decision-making, thereby promoting the development of Suriname. The NDP highlights the need for gender equality to be mainstreamed as an important issue in all major policy areas. Environmental issues are also prominent in the plan and special attention is paid to solid waste management, renewable energy, water resource management, nature, land and forest management.

The programme will provide assistance in areas that support EU policy including environment, climate change and gender equality. It will also complement focal sector areas including agriculture, energy and water.

### ***1.1.2 Stakeholder analysis***

The direct beneficiaries of this programme will be the NAO Office established within the Ministry of Finance. The main stakeholder is the Government of Suriname. The target groups are the NAO and his office, line ministries and respective Agencies, project/programme executing units/agencies and other ACP officials involved in the execution of the EDF projects and budget support intervention, private sector organisations and non-state actors in the country. The primary role of the main stakeholders is to mutually cooperate to ensure that the target groups are strengthened in their institutional, organisational, planning, management and monitoring capacity such that they operate sustainable and efficiently, thus contributing effectively to sustainable growth and poverty reduction.

### ***1.1.3 Priority areas for support/problem analysis***

The development of programmes to support Suriname's development is often hampered by the limited capacity within line ministries to identify and prepare assistance programme in line with EU requirements. Similarly, policy development is at times constrained by insufficient capacity within the concerned national authorities. Thus, the provision of high level technical support to adequately formulate and design the EDF development programmes and to support the implementation and management of the overall EU assistance, are essential requirements

to make technical cooperation more effective, and ultimately contribute to achieve the national development goals of Suriname.

In support of the development policy, the EU has a number of programmes that are ongoing or will be coming on-stream in Suriname. To ensure their successful implementation, the NAO Office, within the Ministry of Finance, is tasked with the programming, planning, implementation, and day-to-day supervision and monitoring of these projects. The TCF will provide technical support as needed.

**Support to NAO Office:** This programme aims to provide support for the institutional functioning and capacity strengthening of the NAO Office to execute the main stages of the project cycle and ensure the effective implementation of the National Indicative Programme (NIP) and other EU funded programmes in favour of the country's development strategy. The NAO Office will require the appropriate capacity to adequately and timely fulfil all conventional EU administrative tasks and procedures established to draft, implement, monitor, audit and evaluate EU development cooperation programmes. The programme will also provide for general short-term training activities/educational actions/seminar participation for staff of the NAO Office on topics related to the priorities of the African, Caribbean and Pacific – European Union (ACP-EU) partnership agreement, and EU administrative/financial procedures as foreseen in the Financing Agreement.

The NAO Office is the main interlocutor for the EU Delegation (EUD) for the implementation of the EDF programmes and maintains oversight of the related activities of implementing government agencies. Recently the NAO Office has been engaged in the implementation of the 10<sup>th</sup> EDF BAM programme and the formulation of the new 11th EDF Sustainable Agriculture Development programme. New programmes are anticipated under the Caribbean Investment Facility (CIF) as well as the Regional Programmes. This is in addition to the long history the NAO Office has in implementing EU projects under previous EDFs. Further programmes are anticipated under the Regional Programme.

Given the above, the continued engagement of key staff and capacity strengthening is absolutely necessary to allow for the accomplishment of the Office's mandate to foster the development of Suriname. As such, positions include those required for the essential duties of Indicative Programming/Project Identification/Formulation, Project Management, Engineering, Accounting, Contract Management and Procurement Planning and general administration and office support. These duties are critical to the successful implementation of the office's portfolio of current and future projects, thereby fulfilling the Office's role to bring maximum benefits to stakeholders through the use of EU resources.

**Technical Cooperation Facility:** By facilitating short- and long-term TA and studies, on an *ad hoc* basis, the TCF will be a flexible instrument that will strengthen capacities in the relevant Government ministries, while also responding quickly to technical needs as they arise during project implementation. It is expected that the TCF will be used to address capacity issues in economic, social and environmental dimensions of national development, particularly those that relate to the EU focal areas of agriculture, water, energy sectors and specific gender equality measures. The promotion of renewable energy and a green economy will also be prioritised.

Another important component is the engagement of short to medium-term consultants to assist in the main stages of the project cycle to ensure the effective implementation of the National Indicative Programmes (NIP) and other EU funded programmes in favour of the country's development strategy, and in keeping with the objectives of the ACP-EU Partnership Agreement.

This programme will implement visibility and awareness projects that promote EU funded programmes, both national and regional, as well as promote EU policy and EU cooperation with Suriname at large.

The programme will fund technical and financial audits and evaluations of other programmes/projects whenever these cannot be financed from the programme/project or where it is convenient or efficient to combine a number of audits/evaluations of related interventions.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Availability and affordability of qualified consultants in the area of expertise required that may delay implementation.	L	Allocate enough time to organise procurement and recruit of high quality technical assistance.
Lack of commitment and ownership from the country may lead to limited and inadequate support to the action.	M	Ensure diligent stakeholders consultation and involvement during both the preparation and implementation period.
Results of capacity development and policy assessments are not incorporated in the design and work plan of the action.	M	Ensure results from the action are properly disseminated and understood by relevant partners, so they form the basis for future sectorial actions.
Inability to retain staff already trained and experienced in EU procedures, due to job uncertainty linked to the cyclical nature of funding of the of the Officer of the NAO.	H	The Government, in association with the EU, to devise a strategy to ensure consistent funding the operations of the Officer of the NAO.
<b>Assumptions</b>		
1. Suriname will remain politically and economically stable. 2. Needs are assessed in partnership with the relevant authorities and realistically reflect the		

national context and its needs.

3. Technical expertise of sufficiently high-quality can be engaged to provide the necessary assistance.
4. Capacity development actions are targeted to relevant staff and they can apply the knowledge acquired.
5. The content of trainings is relevant to the audiences targeted and their needs.

### **3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING**

#### **3.1 Lessons learnt**

The NAO Office has successfully played a very important role as interlocutor between the Government of Suriname and the European Union, particularly the EU Delegation and CARICOM/CARIFORUM. Lessons from the ongoing EU funded programmes indicate the need to continue to foster coordination, information sharing and participation among different stakeholders. In accordance with the European Consensus for Development and the objectives of the Paris Declaration on Aid Effectiveness and the Backbone Strategy on Technical Cooperation and Project Implementing Units, it is a priority to reinforce and coordinate technical cooperation activities with donors and stakeholders.

The principle lesson learnt regarding the TCF is that it needs to be a flexible instrument. Support for the NAO, capacity building and training, is important, but so is the ability to support, expand, fine tune and add value to the main policy instruments relevant to the EU programme in the country. As project implementation unfolds, oftentimes complementary needs arise for specific evaluation, studies, events, trainings and other capacity-building activities. If this flexibility can even go outside, but always relevant to, the main lines of intervention, it becomes even more useful. By providing opportunities for capacity building and specialised assistance to targeted agencies, the TCF also contributes to sustainability.

Implementation of other projects has also demonstrated the need for closer alignment of all projects with government development policies. This suggests the need for an approach which engenders coherence between donor interventions guided by objectives which are driven by reform priorities identified at the sector level.

#### **3.2 Complementarity, synergy and donor coordination**

As mentioned above, the current and future portfolio of the Government of Suriname with funding from the European Union (EU) includes the following key development programmes:

- Banana Adaptation Measures (BAM) programme.
- 11th EDF Sustainable Agriculture Development programme.
- CIF blending programme in the energy sector.
- GCCA+ Programme

The Office of the NAO will also be involved in the project cycle management of the 11<sup>th</sup> EDF Caribbean Regional Indicative Programme, which will focus on Regional Economic

Cooperation and Integration; Climate Change, Environment, Disaster Management and Sustainable Energy; and Crime and Security.

By enhancing the capacity of the NAO and providing technical support as needed, this action will support the implementation of these programmes. This action therefore also complements the activities of other donors/agencies that are aiding in the rebuilding efforts and assisting in the development of Suriname.

Government led donor coordination is at the sector level, where coordination is carried out by line ministries through government/donor groups. Wider government led coordination would facilitate enhanced and streamlined cooperation assistance. As the donor community is relatively small in Suriname, exchange of information is good, allowing coordination and avoidance of overlaps in activities. The major multilateral donors in Suriname are the EU, Inter-American Development Bank (IDB), World Bank (WB), Caribbean Development Bank (CDB) and the Islamic Development Bank (IsDB). Agence Française Développement (ADF) is active in the water, urban infrastructure and health sectors. In a recent positive development, the European Investment bank (EIB) is currently assessing Suriname for potential cooperation. The major member states present in Suriname are the Netherlands and the French. The EU Delegation (EUD) has regular meeting with its member state counterparts. The EUD also participates in regular donor coordination group meetings.

### **3.3 Cross-cutting issues**

Cross cutting issues were identified as poverty reduction, climate change, good governance, gender, environment, and health. Activities funded by this TCF will include matters concerning environmental sustainability, gender equality, good governance and human rights as appropriate. Where relevant, studies will assess the social and environmental impacts of future development programmes. In particular, climate change, disaster risk reduction and resilience issues will be taken into account. The activities contribute to sustainable development, by making meaningful contributions to capacity building at various levels in the private and public sector, which assists the government in meeting its social development and poverty reduction goals.

Among the five pillars of Suriname's development plan, is pillar number two, social development for an equitable society. To achieve this, Suriname conducted a Situation Analysis on Gender Equality, Gender Relations and the Position of Women in Suriname. Suriname has in place a National Bureau Gender policy which focuses on gender issues, gender specific data-collection and sharing. Moreover, a Gender Management System is reportedly in place with gender focal points at each Ministry of Government. The formulation of all future EU funded programmes will include measures to support gender equality in line with EU Gender Action Plan 2016-2020. An EU-funded sector gender analysis will inform on the most appropriate measures to be addressed in the EU focal area of agriculture. Gender equality issues will be incorporated in assistance projects and specific projects will address awareness issues.

## 4 DESCRIPTION OF THE ACTION

### 4.1 Expected results and main activities

The **overall objective** is to ensure the efficient and effective utilisation of EU development assistance in support of the implementation of Suriname's development strategies and policies.

The **specific objectives** are to:

1. Strengthen the implementation and management capacities of the National Authorising Office (NAO), line ministries and relevant state and non-state institutions involved in the EU-Suriname cooperation (Result 1).
2. Identify and formulate and prepare future programmes to be financed under the EDF and other EU-funded programmes (Results 2).
3. Develop policies, documents and guidelines in support of national development issues related to EU cooperation (Result 2).
4. Increase the visibility of Suriname-EU cooperation (Result 3).

This programme is relevant for the Agenda 2030 and will focus on achieving the following expected results:

#### *4.1.1 Result 1: Support to the NAO Office*

This will be achieved by providing the NAO Office a programme estimate. Activities will include the provision of policy advice and expertise of technical consultants as well as short-term training activities/educational actions/seminar participation for staff of the NAO Office on topics related to the priorities of the ACP-EU partnership agreement, and EU administrative/financial procedures as foreseen in the Financing Agreement.

The main activities would include:

- Technical assistance (long and short-term experts per the operational needs);
- Capacity development and expert advice: organising and/participating in workshops, seminars, etc. on the main issues regarding development cooperation, EU policies and strategies, planning, monitoring and evaluation, effective management and implementation (which may include capacity development for monitoring and implementing EPA) and effective partner coordination;
- Participation in regional workshop/conferences to guarantee the involvement of Suriname in the regional integration processes (CARIFORUM)
- Studies and workshops to support implementation of public reforms.

#### *4.1.2 Result 2: Enhanced policy dialogue in the focal sectors of EU assistance, audits and evaluations*

This will be achieved through the provision of policy advice and expertise of technical consultants and will be implemented through direct management. The main activities would include:

- Complementary technical assistance for the line ministries;
- Studies and pilot projects to address the needs of focal sectors;
- Technical expertise to design and facilitate capacity development activities;
- Support for identification and implementation of ongoing and future EU funded programmes;
- Projects addressing gender equality specific awareness measures.
- Feasibility studies and legal support;
- Audits and evaluations of projects that do not have funds earmarked for such activities.

#### *4.1.3 Result 3: Strategic communication on EU development policy priorities*

This result will be achieved by improving the communication on the EU policies and programmes and contribution to the country's development and will be implemented through direct management. The Communication and Visibility Strategy will encompass all the relevant activities to ensure a stronger, more coherent promotion of the EU and its cooperation.

The main activities would include:

- Conduct communications audit and develop a comprehensive communication strategy and implementation plan;
- Visibility events around key issues of EU policies (including EPA) directed to major stakeholders;
- Targeted communication around key issues including media and opinion leaders.

## **4.2 Intervention logic**

The programme will support the NAO Office and strengthen its capacities through staff training, participation in workshop and seminars and ad hoc technical assistance. This is expected to strengthen its implementation and management capacities with a view to improving the effective implementation of EU-funded programmes. It is expected that the intervention will lead to increased efficiency of the NAO Office.

Technical assistance will be provided to beneficiaries in developing policies and conducting studies in relevant focal areas. This will ensure that quality policies, documents and guidelines are prepared in support of national development issues related to EU cooperation and enhance coherence between national policies and the EU's Agenda for Change.

Strategic communication on EU development policy priorities will be improved through the implementation of a comprehensive communication strategy and implementation plan. This will increase the visibility of Suriname-EU cooperation and raise the profile of the EU in Suriname.

The above measures will ensure the efficient and effective utilisation of EU development assistance in support of the implementation of Suriname's development strategies and policies



## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a Financing Agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is forty-eight months (48) months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) No 322/2015.

### **5.3 Implementation modalities**

#### ***5.3.1 Indirect management with the Government of Suriname -Result 1***

A part of this action with the objective of strengthening the NAO Office may be implemented in indirect management with Suriname in accordance with Article 58(1) (c) (i) of the Regulation (EU, EURATOM) No 966/2012 applicable by virtue of Article 17 of the Annex to Regulation (EU) No 323/2015 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100,000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300,000 for procurement and up to EUR 100,000 for grants.

The financial contribution covers, for an amount of EUR 48,000.00, the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable by virtue of Article 36 of the Regulation (EU) 323/2015 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner country shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Regulation (EU) No 323/2015, will be laid down in the financing agreement concluded with the partner country.

### 5.3.2 Procurement (direct management) - Result 2 and 3

Activity	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Result 2: Enhanced policy dialogue in the focal sectors of EU assistance, audits and evaluations	Services	6	Q2 2017 onwards
Result 3: Strategic communication on EU development policy priorities	Services Supplies	2	Q3 2017 onwards

### 5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement.

### 5.5 Indicative budget

Activity	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
<b>Procurement (direct management)</b>		
<b>5.3.1 Result 1: Support to the NAO Office - (indirect management)</b>	150 000	N.A.
<b>5.3.2.1 Result 2: Enhanced policy dialogue in the focal sectors of EU assistance, audits and evaluations (direct management)</b>	600 000	N.A.
<b>5.3.2.2 Result 3: Strategic communication on EU development policy priorities - (direct management)</b>	50 000	N.A.
<b>Totals</b>	<b>800 000</b>	<b>N.A.</b>

## **5.6 Organisational set-up and responsibilities**

The assistance to the NAO Office under Results 1 will be managed by the NAO through indirect management under a programme estimate. The NAO Office will provide annual narrative and financial reports to the Commission on implemented activities.

Technical assistance and visibility under Results 2 and 3 will be contracted by the European Commission through direct management. It is envisaged that this will be done through a number of service contracts and possibly some small supply contracts. While the Commission will engage in direct discussions with line ministries and other governmental bodies, the Commission will keep the NAO Office informed of ongoing discussions. Official requests for assistance to governmental bodies will be channelled through the office of the National Authorising Officer. All terms of reference (ToR) for technical assistance will be shared with the National Authorising Officer for endorsement before procuring services. Similarly, ToR for communication and visibility contracts will be shared with the National Authorising Officer.

While technical assistance to non-state actors may be channelled directly through the Commission, the National Authorising Officer will be informed of any such request and asked to provide an in-principle approval.

## **5.7 Performance monitoring and reporting**

Monitoring of the project will be the responsibility of the National Authorising Officer through the NAO's Office. The NAO's office will report to the Portfolio Meetings, held between the Ministry of Finance and the EU Delegation, on progress of implementation of specific actions, difficulties encountered, as well as the degree of achievement of results.

The day-to-day technical and financial monitoring of the implementation of this action proposal will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

Having regard to the nature of the action, a final evaluation will not be carried out for this action or its components.

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

## **5.9 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

## **5.10 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Intervention logic	Indicators	Baselines (2016)	Targets (2020)	Sources and means of verification	Assumptions
Overall objective: Impact	To ensure the efficient and effective utilisation of EU development assistance in support of the implementation of Suriname's development strategies and policies.	<ol style="list-style-type: none"> <li>1. Timely achievement of targets (% actual vs. plan).</li> <li>2. Levels of expenditure (% actual vs. plan).</li> </ol>	<p>No baseline existing; will set annual targets</p> <p>No baseline existing; will set annual targets</p>	<p>85% annual target met</p> <p>85% annual target met</p>	Project documents (FAs), NAO Office reports.	Targets are not impeded by procurement issues.
Specific objective 1 Outcome(s)	<ol style="list-style-type: none"> <li>1. Strengthen the implementation and management capacities of the NAO Office, line ministries and relevant state and non-state institutions involved in the EU-Suriname cooperation.</li> <li>2. Identify and formulate and prepare future programmes to be financed under the EDF and other EU-funded programmes.</li> <li>3. Develop policies, documents and guidelines in support of national development issues related to EU cooperation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Performance of NAO Office against approved annual work programme.</li> <li>2. No. of identified programmes adopted and funded by EU.</li> <li>3. Develop policies, documents and guidelines in support of national development issues related to EU cooperation.</li> <li>4. Increase the visibility of Suriname-EU cooperation.</li> </ol>	<p>No baseline existing; will set annual targets</p> <p>No baseline existing; will set annual targets</p> <p>No baseline existing; will set annual targets</p>	<p>85% annual target met</p> <p>85% annual target met</p> <p>100% annual target met</p> <p>10% increase per year.</p>	<ol style="list-style-type: none"> <li>1. NAO Office reports and annual measurement of KPIs.</li> <li>2. Programmes adopted, FAs etc.</li> <li>3. Government adoption of new policies.</li> <li>4. Survey.</li> </ol>	Technical assessments are done in partnership with relevant authorities and realistically reflect the national context and its needs.

	4. Increase the visibility of Suriname-EU cooperation.		Baseline study to be carried out.			
<b>Outputs</b>	<ol style="list-style-type: none"> <li>Support provided to the NAO Office strengths their professional capacity.</li> <li>Improved policy development and coherence between national polices and the EU's Agenda for Change.</li> <li>Improved Strategic communication on EU development policy priorities.</li> </ol>	<ol style="list-style-type: none"> <li>Training activities, educational actions and seminar participation.</li> <li>No. of policy documents and programmes developed in priority areas of governance against approved annual work programme..</li> <li>No. of EU visibility events.               <ul style="list-style-type: none"> <li>- no. of events</li> <li>- increase in awareness</li> </ul> </li> </ol>	<p>0</p> <p>No baseline existing; will set annual targets.</p> <p>0</p> <p>Baseline survey to be carried.</p>	<p>8</p> <p>85% annual target met</p> <p>6</p> <p>10% increase per year.</p>	<ol style="list-style-type: none"> <li>NAO Office report detailing trainings undertaken, seminars attended.</li> <li>Programmes adopted, FAs etc. Government adoption of new polices.</li> <li>Survey.</li> </ol>	<ol style="list-style-type: none"> <li>NAO Office can implement the programme estimate efficiently.</li> <li>Quality technical assistance is engaged and policies reflect the national context and EU priorities.</li> <li>Experienced service contractor can be engaged.</li> </ol>