



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Suriname

Reporting Period: 1 January - 31 December 2021

JP title: Roadmap for a Sustainable Financial System for Suriname

PUNOs: UNEP, UNDP

Government partner: Cabinet of the President of Suriname

Target SDGs: SDGs 5, 11, 13, 15, 17

Gender Marker: 2

Approved budget: USD 660,174

Co-funding: USD 208,000

Total Disbursement by 2021: USD 662,000

Total estimated expenditures: USD 236,164 (est. Delivery rate: 35.7%)

Total estimated commitments (including expenditures): USD 436,248 (est. Committed rate: 65.9%)

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Executive Summary

- 1) Solid baseline analysis for Suriname's financial, forestry and ASGM sectors including a gender analysis: forms a useful project baseline that indicates a small and concentrated financial sector and small capital market with limited range of financial products and services and access by women and small enterprises across priority sectors. Suriname's banking sector is exposed to risks (credit, currency, liquidity, operational, interest and concentration), which limit the sector's ability to support the private sector. The regulatory framework has major gaps and lacks finance-specific laws, standards and policies to address current economic, environmental and social problems (e.g. biodiversity conservation, pollution, land acquisition etc.).
- 2) Joint Project ownership and key partnerships: The Project is a priority for the Government as evidenced by the close working relationship with the Ministry of Spatial Planning & Environment (ROM) and their leadership with other Ministry partners (Finance, Land & Forest Management/GBB). ROM has facilitated cooperation with the Central Bank, IADB and the banking industry to ensure policy coherence in light of the priorities of

the Recovery Plan (Herstelplan) and has been a good project partner in facilitating outreach to stakeholders. The project has also built important partnerships with key civil society associations e.g. the Banking Association.

- 3) An initial framework drafted for the green agreement and sustainable financial strategy: this initial outline emerged from the baseline studies and provides the basis for discussion and arriving at consensus among project partners on needed policy reforms and actions to mainstream gender considerations across sector processes and procedures.

Annual Progress

Overall JP self-assessment of 2021 progress:

Not-satisfactory (majority of expected results not yet achieved; over 3 months delay in implementation)

Comments on self-assessment: The project was approved for implementation in early June 2020 with a provision to make minor adjustments to specific sections. While they considered this, the JP Team requested and received approval for project start on 1 October 2020. Following a short mobilization phase, an Inception Workshop was held in October 2020. The Project's Diagnostic Phase followed largely in a virtual format due to COVID 19 restriction measures, which hampered engagement with stakeholders and travel to the country by non-resident PUNOs and key consultants. The virtual sessions were inadequate to fully raise awareness and sensitize government stakeholders on the complexities of developing a sustainable financing roadmap, applying gender considerations and environmental, social and governance risks into procedures, products and services. In addition, the availability of stakeholders was limited as they were also preoccupied with implementing emergency and / or recovery measures to address the economic and health crises of the past year.

Overall progress and key developments to date (3 key JP milestones)

- a) Governance and Coordination: -A Multi-Stakeholder Advisory Group comprising representatives of key ministries was established and now meets monthly with the Project Implementation Team (PIT) comprising PUNOs and the Ministry of Spatial Planning and Environment. -The Ministry of Spatial Planning and Environment assigned an advisor to the Minister as the JP liaison, which provides a direct channel to timely decision-making from the Government and important links to finance sector actors e.g. the Central Bank, IADB. These milestones have also led to Government's ownership of the JP and a more coordinated engagement with other key government institutions e.g. the Ministry of Finance and Planning, the National Forest Authority (SBB) and Suriname Business Association (VSB).
- b) Building Capacity of stakeholders in SDG Financing: The JP's baseline results enabled PUNOs to better customize capacity building efforts to address gaps e.g. gender mainstreaming in the finance sector from UNFPA, environmental, social & governance standards and risk analysis for financing by UNEP FI, green bonds by UNDP. The project's strategy is to offer these specialized training courses to a cohort of stakeholders (public, private sector & civil society) to mainstream learning into sector policies and plans.
- c) Financial policy development and financial advocacy activities: Sector baseline studies of the ASGM sector revealed that SME operations impact the environment, are characterized by high levels of informality and illegality, and mining SMEs have limited access to finance and investment. Labor and social conflicts exist between individual miners and concession title holders and with indigenous and tribal peoples on mining lands regarded as their traditional homeland or on which they assert customary rights. Forest value chains provide important growth opportunities that can spur small- and medium-sized business, but the sector is affected by low investment, persistent structural problems and a relatively weak policy environment. The banking industry regards these sectors as high risk, which poses a barrier to financing. The initial framework of a Green Agreement and Sustainable Finance Strategy is developed.

Changes made to JP:

Main Challenges: The delays of activities can be mitigated as the country is lifting travel and mobility restrictions. The establishment of the JP's Project Management Unit (PMU) has proven essential to the engagement and involvement of stakeholders in Suriname particularly for the non-residential PUNOs. The involvement and close working relationship established with the Ministry of Spatial Planning & Environment via the advisor (Mr. Glenn Gersie) to the Minister is an essential mechanism for facilitating engagement with government and particularly with the Ministry of Finance and Planning.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Emerging (1-49%)	Emerging (1-49%)	Emerging (1-49%)	Emerging (1-49%)	Emerging (1-49%)

Descriptions on progress by INFF building blocks

Inception Phase: The JP has not yet progressed to the stage of an agreed INFF. However, JP diagnostic reports for the financial, ASGM and forestry sectors have produced recommendations for developing a green agreement between finance sector stakeholders, as well as the components and stages of a Sustainable Finance Roadmap; forest sector financing priorities within a recommended sector strategy; and the financing needs of the ASGM sector.

Assessment & Diagnostics: The JP gap analysis and assessment tools used a desk research, followed up by interviews and supplemented by survey format. The aforementioned evaluated levels of compliance and coverage in the national regulatory framework and in finance sector operations on issues related to environment, social and governance practices in Suriname using the following international standards: -International Finance Corporation's (IFC's) Performance Standards (PS) -UNEP FI's Principles for Responsible Banking (PRB) -UNEP FI's Principles for Responsible Investment (PRI) -UNEP FI's Principles for Sustainability in Insurance (PSI) -The Financial Stability Board's (FSB's) Task Force on Climate-related Financial Disclosures (TCFD)

Financing Strategy: Suriname developed a "Recovery Plan" (2020-2022) approved by its Parliament, with 185 fiscal measures, and projects to attract new investments and catalyze financial support from other international financial institutions, to promote a sustainable economy. The JP assessed the financial sector as lacking ESG performance and regulatory standards. From the assessment findings, the JP will continue to evaluate green and/or climate financing modalities such as: blended finance, sustainable bonds, debt-for-swap initiatives, risk insurance, private sector funding, among others. Sustainable financing, however, depends largely on the country's ability to prioritize and build its capacity in integrated and inclusive ways across priority sectors, as well as its commitment to improve awareness, knowledge and best practices.

Monitoring & Review: NA

Governance & Coordination: NA

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

The main adaptation due to COVID-19 has been a change in strategy for the assessment and capacity building phase which relied primarily on virtual exchanges for training and communicating project plans and achievements.

How did the JP apply the Gender Marker

During 2021 in order to mainstream gender considerations, a Gender analysis was conducted across priority sectors based on international and national agreements and as referenced in Suriname's National Gender Vision Policy (2021-2035). The JP created and executed a gender-focused capacity building strategy based on identified gaps in the Assessment and Diagnostic Phase. The strategy promotes awareness and training sessions for target sectors and groups including women and youth. The JP is engaging regularly with the Bureau Gender Affairs of the Ministry of Home Affairs. An inter-generational information session for young people (18-30) from various organizations, representatives of the financial and environmental sector was also conducted and included a preparatory online training on gender and environment with the Youth Advisory Group (by UNFPA) to increase their participation.

Estimated % of overall disbursed funds spend on gender: 31.5%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

During phase 1, a gender analysis was conducted to identify key gaps; an intergenerational information session was held to assure participation of all sectors. The identified gaps are being addressed in phase 2 to ensure women are beneficiaries with full and effective participation in the framework of sustainable finance. The capacity strengthening activities are intended to enhance equality and to empower women and girls' participation in the process.

How did the JP work to build ownership and buy-in of key stakeholders

The UN Resident Coordinator and the Permanent Secretary of the Ministry of Foreign Affairs have co-versed over Joint Steering Committee meetings, which ensures JP buy-in, engagement and visibility from the highest levels. PUNOs include the Advisor to the Minister in weekly technical meetings, leading to timely access and decision-making from this main partner and good collaboration with PMU staff, which has enhanced stakeholder facilitation and JP progress. UNDP, FAO and UNFPA as resident agencies encourage their sector partners to contribute to JP workshops, surveys and consultations. The JP PUNO lead rotates annually between UNEP and UNDP, which brings diverse expertise to the coordinating processes.

The Ministry of Spatial Planning and Environment (ROM) has been instrumental in ensuring participation on the JP governance bodies from other partner ministries (Ministry of Finance and Planning, Ministry of Natural Resources, Ministry of Land & Forest Management, Ministry of Agriculture, Animal Husbandry and Fisheries, Ministry of Home Affairs/Bureau of Gender Affairs), which has been essential to good collaboration and progress. The proposed dialogue platforms will be built from these coordination processes and will be instrumental for building capacity of stakeholders and facilitating exchange and agreement on the green agreement and the sustainable financing roadmap.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

The JP has prioritized SDGs 5, 11, 13, 15 and 17

- 1) 5.5 "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life" The identified gaps for of the gender analysis which was conducted in phase 1, functioned as a base for the capacity building strategy which will increase the participation of beneficiaries and policymakers. The intergenerational information session also had the purpose to increase involvement of the various sectors.

- 2) 15.2: “By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally” For the forest sector four value chains have been prioritized –eco-tourism, eco system services, NTFP, and the traditional timber production. The analysis shows opportunities for green investments. Stakeholders defined roles for all players noting that the government has a key role in removing barriers, building capacities and developing social and physical infrastructure. It also has a role in creating resources assessment and other information systems that form a basis for monitoring. Further, recommendations offered advocate for reduced impact logging and certification to ensure sustainable origin; combining wood and non-wood product revenues and voluntary carbon/biodiversity offsets and promoting partnerships to support scaling and added value. Scaling and value adding requires entrepreneurs who are ready to take major steps in turning to convent.
- 3) 17.1 and 17.4: “Strengthen domestic resource mobilization” and “Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring. The JP implemented outreach activities with stakeholders (government, regulators, financial institutions and civil society) and strengthened the partnership with Suriname Hotel and Tourism Association (SHATA).

JP contributions to the Joint SDG Fund’s global results (especially around Outcome 2 & Output 4)

Joint SDG Fund Outcome 2, Output 6: The JP has not completely achieved the outcome but is advancing through: UNEP’s diagnostic report that recommended ESG standards for the financial sector, with a follow up specialized capacity building training exercises on environmental, social and risk assessment. We already had some trainings in 2021 and we will have others. The next one is on February/2022 with the participation of government and financial institutions.

Progress against JP-specific outcomes

Outcomes: The baseline analysis in the four (4) selected sectors for the design of financing solutions, mechanisms and financial products that can unlock public and private capital for SDGs, has been conducted. An initial National Roadmap Framework (outcome 1) for the sustainable financing strategy and green agreement is drafted. This forms the basis for dialogues, alliances and networks with the government, development banks, financial sectors as well as investors to facilitate policy and decision making (outcome 2).

Progress against JP-specific outputs

Outputs: The JP completed its assessment and diagnostic phase, which involved desk research exercises, stakeholder interviews, surveys and gap analyses conducted across the four (4) priority sectors. The banking and financing sector is assessed in relation to the existing policy and regulatory frameworks and operating environments. A gender analyses across priority sectors based on international and national agreements and as referenced in the national Gender Vision Policy (2021-2035) has been conducted. Furthermore, a forest financing strategy has been drafted based on data assessed from small-scale concessionaires, logging companies, community forests, NTFP producers and ecotourism entrepreneurs. Finally, the current ASGM operations via the GEF-funded GOLD+ Project for the Artisanal and Small-Scale Gold mining (ASGM) sector, and in relation to inclusive and responsible practices in supply chains, use of mercury-free technology, and the sector’s financing needs were assessed. These analyses were consolidated in one comprehensive report to address identified challenges of each priority sector.

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

PUNOs (including the non-resident) participate in the monthly meetings of the UNCTs and have been regularly providing updates on the progress of the JP and informing on upcoming stakeholder meetings, training workshops.

UNCT engagement has also provided access to the quarterly meeting of development partners, which include important bilateral and multilateral donors that are supporting the Government of Suriname. These meetings facilitate and enhance cooperation with government partners and have contributed to the development of the CIP and the new cooperation framework.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

The JP’s key partner, the Ministry of Spatial Planning & Environment (ROM), has been key to achieving buy-in and participation from other Government partners (particularly the Ministries of Finance, Land & Forest Management/GBB), and has also facilitated cooperation with the Central Bank and the IADB as the main country donor. ROM has facilitated contacts with the banking industry, which has improved the JP’s visibility within that sector.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

Comments on additional financing secured: The JP’s key partner, the Ministry of Spatial Planning & Environment (ROM), has been key to achieving buy-in and participation from other Government partners (particularly the Ministries of Finance, Land & Forest Management/GBB), and has also facilitated cooperation with the Central Bank and the IADB as the main country donor. ROM has facilitated contacts with the banking industry, which has improved the JP’s visibility within that sector.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	No	No

Number of strategic documents produced by the JP: 7

Number of strategic documents contributed by the JP: 7

Number of communication materials produced: 4

2022 Plans & Way Forward

JP priority activities & expected results for 2022

In 2022 (Year 2) the capacity-building phase will include continued training and dialogues conducted by PUNOs in priority sectors, the establishment of a network for dialogue among stakeholders on needed policy reforms and priority projects for financing. Policy reform recommendations will be harmonized with the priorities of the Government’s Recovery Plan 2020-2022.

The draft Sustainable Financing Roadmap will be developed from the agreed priorities of the Green Agreement negotiated with stakeholders. The roadmap will specify the actions and milestones for progress over short-, medium- and long terms. The Green Agreement will also specify minimum operating standards, procedures and requirements for the ASGM and forestry sectors as well as the financial sector. The work on these important JP outputs will also inform discussions with the Government and donors on supporting ongoing efforts for regulatory strengthening and reform.

3 major transformative results that will be achieved by the end of the JP

The Government of Suriname is in a recovery phase following the economic crises of the past year and is motivated to work with the JP members and other partners to foster growth and development. This JP is expected to: 1) Provide guidance for enabling policies via the Green Agreement and sustainable financing roadmap; and 2) Improve the capacity of multi-stakeholders to implement ESG standards in support of low emission, low impact and inclusive sector operations.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Planned (0%)	Emerging (1-49%)	N/A