A. COVER PAGE

1. Fund Name: Joint SDG Fund

2. MPTFO Project Reference Number: [automatically populated in Atlas]

3. Joint programme title The Accelerator for Agriculture and Agroindustry Development and Innovation Plus (3ADI+); **Sustainable Pineapple Value Chain Development**

4. Short title Sustainable Pineapple Value Chain Development

5. Country and region Suriname, Latin America and the Caribbean

6. Resident Coordinator Marina Walter, marina.walter@un.org

7. RCO Joint Programme focal point Jessica Chandnani, Head of RCO, Strategic Planner and Team Leader, <u>jessica.chandnani@one.un.org</u>

8. Lead agency Joint Programme focal point David Neven, Senior Economist, Food and Agriculture Organization of the United Nations <u>david.neven@fao.org</u>

9. Government Joint Programme focal point *Ministry of Agriculture, Animal Husbandry and Fisheries,* <u>minlvv@sr.net</u>

10. Type of financial intervention *Fund*

11. Short description:

The proposed Joint Programme (JP) aims to attract and de-risk SDG-compliant investments into the pineapple value chain (VC) in order to increase productivity and income of smallholders in the interior. Based on a sustainable and inclusive VC development approach, the JP will create business opportunities and facilitate access to markets and value addition for women and men, while ensuring conditions for respect of fundamental labour rights, guaranteeing environmental sustainability and taking into account the vulnerability of traditional communities in the interior. The Programme will be a direct application of the multidimensional approach promoted by the Agenda 2030.

This JP strives for long-term sustainability. It will facilitate linkages between VC actors and service providers, strengthen and institutionalize knowledge in local institutions, and contribute to a conducive policy environment, which together will activate investment. The JP will also encourage replication in other similarly promising VCs both in Suriname and in the wider region.

12. Keywords: Value Chain, Agroindustry, Organic Farming, Markets, Investments, Leverage, Pineapple, Gender, Working Conditions, Rural Employment

13. Overview of budget

Joint SDG Fund contribution	USD 2,193,055 ¹
Co-funding in cash and kind committed FAO	USD 230,000
Co-funding anticipated in cash and kind UNIDO	USD 98,000
Co-funding anticipated in cash and kind ILO	USD 159,800
Co-funding anticipated in cash and kind UNFPA	USD 111,404
TOTAL	USD 2,792,258

14. Timeframe: gen

Start date	End date	Duration (in months)
1 April 2022	31 March 2026	48

15. Gender Equality Marker:

GEN2

16. Participating UN Organizations (PUNO) and Partners:

16.1 PUNO

Convening agency:

 Food and Agriculture Organization of the United Nations Robertson, Reuben
 FAO Representative to Trinidad and Tobago and Suriname; <u>Reuben.Robertson@fao.org</u>
 Tel: + 868 299 0027

Other PUNOs:

- United Nations Industrial Development Organization (UNIDO) Badarneh, Ali Chief, Sustainable Food Systems Division, Agribusiness Department <u>a.badarneh@unido.org</u> Tel: + 43 1 260263871
- International Labour Organization (ILO) Mr. Dennis Zulu <u>zulu@ilo.org</u> Director of the Decent Work Team and Office for the Caribbean Tel: + 868 6237178/7704 ext. 445

¹ Includes USD143,055 in initial disbursements for proposal development.

 United Nations Population Fund (UNFPA) Drayton, Alison UNFPA Director and Representative; Subregional Office for the Caribbean; <u>drayton@unfpa.org</u> Tel: +1 876 906 8591

16.2 Partners

National authorities:

- Ministry of Agriculture Animal Husbandry and Fisheries
- Ministry of Economic Development, Entrepreneurship and Technological Innovation
- Ministry of Regional Development and Sports
- Ministry of Home Affairs (Bureau of Gender Affairs)
- Ministry of Finance and Planning
- Ministry of Foreign Affairs, International Business and International Cooperation
- Ministry of Labour, Employment Opportunity and Youth Affairs
- Ministry of Finance and Planning
- General Bureau of Statistics

Civil society organizations:

- Association of Indigenous Village Leaders in Suriname (VIDS)
- Organization of Cooperating Indigenous Villages in Para and Wanica (OSIP)
- Association of Saamaka Traditional Leaders

Private sector:

- Suriname Business Association
- Timsa Maquinaria Industrial
- Suriname Candied Fruits
- Bio Pineapple Suriname

International Financial Institutions:

- Inter-American Development Bank
- Islamic Development Bank

Local Financial Institutions:

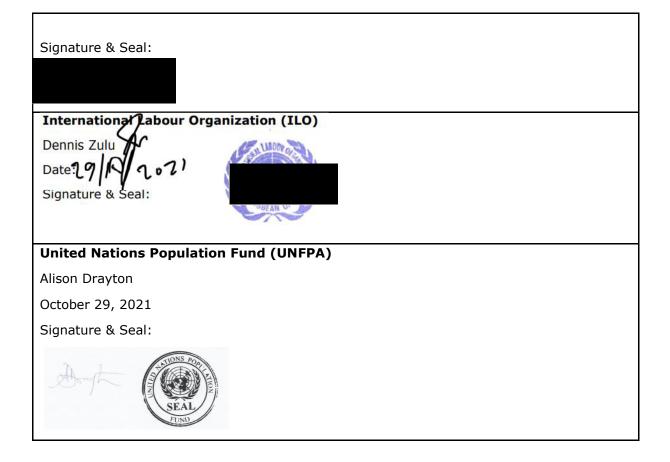
- Trust Amanah Bank

Other partners:

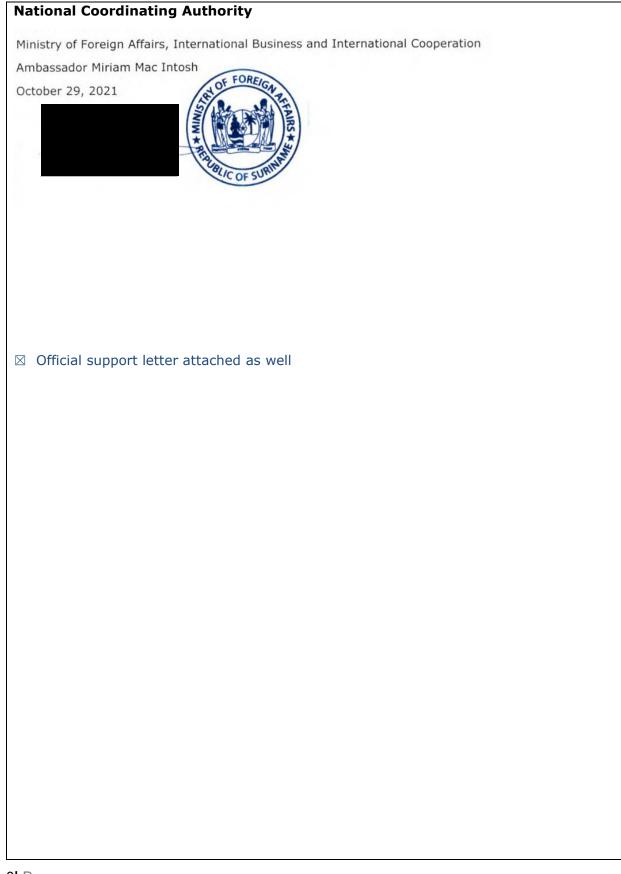
- Suriname Banking Association
- Wageningen University and Research
- <u>Sense</u>
- <u>Centre for Agricultural Research in Suriname (CELOS)</u>
- PolyTechnic College Suriname (PTC)

UN SIGNATURE PAGE

Resident Coordinato	r
Marina Walter	
October 29. 2021	
	BICULTURE
Food and Agriculture	e Organization of the UN (FAO) (lead/convening)
Reuben Robertson	
October 29, 2021	
1	PAUSSION TO GO
United Nations Indu	040
United Nations Indu	strial Development Organization (UNIDO)
Ali Badernah	
October 29, 2021	
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GOVERNMENT SIGNATURE PAGE



B. STRATEGIC FRAMEWORK

1. Call for Joint Programmes: SDG Financing (2020) – Component 2

2. Programme Outcome: Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Component 2)

3. UNDAF Outcomes and Outputs

The United Nations Development Framework (UNDAF) in Suriname was replaced in 2015 by the United Nations Multi-Country Sustainable Development Framework (UN MSDF) that became the business plan of the UN agencies in Suriname and 17 other countries and overseas territories for the period 2017 to 2021. The UN MSDF provides the Outcomes for each area with the Outputs for Suriname articulated in the Country Implementation Plan

<u>Priority Area 1: An Inclusive, Equitable and Prosperous Caribbean</u>: This Priority Area builds on the core SDG concept of equitable development for all "leaving no one behind" as a prerequisite for sustainable and prosperous societies. This implies promoting social and economic inclusion in an equitable way through access to education, decent work opportunities the promotion of entrepreneurship and improved social protection.

<u>Priority Area 4: A Sustainable and Resilient Caribbean</u>: This Priority Area is a call to the UN to support the Caribbean in addressing the effects of climate change on livelihoods especially those who are most vulnerable. It focuses on the UN system support to strengthen institutional and community resilience in terms of natural resources management, the protection and sustainable use of terrestrial, coastal and marine ecosystems, renewable energy systems and inclusive and sustainable societies.

3.1 Outcomes

<u>Outcome 1.2:</u> Access to equitable social protection systems, quality services and sustainable economic opportunities improved.

<u>Outcome 4.2</u>: Inclusive and sustainable solutions adopted for the conservation, restoration and use of ecosystems and natural resources.

3.2 Outputs

The relevant Outputs under Priority Area 1 is to create decent rural employment opportunities with a special focus on the hinterland and providing targeted support for women and youth.

The relevant Outputs under Priority Area 4 is to improve the agricultural productivity and market access of selected agricultural value chains and strengthen capacity of non-state actors on agricultural practices

4. SDG Targets directly addressed by the Joint Programme

4.1 List of goals and targets

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture (**Target 2.3** and **Target 2.4**)

Goal 5. Achieve gender equality and empower all women and girls.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (**Target 8.5**)

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. (**Target 9.3**)

Goal 12: Ensure sustainable consumption and production patterns.(Target 12.2)

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. (**Target 17.3, Target 17.17**)

1 Page

4.2 Expected SDG impact

This JP aims to contribute to the acceleration of several Sustainable Development Goals, as listed in 4.1.

- SDG 2 is impacted directly given the project is geared toward improving quality of life and food and nutrition security.
- SDG 5 is also impacted directly as the project prioritizes ensuring that training and mentoring sessions are tailored to address the challenges of gendered roles. The project will also facilitate effective participation and equal opportunities for women.
- The JP will contribute to SDG 8 by promoting entrepreneurship to enhance decent work for both men and women.
- SDG 9 is impacted through activities geared to supporting small-scale enterprises in value addition through processing and access to finance.
- The JP will have an impact on SDG 12 by introducing. improved organic production techniques that will reduce pressures on forests and the wider ecosystem.
- The JP will support SDG 17 by setting up a financial mechanism to attract SDGcompliant investments in the pineapple value chain (VC), facilitate linkages between VC actors and service providers, bring in national and international investors to strengthen and institutionalize knowledge in local institutions, and contribute to a conducive policy environment.

5. Relevant objective(s) from the national SDG framework

The Project will assist the Government of Suriname (GoS) in economic diversification as outlined in the 2016 National Master Plan for Agricultural Development and address key development challenges raised in the Policy Development Plan 2017 – 2021. It will also contribute to the Decent Work Country Programme 2019-2021, which seeks to better equip cooperatives and MSMEs to enhance productivity and generate decent jobs. Addressing cross-cutting issues including gender, youth, employment and the environment, the JP will aid Suriname's commitments to the Agenda 2030. Relevant objective/s from national strategic document/s include:

The Suriname Government's 'National Development Plan Milestones 2017-2021:

- 1. Strengthened national policy and regulatory framework in food and nutrition at national and community level
- 2. Economic growth and development

The Suriname Agriculture Policy:

- 1. Guarantee food security and food safety for all
- 2. Develop a sustainable agriculture sector
- 3. Increase agriculture contribution to GDP

6. Trans-boundary and/or regional issues

The country is examining market opportunities within the CARICOM region for which trade agreements already exist, as well as into European markets accessing the opportunities presented through the CARIFORUM-EU Economic Partnership Agreement (EPA) starting with the French overseas territories. As part of the investment facilitation in agro-industries and agro-logistics with focus on Small and Medium Enterprises, the Ministry of Agriculture is looking at the possibility of establishing an agro-industrial park.

C. Joint Programme description

1. Baseline and Situation Analysis

1.1 Problem statement

Context: Suriname is a small island developing state on the Northeast Coast of South America with 95% of land covered by forest. The majority of the ethnically and culturally diverse population of about 600,000 are concentrated in the coastal areas, particularly around the capital Paramaribo. The interior regions are underdeveloped and underserviced and its populations suffer disproportionately from poverty and unemployment.

Suriname's *National Policy Development Plan 2017-2021* aims to enhance the country's social and economic resilience and reduce reliance on the extractive industries through diversification. Agriculture and agribusiness are identified as key development areas and pineapple is one of the key commodities, especially in the interior.

Since 2018, in response to the request of the Government of Suriname, FAO and UNIDO have supported the pineapple sector under the Accelerator for Agriculture and Agroindustry Development and Innovation Plus (3ADI+), a joint value chain (VC) development initiative. This included extensive analysis, upgrading design and initial implementation activities, on the basis of which this proposal is developed.

Opportunity (locked-up potential): There are at least three sets of factors that indicate Suriname's high potential to develop its pineapple VC.

- 1. <u>A unique product</u>: Suriname is one of the birthplaces of pineapple and as such boasts a range of unique varieties not found elsewhere. These varieties have been cultivated over centuries by the same indigenous peoples that today still represent the majority of the pineapple producers. In addition, all pre-conditions are in place for organic and fair-trade compliant production. This differentiates Suriname strongly from current global suppliers.
- 2. <u>A profitable potential</u>: On the supply side, Suriname has large amount of arable land which does not carry a lease-fee as they are indigenous communal land, stable growing conditions ideal for organic pineapple production, soils not polluted by chemicals (allowing fast-track organic certification), and relatively low labor costs. On the demand side, interviews with potential overseas buyers of various sizes in Europe show that there are growing and higher-priced markets for differentiated (non-mainstream) pineapples. Identified buyers are ready today to buy fresh and processed pineapples from Suriname as long as order specifications can be met.
- 3. <u>A solid basis</u>: Strong interest from growers, potential investors in processing and support provision, strong political support and the existence of a range of existing projects and programs that can support the development of the pineapple VC in selected ways, provide an excellent platform from which to develop the VC.

<u>Challenge</u>: A number of structural factors challenge the realization of such potential

- <u>Knowledge challenge</u> Limited knowledge on modern technologies, business practices and export markets, and the associated sparse supply and use of modern inputs and support services;
- <u>Finance challenge</u> Lack of investment in modern production, post-harvest handling and processing models due to both demand and supply challenges in finance markets (missing viable business plans and associated loan products);
- 3. <u>Coordination challenge</u> Insufficient collaboration and integrated structures among VC actors, with trade taking place only in small volumes for local markets.

These challenges can be overcome, but only when tackled simultaneously and with sufficient levels of carefully targeted investments. The strategy and implementation plan presented here by the joint programme (JP), which brings together UN partners FAO, UNIDO, ILO and UNFPA, adheres to these criteria. The proposed approach will de-risk investments in various ways and enable pineapple VC actors to increase their productivity,

competitiveness and market access in a sustainable and truly transformational manner with a main focus on generating incomes for rural communities. Furthermore, if proven to work for pineapple, the approach will provide a model that can be replicated for other promising commodities in Suriname as well as the wider Caribbean.

1.2 Related interventions

In Suriname, there are currently several programs and projects, listed below, that aim to improve access to finance and knowledge for farmers and firms. The JP has established close contact with these programs over the past years and will continue collaboration to address the above structural and systemic challenges and barriers for farmers and SMEs in the agriculture sector to access financial services.

- **Program for Suriname's Growth Enterprises (SURGE):** This World Bank funded program was launched in 2020 and supports growth-oriented enterprises in Suriname through a combination of business development services and matching grants for productivity-enhancing investments and VC development.
- **SME Fund Suriname:** The SME Fund Suriname, established in 2017, within the scope of a cooperation agreement between the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation, the National Development Bank and commercial bank, aims to improve access to finance for new and already established SMEs.
- Suriname Agriculture Market Access Project (SAMAP): SAMAP, a EU-funded project launched in 2018 and implemented by FAO, promotes the diversification of the agriculture sector by promoting sustainabe production of non-traditional agricultural products. The project supports small-scale farmers in enhancing their competitiveness by improving their access to equipment and machinery, while facilitating food safety and ensuring compliance with international sanitary and phytosanitary requirements.
- **Foreign Investment and Export Promotion Program:** This program was launched by the Ministry of Finance in 2020 and seeks to promote Foreign Direct Investment and exports through engagement with investors. The objectives are to (i) attract FDI for greenfield and expansion projects; (ii) strengthen the capacity of exporters to expand their exports; and (iii) promote linkages between local and foreign companies.
- **Pilot Innovation for Firms in Suriname (IFS):** IFS is a matching grants program that started in 2016 and is financed by the IDB. The main objective of the IFS program is to support innovation in local firms in Suriname by strengthening their integration into clusters and VCs and their linkages with firms and buyers and among themselves.

1.3 SDGs and targets

This JP aims to contribute to nine SDG targets (Table 1). Specific quantified baseline and end-of-project target data are provided in Annex 2. Building a sustainable VC for an agricultural product, culturally and historically 'owned' by the indigenous communities, the JP will contribute to building the resilience of these marginalized groups by integrating decent work considerations, enterprise development and the empowerment of farmers and workers, especially women, through cooperatives and better governance practices. The final baseline and M&E plan will be developed during the first phase of the project.

Table 1 Overview of the SDG targets linked to the JP

SDGs and Targets	Baseline data for	Methods to
3	measurement	measure progress
SDG 2 Target 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers	 Productivity (tons/ha) Household income attributed to pineapple production 	Interviews with producers
SDG 2 Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices	 Number of pineapple farms that are organic certified 	Monitoring certification records
SDG 5 Target 5.5 : Ensure women's full and effective participation and equal opportunities for leadership	 No. of female entrepreneurs, farmers and workers enabled by the project No of women in managerial positions 	Project records
SDG 5 Target 5.a: Undertake reforms to give women equal rights to economic resources	 Gender mainstreaming at all levels 	Project records
SDG 8 Target 8.5: By 2030, achieve full and productive employment and decent work	 Number of FTE jobs created through project activities 	Interviews with VC actor representatives
SDG 9 Target 9.3: Increase the access of small-scale industrial and other enterprises to financial services	 Number of entrepreneurs supported in developing business ideas and proposals 	Project records
SDG 12 Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources	 Area (ha) of forest preserved thanks to the introduction of improved/ permanent production system 	Interviews & direct observations to feed into environmental assessment
SDG 17 Target 17.3: Mobilize additional financial resources for developing countries from multiple sources.	 Amount (USD) of collateral support Amount (USD) of loans acquired from financial institutions 	Records from Ministry of Finance, statistics from financial institutions

2. Programme Strategy

2.1 Theory of Change

The JP aims to facilitate Suriname's transformation from a marginal pineapple producer characterized by traditional growing practices, little value-addition and no exports, to an established producer and exporter of high quality organic fresh and processed pineapples. Applying an inclusive, sustainable VC approach, the JP will enable pineapple VC actors, notably indigenous producers, to increase their productivity, competitiveness, and access to markets. The strategy will be implemented in three successive steps.

The **first step** (in year 1) in the upgrading strategy is to **create three new structures to address the three core challenges**, each with a clear project exit strategy to assure sustainability. Eighty percent of project funding will flow through these three structures (20% is allocated to JP management). How these structures will be organized and function together is fleshed out in the next section (2.2).

Pineapple Innovation Hub (the Hub) to address to lack of knowledge challenge. (Around USD1m of project funds.) The Hub is the core element as it will be set up as a one-stop-shop for all producer needs in terms of access to inputs, services, finance and technical assistance. Legally, it will be a not-for-profit foundation whose board represents all VC stakeholders. <u>Sustainability</u>: during project implementation, the coverage of the costs of the hub (mainly labor and facilities) will shift from project funds to fees charged to farmers.

- Collateral support facility (the Facility) to address the access to finance challenge and promote investment. The Facility will de-risk bank loans and allow private sector banks to lend to farmers and collectives that otherwise would not have had access to finance. (Around USD600k of project funds.) <u>Sustainability:</u> the Facility will be transferred formally to the Hub at the end of the project to continue its role in further expansion.
- Pineapple Cooperative Development Company (the Company) to address the coordination challenge and promote aggregation. (Around USD50k of project funds.) The Company will take on the form of a growers' cooperative and its management will initially be entirely outstourced to the Hub. The Company will aggregate farmers' demand for inputs and supply of outputs (economies of scale). Farmers are increasingly to be linked to the Company through outgrower contracts, with the Company becoming the main pineapple marketer. <u>Sustainability:</u> as the volume of pineapples going through the Company grows and it starts generating revenues, some or all of the functions taken on initially by the Hub will shift to the Company (depending on what business model is most efficient).

Facilitated by these new structures, the **second step** (from year 2) is to **build the supply** in terms of volume, quality, consistency and year-round availability. Once such a supply base is created, many possibilities emerge to transform the VC (see step 3). This involves the introduction and refinement of an entirely new agronomic model on 1ha demo sites by 25 lead farmers, that then will be scaled up year-by-year as new existing farmers expand their area under production and as new farmers join the scheme (see Table 2 below). The new agronomic model is characterized by year-round production, higher density planting, and modern agronomic practices with more intensive use of (organic) inputs and services.

Once the supply base starts to emerge, the **third step** (from year 3) is to **increase value addition and expand markets**. The initial market opportunity is that twice the current volume of fresh pineapples can be sold in the (higher priced) domestic market as producers shift from seasonal production (six months/year) to year-round supply. As the domestic market gets saturated and prices start to come down, investment in small-scale processing will be promoted (e.g., dried pineapple) by expanding the use of the Facility to include processing and assisting investors with technical assistance. These processed products will initially be sold in the domestic market as new-to-market products and they will then become the first pineapple products to be exported by air (due to their lower perishability and higher value to weight ratio). Exports of fresh pineapple can start shortly thereafter in the form of the highest quality pineapples being exported by air to high-end niche markets (using existing air freight options to the Dutch market). Only when the supply reaches a point where one container per month of high quality pineapples can be supplied reliably year-round, will fresh exports by sea be initiated (see Table 2 below).

Year	Area (ha) under production	Farmers (#)	Av. farm size (ha)	Production incl. post- harvest loss (MT)	incl post-	Local fresh sale (MT)	Fresh material processed (MT)	Processed (dried) quantities (MT)	Processed quantities sold local (MT)	Processed quantities exported (MT)	Exported fresh (MT)
2022	25	25	1	-	-	-	-	-	-	-	-
2023	140	47	3	1,063	32	1,063	-	-	-	-	-
2024	225	75	3	2,975	32	2,975	-	-	-	-	-
2025	335	110	3	4,782	32	2,815	1,250	250	238	13	717
2026	450	150	3	7,120	32	1,734	3,250	650	325	325	2,136
2027	550	185	3	9,564	32	2,764	4,300	860	387	473	2,500
2028	650	220	3	11,689	32	2,689	6,000	1,200	420	780	3,000
2029	800	270	3	13,815	32	2,815	7,500	1,500	450	1,050	3,500
2030	945	320	3	17,003	32	3,503	9,000	1,800	450	1,350	4,500
2031	1,050	350	3	20,085	32	5,000	10,000	2,000	500	1,500	5,000

 Table 2 Growth plan of area under improved practices

These three structures and three steps are linked to five key project outcomes that in turn are expected to lead to the envisioned project results (see ToC graphic in Figure 1 below).

Outcome 1 represents the critical first step and is achieved through the establishment of three catalytic support structures under the JP: the Hub, the Facility and the Company. Together they will provide improved access to financial and support services and inputs.

Outcome 2 relates to the second step, i.e., the strengthening of the quantity and quality of organic pineapples produced in Suriname in a sustainable manner. The Hub will be the driving force, serving as a reference center to develop, disseminate and monitor the implementation of sustainable pineapple production models, staffed by international and national agronomic and management experts hired under the JP. These production models will be based on best global practices and organic and key international standards.

Outcome 3 (facilitated establishment of small-scale processing units) and **Outcome 4** (increase market access) relate to the third step. The JP intends to support the setup of small modern pineapple processing firms, using the same support structures that will have been applied to the production segment. The establishment of the Company company will enable such processing firms to enter contract-farming models to ensure a reliable supply of pineapples throughout the year. Via the Hub, the JP will strengthen compliance with established standards, avoid side-selling, and ultimately build lasting trust.

Outcome 5, strengthening collaboration amongst stakeholder for a coherent development of the pineapple VC, will result from all actions and outputs combined. Apart from the increased commercial interactions, the JP will help create better cooperation and coordination among stakeholders by facilitating three types of coordination mechanisms: (1) village-level cooperatives will also build the capacities of indigenous women and youth to participate; (2) a digital platform for increased transparency, traceability, communication and experience sharing (see box)²; (3) a multi-stakeholder commodity platform.

This theory of change is based on **several key assumptions**. The main risks for the project are that the economics of the upgraded production system do not hold sufficiently when implemented (we assume the initial demos will provide the proof of concept) and that not enough producers are willing to adopt the upgraded production and marketing

systems (initial feedback gathered from producers, indicates that enough will opt in). The JP will mitigate this risk by engaging with the pineapple-growing communities from project start to explain the models' benefits continually throughout implementation.

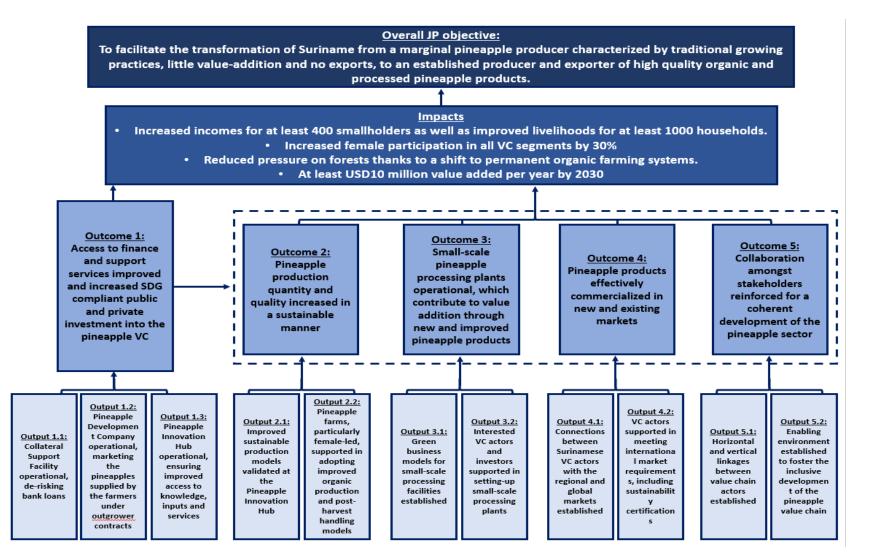
Assumptions on costs and prices were based on current market data with safety margins added. Local pineapple prices have historically been above global prices due to the difficulties of local producers to increase production. The local Surinamese market is, however, rather small, hence our assumption that significantly larger production volumes will have to be marketed outside of Suriname. The required logistical infrastructure does exist in the seaport of Maracaibo and the international airport of Zanderij. Should the Surinamese pineappleproducers be successful in developing a Surinamese organic premium brand, especially for overseas markets, the project may even turn out to be more successful than expected today.

Digital Platform

The digital platform will be managed by the Hub and allow producers and others in the value chain to access the Hub's technical resources and communication tools. Key functionalities include farmer registration, crop registration, monitoring of input application, pest & diseas control and other required practices, weather risk alerts, interactive map to view plots and crops status, harvest projection, registration of costs and revenues, including the provision of smart vouchers, financial history data to facilitate loan risk assessment, functions related to marketing and quality control of the product (e.g. records of quality, storage and sales) and notification features (email reports, SMS to farmers).

² India-based <u>Cropin</u> has already been contracted to design and develop a initial platform version.

Figure 1 Theory of Change for the JP



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2.2. Proposed intervention

The proposed intervention is presented in three parts: (1) a detailed discussion on the nature of the three entities introduced in year 1 (the Hub, the Company, the Facility) and how they are connected (Figure 2); (2) a discussion of the economics of the improved agronomic model that will be promoted under the JP through these three entities; and (3) the exit strategy for the JP. The three-entity structure has distinct advantages:

- Stakeholders focus on their competence area & interests are aligned and risks shared/reduced;
- It improves the monitoring and control structures and thus reduces corruption risks:
- It provides scalability as the structure allows for growth beyond the initial project scope.

Pineapple Innovation Hub - the 'Hub' (access to knowledge)

The Hub will be the central piece of the upgrading strategy. It will be established under the JP as a non-profit Foundation (Stichting in Dutch) subject to third-party auditing. The Hub will host the Facility and provide a range of services to farmers enrolled in the scheme, either through the Company (as will be promoted under the JP) or as individual farmers. As (initial) manager of the Company, the Hub will take on a range of responsibilities, some or all of which over time, as volumes and experiences grow, may shift to the Company, starting toward the end of the JP. These **responsibilities** include:

- establishing and managing a database of the farmers, their production, finance, etc.;
- setting up a credit committee for farmer loan risk assessments and prepare monthly audited financial reports for the board of the Company, the Facility and partnering banks;
- setting up outgrower production plans with farmers and monitoring plan implementation;
- making inputs and services supply arrangements, including the associated financing;
- managing post-harvest handling, including packhouse operations;
- identifying and negotiating deals with national and overseas buyers;
- managing the accounting for the Company and prepare third-party audited annual financial reports to be presented to the board of the Company.

The Hub's legal nature as a foundation was chosen for the following reasons:

- It allows for a strong governance by a board representative of all VC stakeholders;
- It allows for flexibility due to loosely defined beneficiary groups;
- It assures that any excess funds from operations will remain with the Hub;
- It pre-defines allowable activities in perpetuity as supporting the beneficiary grouping.

In terms of **staffing**, the Hub will employ two international pineapple experts (one for businessfinance-marketing who will be the overall Hub manager, one for inputs-production-post-harvest handling). These international experts will work with national counterparts who will be trained on-the-job with the initial strategy that they gradually take over the management of the Hub (could be completed by the end of the JP). Admin-accounting and M&E-communications staff will complete the core team. A processing expert will be added when the JP shifts its focus to valueaddition. This Hub management team will during project implementation not only manage the the Company as outsourced management, but also function as the project management unit (PMU). The Hub's initial staff will hired under the JP, with FAO, UNIDO, ILO and UNFPA in collaboration with Ministry focal points, providing direct guidance to assure implementation follows design.

The Hub's **board** will consist of public (Ministries, 40%), private (producers, processors, input and services providers, banks, 40%) and civil society stakeholders (OSIP, CELOS, PTC, etc., 20%) and it will double as the multistakeholder platform for the pineapple VC. The final number and composition of the Board will be subject to further approval by the VC stakeholders, ensuring that small producers and processors are well represented. The multi-stakeholder platform is a forum where new opportunities, emerging challenges or other strategic issues can be discussed.

Collateral support facility – the 'Facility' (access to finance)

Tested against the current capacities and lending practices of local actors and benchmarked against similar loan support facilities' learnings elsewhere in the world, a standard loan guarantee facility was selected. The proposed Facility will be applied across a portfolio of

loans to crowd in local banks. One such bank, <u>Trust Bank Amanah</u> (TBA), has already confirmed interest to increase lending to pineapple farmers (see support letter in annex).

TBA was chosen after a market engagement exercise, which assessed interest, agricultural lending exposure and ability to meet the requirements of expected co-funders (notably the Islamic Development Bank). TBA is a highly experienced local bank which has an agricultural loan book, and an underwriting process adapted to local conditions. They received balance sheet funding in the past and have Shariah compliant lending products already used with farmers. Established in 1989 and licensed bythe Central Bank, TBA is a dynamic institution with expertise in savings, lending, investments and asset management. Engagement with national banks including with TBA will be subject to a due diligence exercise to be conducted by the PUNOs.

TBA and the 3ADI+ team have consulted on a number of options that: (1) suit local conditions; (2) are consistent with Basel Banking requirements; and (3) allow for maximum leverage. Initially working with TBA but open to other banks that join in later, the Facility will operate as follows:

- 1. It will provide cash collateral against loans by TBA to participating pineapple farmers to cover all their input and services costs (working capital loans) under an outgrower scheme managed by the Hub on behalf of the Company.
- 2. Farmers interested in joining submit a loan application which will be assessed against pre-specified criteria related to their risk profile and their willingness to implement the improved practices, to join the Company as shareholder, and to register with the Hub. This assessment will be done by a credit committee at the Hub and consisting of an international finance and risk management expert and a local social expert. Farmers receiving a positive assessment can register as eligible farmers on the digital platform. The credit committee will: (1) monitor the disbursement of loans with partnering banks; (2) monitor the utilization of the Facility; and (3) prepare financial reports to be certified by a third-party auditor.
- 3. The loans will initially be directly from the bank to individual farmers, but toward the end of the project, when the model has been sufficiently developed in terms of structure and size, these loans may be done in aggregated form via the Company. During the JP, 110 farmers are expecting to take on loans to develop 335 ha under improved practices.
- 4. The loans will be to develop one to three ha under the new agronomic practices, with a loan size of USD15,000 per ha developed. In line with the production cycle which lasts 3 years and has two harvest periods, these loans should be repaid in two tranches over three years.
- 5. These loans will be structured as unsecured by physical assets such as property (but might include collateral provisions against moveable property to enhance repayment discipline).
- 6. The collateral will initially cover 50% of the outstanding face value of loans as security across the portfolio, but based on actual default levels, this coverage will gradually be reduced to 20% by year 5. Based on current default rates and the collateral coverage requirements of the TBA, this appears achievable.
- 7. The cash collateral funds will be placed in a USD account with TBA in the name of the Hub while serving as security for the loans issued under the JP. For each loan issued, money will be ringfenced (blocked) in the account in accordance with the security requirement (% coverage) for each loan. This allows TBA both a FOREX liquidity and a security solution.
- 8. Given that TBA adheres to Islamic banking, the loans will be structured as Islamic shariacompliant loan products. The appetite for such structures has been tested through interviews and surveys by the 3ADI+ team, with targeted farmers indicatint that there are no obstacles in accepting sharia compliant loan structures.
- 9. Once a farmer obtains a loan, the loan will, on a seasonal basis, be combined (by the Hub) with similar loans to directly bulk purchase inputs and services (banks pay suppliers directly, rather than via the farmer). Farmers will receive vouchers against which they take delivery. Crop insurance may be included, based on an assessment of the need and feasibility for it at the start of the JP. Farmers then grow pineapples technically supported and monitored by the Hub (initially at 100% subsidized cost). After harvest, participating farmers sell their pineapples to the Company (via the Hub) at going farm-gate prices, who will pay the farmers in two parts, a payment directly to the bank to repay the loan and a payment directly to the farmer for the remainder. Once the Company takes on loans directly (expected in year 3 of the JP), this mechanism can shift to more traditional outgrower arrangements.

In summary, the Facility allows for leverage and pari passu risk taking by local financial institutions. It fits into their current lending practices and therefore does not distort them. Its role will be reduced over time based on the real loss experience across the portfolio, thus increasing the leverage of JP funds. As the leverage is at most 50%, it will not create moral hazard. The Facility funds will be owned by the Hub, an independent entity, which obviates the need to reallocate remaining collateral funds at the end of the JP, or the need to create a new legal structure to house these funds (subject to UN SDG Fund approval).

Pineapple Cooperative Development Company – the 'Company' (access to markets)

The Company will be established under the JP as an apex cooperation, i.e., a cooperative of (village-level) cooperatives and individual farmers. It will follow the principles of <u>New Generation</u> <u>Cooperatives</u>, that are characterized by the cooperative taking on a business-like entity. Membership is open to anyone who can supply pineapples, subject to the Company's ability to handle the volume. Shareholding (and profit-sharing) will be proportional to the volume in of pineapples produced under improved practices and sold to the Company. The initial shareholders will be the initial farmers contracted under the JP and shareholder membership will expand as new farmers join the outgrower scheme following a model yet to be agreed, but similar (albeit it simpler) to the structure of the <u>Kenya Tea Development Agency</u> (KTDA) which is owned by over 600,000 smallholder farmers. The Company will have a board of annually elected members who represent all types of shareholders, i.e., larger individual producers, each of the coops and independent producers who are not in coops. The weigth of the vote of each board member will be in proportion the the share of the company owned by the shareholders (s)he represents on the board. The Hub, as the Company's outsourced manager will report to, and take strategic guidance from the Company board.

The Company will be the main entity responsible for aggregation, i.e., for achieving the scale of operations and volumes that will be essential in terms of penetrating new (export) markets. Through an outgrower scheme with individual farmers, most but not all of which will also be members of village level cooperatives, the Company will be responsible for centralized production planning and marketing of the pineapples. In the outgrower scheme, the Company will be the owner of the pineapples growing in the fields. Similar to the KTDA, farmers will be paid in two tranches: (1) a first payment for the labor cost at delivery of the harvest; and (2) a second payment based on the final sales price realized. Furthermore, the farmers, as shareholders in the Company, will benefit from profitsharing (dividends) and will be able to sell their shares should they wish to. The farmer-shareholders, will have priority access to the Facility.

Initially, the Company will be a legal entity with a board but without staff and facilities, as all this will be outsourced to the Hub, which will receive a fee for its services, based on pineapple sales by the Company to align incentives. Through its buy and sell activity, later possibly complemented by fee-based services to farmers and value-adding activities such as processing, the Company will generate earnings that in the start-up phase are expected to be mainly retained to build up a cash position and invest in staff and facilities. After the project-subsidized phase, the Company is expected to be able to continue its operations from revenues generated. As the Company's turnover grows and margins are retained within the Company and local capacities are strengthened, it is foreseen that the Company will gradually assume full management and marketing functions. Subject to the agreement of the shareholders and further export marketing progress for processed goods, the Company will also have the opportunity to fund value adding processing capability to enhance the commercial return for its farmer-owners.

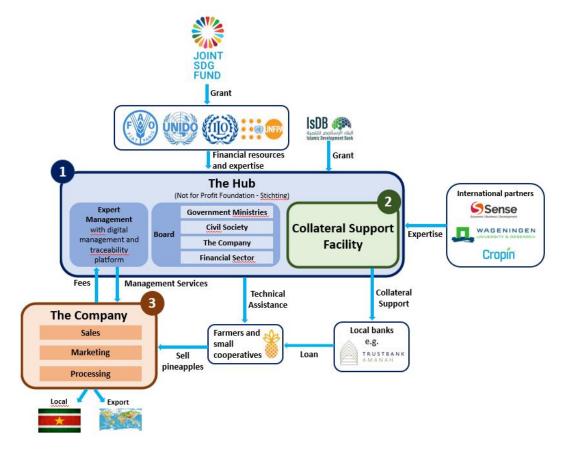
Integrated Structure

Setting up the business model as three separate but integrated entities has the following three key advantages:

- 1. It allows each stakeholder to focus on their area of competence while their interests are aligned and risks are shared and reduced;
- 2. It improves the monitoring and control structures and thus reduces corruption risks;
- 3. It provides flexibility in scope as well as scalability as the structure allows for growth beyond the initial project scope.

Figure 2 shows how the three entities interact. The UN SDG Funds will go via the PUNOs to the Hub which is the central piece tying all elements together. The Facility will be housed within and managed by the Hub, which will also provide the (fully outsourced) management of the Company which will be owned by the farmers. The Hub will manage the process from production to sale into local/export markets. Supported by the Facility, local banks (starting with TBA) will provide loans to farmers to set up the upgraded production model. Based on local banking underwriting practices, it is expected that an accumulating sales record and retained profits will allow Company to also access loans after three years. IsDB, Wageningen University (WUR), Sense and Cropin will provide further financial and technical support through the Hub (see support letters in annex).

Figure 2 Implementation Model for the JP



The economics of growing organic pineapples in Suriname

Based on an initial feasibility analysis, growing organic pineapples in Suriname can generate healthy operating margins and an IRR of over 30-40%, before interests and management fees. The reasons are:

- a) Farmers need relatively few tools and on farm-capital expenses are minimal as equipment comes in through service suppliers;
- b) Good agricultural land is available in abundance, there are no costs of leasing land for the indigenous growers who make up the majority (community-owned land);
- c) Labor will be mostly manual, labor costs are relatively low;
- d) The weather (temperature variation, rainfall patterns) is stable and climate risks are low, given a location close to the equator and outside the hurricane-highway;
- e) Farmers can start the process of acquiring organic certification immediately, without the need to lay the land idle for 2-3 years to free it of chemical residues (as would be the case in Costa Rica), since they have always been practicing organic agriculture.

Based on Costa Rican models adapted for Suriname, Table 3 below provides a profitability calculation for the improved agronomic model that will be promoted under the JP. As indicated in section 2.1, this model is characterized by year-round production, higher density planting, and modern agronomic practices with more intensive use of (organic) inputs and services.

Part of the economic challenge for the farmer lies in the long production cycle: the first harvest is 13 months after planting, while a second harvest from the same plant follows 12 months later. The estimated IRR of 30-40% is attractive compared with other crops. Given the cash flow profile, farmers are assumed to require collateral support for the first year of production on each new ha.

Inflation rate						
Corporate tax rate	%	36%				
	1st	2nd				
Planting density 25.000	harvest					
plants	21'250	18'063				
-			1 ha	1 ha	% utilization	
	kg	price	kg	USD		
1st harvest in kg (plant is 2kg)	2.00	0.83	42'500	\$35'275	100	
2nd harvest in kg (plant is 1.8kg)	1.80	0.83	32'513	\$26'986	100	
	Unit		2021	2022	2023	20
Total revenues	USD		_	35'275	26'986	3
Revenues from sales	USD		-	35'275	26'986	3
# of kg sold per ha	kg			42'500	32'513	4
Price per kg	USD			0.83	0.83	
Total operating cost	USD		17'785	10'314	13'398	1
Safety margin	USD		1'617	938	1'218	
Total cost	USD		16'168	9'376	12'180	1
Total cost of machinery and equipment	USD		1'820	1'100	2'070	
Total Inputs	USD		10'050	5'412	7'585	
Total cost of work/labour	USD		2'222	178	2'102	
Total cost of transportation	USD		0	1'105	154	
Total cost of tools	USD		1'312	1'312	-	
Total other costs	USD		496	-	-	
Insurance	USD		108	108	108	
Consulting fee	USD		161	161	161	
Safety margin	%		10%	10%	10%	
Management Fee (Hub) per ha	USD				300	
EBITDA	USD		(17'785)	24'961	13'288	2
Interest	10%		1'779	1'031	1'340	
		-	(19'564)	23'930	11'948	2
EBT	USD					
EBT Corporate tax	USD		-	8'615	4'301	

Table 3 Profit calculation for the improved agronomic model

The exit strategy – a need to achieve scale in production

For the exit strategy, the sustainability of the Hub is the core element. Initially, with production and sales still low, the Hub's administrative costs will be covered under the JP. Over time, however, as volumes increase, the Hub's revenues will increase as well (based on volume-based fees that align the Hub's interests with those of the Company) until they will reach the point where it can fully carry its costs.

Achieving scale will thus be critical. The overall model and each of its three main entities are expected to become fully sustainable by the last year of the JP, when the first milestone of having 335 ha under improved cultivation system will be reached. Farmers are expected to join and grow the scheme because: (1) it links to accessing finance and technical assistance; (2) prices paid by the Company will align with going farm-gate market prices; and (3) they benefit as shareholders from the Company's profit distributions.

Once this scale in production is achieved, it will attract private sector investment both upstream and downstream in the VC. Upstream, investment will be attracted in, for example, the production of packaging material, organic fertilizer, planting material, and tractor and other equipment services. Downstream, investment will be attracted into processing and trade, first by national actors, whose interest has been observed, and later by international traders and processors. These investors need certain minimum volumes, not only to keep transaction costs low, but also to reach a minimum capacity utilization of their facilities, which is in turn necessary for the financial viability of their investments. The latter relates to the packaging and/or processing of pineapples. Furthermore, the gender and social inclusion components of the JP will address underlying systemic issues that could cause barriers to both program success and sustainability. The introduction of a conflict resolution mechanism will contribute to pre-empting potential upcoming difficulties and allow stakeholders to develop useful conflict resolution strategies. This will not only contribute to reducing the risk that may threaten the JP's impacts past its lifetime, but will also strengthen the communities' skills to deal with conflicts in general.

Attractive margins will further help secure these investments. For example, while the local farm gate price stands at USD0.83/kg, retail prices of, for instance, fresh organic pineapples in developed countries currently range from USD2.5 to USD7.5 per kg based on our market analysis. These prices are substantially higher than those of conventional pineapples. This further confirms that the main challenge for the pineapple VC in Suriname does not lie in the available margin but in assuring sufficient volumes.

This attractiveness of business opportunities linked to organic pineapple from Suriname emerged during investor conversations that are ongoing under 3ADI+. Private investors in processing and trading of organic pineapples, typically consist of two groups: (1) local and regional private sector investors, for instance from Costa Rica, who have already acquired practical experience in this VC sector; and (2) small to medium-sized fresh and processed product importers in Europe and North America, who have expressed interest in securing their supplier sources and gaining primary access to these suppliers. These potential investors are typically opting to become a minority shareholder in a project.

2.3 Leverage potential

Table 4 below, provides an overview of the sources and uses of the investment funds associated with the JP. In terms of funding sources, **public fund sources** include, besides the UN SDG Fund grant and matching PUNO contributions, grants from the IsDB (amount is still to be determined) and from others such as the IADB loan funded program implemented by IICA, the FAO-managed SAMAP project, or other programs listed in section 1.2. These amounts are estimates, with actual values still to be determined, but they are considered realistic based on conversations with the IsDB (support to the pineapple VC would fall under an existing MoU between FAO and IsDB) and IICA (who manages an IADB funded program in support of agricultural competitiveness in Suriname).

Private fund sources include those accessed through the Facility and those accessed through other means. First, there are the loans taken on by farmers (mainly) and processors under the Facility. As indicated above the Facility is expected to reduce its collateral coverage from 50% to 20%, implying that the leverage ratio of the Facility will increase from 1:1 to 1:5 during the JP.

Second, additional investments (leverage) in farming, processing, trading, input and support services provision, mainly by the Company but possibly also by other firms initiating or expanding their operations in direct response to the growing pineapple VC, are expected from the second half of the project based on a successful completion of the first steps of the initiative (i..e, after the proof of concept and the acreage under modern production practices start to grow). These investments will come in the form of reinvested retained earnings and additional loans by the banking sector. Further DFI funds, notably from the IsDB, are expected to flow to the VC and promote further investment, once the government's IMF restructuring process has been concluded³.

³ The IsDB's Private sector operations are restricted during IMF negotiations and restructuring.

The expectation of these investments is based on two sources:

- Detailed financial calculations based on realistic assumptions estimate that the total free cash flows (accumulated earnings) available to post-farmgate actors in the VC (this will be mainly the Company) during the four year programming period exceed USD\$2 million, which is conservatively assumed to allow for additional borrowing up to the same amount;
- In-depth discussions with local and Costa Rican experts, with German and Swiss importers of organic pineapples, with South African exporters and with a representative from a multinational company.

 Table 4 Source and use of funds associated with the JP

Source of funds (in USD million)	
Public Funds (USD 4.59m)	
UN SDG Fund grant	2.19
IsDB grant	1.00
Matching contributions PUNOs	0.60
Additional public grants	0.70
Private Funds (USD 8.8m)	
Bank lending directly to farmers and other firms (20% collateral)	2.50 ⁴
Re-investment of retained earnings by farmers	2.30
Debt and impact equity secured, and reinvested retained earnings by the Company	2.40
Debt and impact equity secured, and reinvested retained earnings by the processors, traders, input suppliers and services providers	1.60
Total	13.29
Use of funds (in USD million)	
Technical assistance and grants via the Hub and the Company	4.02
Loan support facility (at Hub)	0.47
Working capital and capital expenditures for farming	4.80
Working capital and capital expenditures for processing, post-harvest handling and input and support functions	4.00
Total	13.29

The resulting financial leverage ratios of the UN SDG Fund grant thus are:

- Public sector leverage: (2.3/2.19) = 1.05
- Private sector leverage: (8.8/2.19) = 4.02
- **Overall leverage**: (11.1/2.19) = **5.07**

2.4 Value added

The technical expertise and partnership network of the PUNOs working in coordination, combined with the existing experience gained through the 3ADI+ pilot project in Suriname, will result in a JP that brings about an innovative methodology on VC development.

The main competitive advantage of the UN as a core facilitator of change for this VC lies in the extensive fieldwork and consultation executed as part of the the analysis and project design work done by FAO and UNIDO under 3ADI+. In 2018/2019, the 3ADI+ team undertook actions to fully comprehend the functioning, performances and development opportunities of the pineapple VC. The team engaged a wide range of stakeholders, including high-level policymakers (up to Minister level), brought in best practices via international experts, discussed market options with potential buyers in Europe, and generally encouraged multi-stakeholder dialogue. In 2020/2021, the 3ADI+ team started to implement some initial actions to support the VC, such as the development of varieties booklet, the design of a digital platform, a grower census and best practices training videos for pineapple growers.

⁴ Assuming starting collateral of \$470k from the UN SDG Fund grant, losses of \$70k and additional collateral applied to the Facility from an IsDB grant with proportional reduction in TA and grant expenditures, as needed.

Based on the analysis of the different business models along the VC, the investments needed to unlock the potential of Suriname's pineapple sector were identified. In this context, the JP funds will be used as catalytic funding to incentivize and unlock these investments and facilitate alignment of public and private investments with each other and with the targeted SDGs.

To address key social dimensions that emerged during the 3ADI+ pilot, i.e., aspects related to indigenous community dynamics, employment opportunities and conditions, and gender equality, the 3ADI+ partnership was expanded to include ILO and UNFPA. Together, these UN agencies are strategically well-placed to engage effectively with the different ministries (e.g. agriculture, trade, regional development, gender and labour) and to support both the Government and the private sector in investing along the pineapple VC, ensuring compliance with the Principles for Responsible Investment in Agriculture and Food Systems (RAI), while making real contributions to the SDGs.

The interdisciplinary PUNO team is thus uniquely qualified to successfully implement the innovative and intricate design of the JP. FAO, based on its strong country presence and in-depth understanding of the pineapple VC, will provide overall coordination and lead the work related to introducing improved organic production practices and developing new market linkages, including the support delivered by the Hub. UNIDO will bring its expertise in agro-industry development and innovative financing to facilitate the establishment of the pineapple cooperative development company and the collateral support facility, as well as strengthen the business skills of VC actors and promote investment in modern pineapple processing facilities. ILO will promote and support that minimum decent work standards are met at farm and processor level. UNFPA with its unique understanding of the indigenous villages and associated gender challenges, will assure that the specifics of how each activity will be implemented consider the socio-cultural aspects in order to achieve maximum effectiveness while mitigating undesirable impact.

2.5 Innovative nature

The specific innovations of this JP target the challenges that prevent the flow of investments to the otherwise profitable investment opportunity in organic pineapple production in Suriname for the export market. These challenges and associated innovations are presented in Table 5 below.

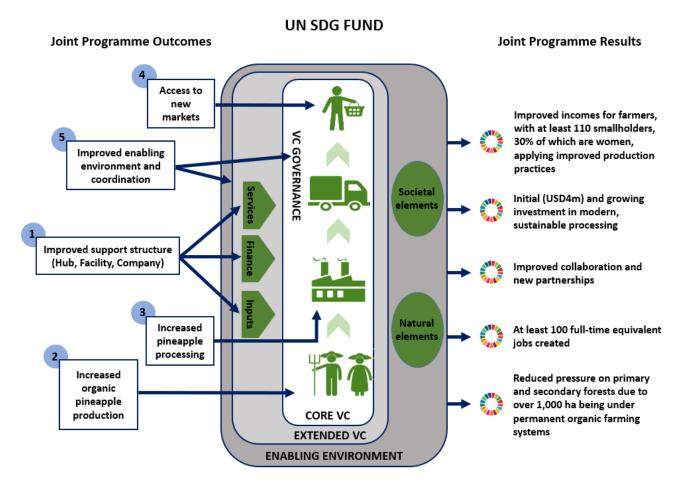
Challenge	Innovation
Deficits in production and commercial know- how of local pineapple producers	 Establishment of the Pineapple Innovation Hub as the centralized point of know-how in the country. Through the Hub, farmers gain access to continuous technical support, which contributes to de-risking production.
Effective monitoring and control of the use of funds	• Regular on-farm technical assistance services provided by the hub and network communication approaches (e.g., whatsapp groups) facilitates a continuous monitoring to ensure contractual obligations are met.
Reluctance of local and international banks to finance pineapple production in Suriname	 Local bank lending risks will initially be covered by the collateral support facility that de-risks investments into the pineapple VC. Later, when the project has been successful in building a positive history of very low defaults on loans provided to the local pineapple sector, the banks are expected to gradually accept more local agricultural risks in the security package.
Lack of trust between actors and stakeholders in the pineapple sector and poor access to market information	 A digital platform will be introduced to enhance traceability and build trust as well as to facilitate communication between VC actors. The the multi-stakeholder platform (in form of the Hub's board) facilitates continous exchange of information between VC stakeholders. Third-party audited books of accounts of all entities within the model.
Seasonal production & lack of quality control represent a hurdle for the development of a competitive processing segment	 The introduction of artificial flowering induction and improved organic production practices through the Hub, will allow for the establishment of a year-round production system. The introduction of an outgrower farming model will reduce market risks for both producers and traders/processors and will facilitate the introduction of quality control mechanisms (linked to packhouse operations).

 Table 5 Overview of innovations promoted under the JP

2.6 Results

The JP's overall impact will be to facilitate the emergence and sustainability of an innovative structure for one VC with high SDG impact potential. This model can then be scaled up within the pineapple VC and replicated to other high-potential VCs in the country, covering all three core dimensions of sustainability, economic, social and environmental. The resilience of the sector and the economy will also be strengthened. Figure 3 below summarizes the expected results.





First, the project will follow a value chain development approach that will facilitate results in the form of the five outcomes outlined in section 2.1 (sustainable structural changes in the pineapple VC): (1) the three entity implementation model (Hub, Facility, Company); (2) the establishment and growth of a supply base of high quality, organic pineapples; (3) the establishment and growth of a pineapple handling and processing industry; (4) the establishment and growth of fresh and processed organic pineapple export; and (5) the emergence of an efficient, effective and inclusive platform for pineapple VC stakeholders.

Second, these five outcomes will lead to the following SDG impacts during the JP (2022-2025):

- Improved access to finance and other support services for upgrading, leading to initial (USD5m) and growing investments in modern, sustainable production and thus improved **incomes** for a growing number of farmers (at least 110), 30% of whom are women (contributing to SDGs 2, 5, and 9, and 17);
- Initial (USD4m) and growing investments in modern processing for additional **value-added creation**, with at least two small- to medium-sized processing facilities up and running, processing an initial volume of over 1,000 MT of pineapples, and progressively growing exports of both fresh and processed organic pineapples (contributing to SDGs 2, 9 and 17).

- Increased creation of **jobs**, especially for rural women and youth, in production, processing, trading, inputs supply and support services delivery, with at least 100 FT equivalent jobs created. In addition, farmers, workers and employers will be supported to adopt measures related to occupational safety, adequate remuneration, and dialogue and cooperation that contribute to improving the quality of jobs (contributing to SDGs 2, 5 and 8);
- **Reduced environmental pressure** on primary and secondary forests due to a shift towards permanent organic farming systems (replacing shifting cultivation, which uses 10 times the amount of land), with at least 335ha under permanent systems by 2025 (contributing to SDG 2 and 12);
- Improved **collaboration** through the strengthening of existing linkages and the creation of new ones, using governance mechanisms such as cooperatives, contract farming, and a multi-stakeholder platform embedded at the Hub (contributing to SDG 17).

This will also dramatically increase resilience to both production and market shocks, due to the more controlled production practices, the variety of products (including longer shelf-life processed products) and markets, and stronger stakeholder coordination mechanisms.

Third, with the above intermediate results achieved, the JP will have proven the model as viable and have laid the foundation for the VC to attract investments from larger investors towards higher value creation and thus be on track to fully achieve the 2030 vision, which was developed by the VC stakeholders in 2019. This vision calls for 1,000 ha and 20,000 MT under modern organic pineapple production (current production level is between 2,000 – 3,000 MT) and at least five small to medium-sized processing facilities established to target both local (25%) and export (75%) markets. Overall, this is expected to generate at least USD10 million in value-added per year, with the farmer base adopting upgraded practice expanding over 400 and 1,000 full-time equivalent decent jobs created, especially for rural women and youth in production, processing and supporting activities;

The **direct beneficiaries** of this project will be the rural, and mostly indigenous, communities in the main pineapple-growing areas. These communities will own the process and benefit directly as farmers, entrepreneurs and workers, but also indirectly as owners of the Company. The profits generated by the latter will accrue to individual members and to the village as a whole through profit sharing. Gender mainstreaming throughout the JP will assure that women are equal partners at all stages. Indirect beneficiaries include consumers and the various support services (e.g., for planting material or organic fertilizer) and the workers they employ.

These JP results fully align with, and support, Suriname's national development plans that call for economic diversification, notably through increasing productivity and competitiveness in agriculture as outlined in the 2016 National Master Plan for Agricultural Development. The JP results also address key development challenges raised in the National Development Plan 2017 – 2021,

2.7 Gender and human rights plan

Gender underlines many inequalities of power over and access to resources and decision-making. The project was formulated with a strong focus on gender equality and women's economic empowerment, guided by a specific gender analysis including fieldwork conducted in the Para district where the indigenous communities grow pineapples, as well as in other tribal communities and in local markets.

Most of the pineapple farms are family farms. The man usually determines the price and negotiate with buyers. The woman sorts the fruits, and therefore also has a good idea of how much the harvest will probably yield. Some of the women are responsible for the administration and the sale of fruits, while a few also manage the income from the farm and help to determine how it is to be spent. Women may run their own pineapple farms, as there seems to be no bias in the indigenous villages against women having such roles. However, in doing so, women still depend on close male relatives to clear the forest or they must hire other men for this work, which is physically arduous. The JP's introduction of permanent farming systems, where permanent plots will be established, is envisioned to reduce the need to frequently clear the forest, and consequently contribute to enhancing women's economic independence.

During a workshop organized by the Gender Affairs Bureau (NBG) and the umbrella organizations of Indigenous and Maroon peoples (VIDS and KAMPOS), female participants voiced concerns that rapid changes in their communities have caused them to sometimes feel excluded from decision-making processes. Taking this into account, the JP will ensure early consultation with the communities and carry out regular training on FPIC (free, prior and informed consent) principles and gender awareness for all relevant stakeholders as well as project management and staff. Furthermore, the JP will develop and upgrade the negotiation skills of female VC actors. These includes technical assistance in adopting upgraded production models and building financial literacy, as well as supporting the establishment of female famer and entrepreneur networks. Capacity building events will target specific challenges for women.

Furthermore, labour relations might be an increasing concern as the JP progresses. At the current stage of development of pineapple production, employer-employee relations are dominated by small, self-employed farmers and their (unpaid) contributing family, or other members in close indigenous communities. The informal nature of these relations complicates enforcement of labour standards that may apply, such as those on child labour, minimum wages and safety and health. Social protection of the self-employed in the informal sector is legally covered by the existing legislation but is also challenging. Reporting and enforcing labour standards in this environment are extremely difficult and is compounded by the remoteness of some of these communities.

If the VC develops as expected and planned, at least some of the pineapple farmers may become mid-sized or large farmers who employ significant numbers of regular employees. Furthermore, small-scale processing plants will be established that will provide jobs to more people, especially youth, in the surrounding communities. Employer-employee relations will become more common and the application of labour standards may become a major issue. In light of these, initial discussions have been carried out with the Association of Indigenous Village Heads in Suriname and the JP will contribute to furthering the discussions and developing responses. In addition to continuous engagement of local stakeholders and training in the application of good business management and decent working conditions, a specific conflict resolution component will also be built into the project.

2.8 Progress

As indicated above, the JP emerged from analytical and design work carried out under the 3ADI+ programme in 2018-2019, which since 2020 has initiated some initial VC development support actions that will feed into the JP. Furthermore, applying the UN SDG Fund proposal development funding, a number of additional studies have been completed.

The following provides an overview of the progress to date:

- 1. A full value chain study that explores the current performance of the pineapple sector in Suriname, the market potential and business case for upgrading completed
- 2. An environmental assessment was completed which compared the current production model (shifting cultivation with seasonal production) to the upgraded production model (permanent cultivation with year-round production). Based on this study, potential positive environmental impacts of the JP were recorded and actions to mitigate negative impacts were proposed.
- 3. The upgraded business model was validated by an international pineapple expert, who also developed a pineapple production scheme, adapted to the Surinamese context in terms of the availability of inputs (e.g., labour, seeds of local varieties and organic fertilizer) and in terms of production targets that can be achieved in a sustainable manner.
- 4. A team of local and international finance experts held extensive dialogues with international development bank, national banks, and other relevant stakeholders, to validate the proposed Facility and ensure local ownership and buy-in.
- 5. Linkages were established with several potential partners in the JP, both in Suriname and globally. These include: the Inter-American Institute for Cooperation on Agriculture (IICA) to support training of farmers and extension officers; the Inter-American Development Bank (IDB) and Islamic Development Bank (IsDB) to support the financial mechanism and sectoral investments; the Center for Agricultural Research in Suriname (CELOS) to generate

knowledge on the Surinamese pineapple varieties; the Polytechnic College of Suriname (PTC) to support pineapple processing development; Cropin to introduce a digital platform; international buyers and marketing intermediaries such as Anabela Foods (Germany) and Bardini & Keller AG (Switzerland) to facilitate export market entry; national banks such as Trust Bank Amanah and Hakrinbank to make loans available; IAC International NV to support the Hub with accounting services; Skybound Capital to support the Hub in the commercial management of the PDC company, Wageningen University and Research (WUR) and Timsa for the design and running of a packing house; and Sense for the design and running of a processing demonstration line.

- 6. An analysis of the main employment challenges within the pineapple growing regions in the Savannah Belt was conducted and recommendations were formulated to ensure the JP contributes to the strengthening of fundamental labour rights and working conditions, allowing for the creation of decent work.
- 7. A gender analysis was completed to map the differentiated roles and responsibilities, paid and unpaid, of women and men at the different nodes of the VC, as well as to identify initial actions that could facilitate a more equal presence and distribution of benefits to both genders. Furthermore, from preparatory fieldwork and engagement with local communities, the need for an adequate communication strategy and conflict resolution mechanisms, particularly with regards to the introduction of the financial mechanism and contract farming model, was highlighted and the JP activities were designed accordingly.
- 8. A census of current pineapple growers in Suriname and the development of a GIS map of the pineapple production areas is to be completed by November 2021 (by CELOS).
- 9. An organoleptic analysis of the local pineapple varieties is being carried out, which will result in the development of a varieties booklet, to be completed by January 2022 (by CELOS).
- 10.A set of training videos are being developed on Good Agricultural Practices for organic pineapple production (by a Costa Rican expert).
- 11. The initial design for a digital platform tailor-made for the JP implementation model is under way and expected to be available from December 2021 (by Cropin).
- 12.Terms of Reference for the design of a packhouse and a processing demonstration line for pineapples have been developed and calls for proposals will be launched in November 2021.

The completed outputs informed the design of the innovative implementation model to facilitate SDG-aligned investments into the VC, while the anticipated outputs and established linkages will assure that the JP will hit the ground running, once initiated.

2.9 Sustainability

The long-term sustainability of the implementation model of the JP is based on the following logic.

The first building stone is the intrinsic profitability of organic pineapple production in Suriname, as detailed in section 2.2. Further, the post-project commercial viability of the three new entities introduced as designed under the JP (Hub, Facility, Company) will be achieved if the targeted volumes, based on a realistic growth chart, are met. At this scale, the Hub can continue operating based on fees generated from its services, the Company will be generating revenues from which it can pay the Hub's fees while gradually incorporating some of the Hub initial services, and the Facility will be transferred to the now viable Hub, assuring its continued role in de-risking further investment.

With a growing and reliable supply base of organic pineapples emerging (in terms of quality, quantity and year-round availability), investment will be attracted in support services and value addition, i.e., the JP will have catalyzed a self-sustained growth of the VC wich will spill over to other commodities. At the core of this gradual strategy is the JP's objective to ensure strong local ownership of the proposed interventions from the early beginning by effectively communicating, discussing and validating their objectives and mechanisms with the local communities. The introduction of a conflict resolution mechanism will contribute to pre-empting potential upcoming difficulties and allow stakeholders to develop useful conflict resolution strategies. This will not only contribute to reducing the risk that may threaten the JP impacts past its lifetime but will also strengthen the communities' skills to deal with conflicts in general.

2.10 Replicability

As indicated above, once the JP has shown the implementation model to be a viable one, there are two main growth paths: (1) scaling up within the pineapple VC; and (2) replication of the model to other commodity VCs.

(1) Scaling-up: It is expected that the collateral support facility will grow with the pineapple VC growing. It will, on the one hand, attract new investors that are attracted by the successful JP financial mechanism and are interested in contributing to SDG-compliant investments in the Surinamese pineapple VC. By 2025, it is expected that the business model will generate an annual after-tax profit of USD 2.6 million at the farm level. Farmers may decide to reinvest part of these profits in further growing their farming operations or, if the production took place through outgrower contracts with the Company (the model that will be promoted by the JP), they can agree to profits being retained by the Company (in which they are shareholder) to invest in packing or processing facilities, or in market development efforts, thus increasing the value of farmers' shares in the Company.

(2) **Replication:** The innovative JP implementation model, once shown to be successful for one commodity, could next be applied to several of the many other fruits, vegetables and non-timber forestry products for which Suriname has competitive and comparative advantages. With the same underlying potential as exists for pineapple (i.e., unique products, profitable market opportunities, strong actor interest), the same mechanism can realistically be expected to work for these commodities as well. As, over time, banks are expected to become increasingly willing to cover the risks and provide the loans in the pineapple VC without relying on the Facility, the latter can be used to cover risks for other crops. As part of this process, the pineapple innovation hub could also take on a broader commodity mandate and become for example a more general produce innovation hub.

3. Programme implementation

3.1 Governance and implementation arrangements

PUNO arrangements

Under the overall leadership of the UN Resident Coordinator, the PUNOs (FAO, UNIDO, ILO and UNFPA) will utilize their expertise to engage with key Government counterparts, the private sector, international financial institutions and relevant stakeholders, for the implementation of the JP. The PUNOs have prepared and agreed on the work, outlining agency-specific roles and responsibilities while ensuring close coordination.

- **FAO** will be the lead agency managing the overall project, taking on promoting investment in the primary production segment of the VC.
- **UNIDO** will a co-lead agency, taking on the lead role in establishing the collateral support facility and facilitating investment in agro-industrial development.
- **ILO** will focus on promoting working conditions in line with decent work, promoting the respect of fundamental principles and rights at work and supporting capacity building on quality and safety standards.
- **UNFPA** will play a key role in facilitating dialogue between rural communities, the .private sector and ministries, with a particular focus on gender participation.
- **All PUNOs** will contribute to the promotion of gender equality and female economic empowerment, and their capacity building will have a strong gender focus.
- **RCO** will ensure the coordination of all UN organizations dealing with operational activities for development at the country level.

Overall Project Governance

For the overall project governance, three levels are distinguished. At the strategic (highest) level is the Project Steering Committee, whose non-UN members will also be represented on the board. At the tactical level, reporting to the PSC, is the JP Focal Team, which consists of the UNRCO and PUNO members. At the operational level, reporting to the JP Focal Team, is the Project

Management Unit (PMU), whose members are responsible for the actual implementation of the project and who are also the team managing the Hub during the project period.

A **Project Steering Committee (PSC)** co-chaired by the UN RC and the Minister of Agriculture, Animal Husbandry and Fisheries, and consisting of the country Heads of PUNOs, key government ministries, representative(s) of the private sector, financial institutions and civil society will be established to have strategic oversight on the project's direction and delivery. The non-UN members of the Committee will also make up the Hub's board membership as described in section 2.2. The Committee will: (1) review and endorse annual work plans and budgets, progress reports, outputs and results; (2) report annually to the Joint SDG Fund secretariat; (3) ensure Joint SDG Fund programme compliance standards are met; (4) agree and approve on project changes based on recommendations made by the JP focal team; and (5) launch and close the project. The Committee will meet once per quarter to review and approve revision to the results framework and implementation arrangements among other responsibilities, which could function as the Hub Board meetings.

The **JP Focal Team** consisting of the UNRCO and the PUNOs will be established to: (1) track, review and report progress to the PSC, based on biannual progress reports prepared by the PMU; (2) track, review and report progress to the Joint UN SDG Fund Secretariat, based on quarterly progress reports prepared by the PMU; (3) provide technical guidance to the PMU; (4) ensure that decisions taken by the PSC are disseminated and actioned; (5) highlight risks and propose strategic changes to the JP to the PSC; and (6) facilitate the launch and closure of the JPs. The JP Focal Team will meet every quarter.

A **Programme Management Unit (PMU)** will be established in the Hub (and before the establishment of the Hub, at the Ministry of Agriculture, Animal Husbandry and Fisheries). It will be staffed with an international project manager, an international agronomist, a national assistant project manager, a national assistant agronomist, an admin/accounting assistant, and an M&E/communications consultant. This team will also be responsible for the day-to-day management of the Hub through which most project actions will be coordinated, and as such ensure smooth implementation and accomplishment of the JP. Furthermore, the PMU will function as the Secretariat to the PSC and is responsible for drafting monthly, quarterly and biannual progress reports to the JP Focal team. These reports will also identify risks and mitigation strategies based on the project implementation experience (linked to completing actions, delivering on outputs and achieving outcomes and impact).

3.2 Partnerships and stakeholder engagement

Establishing a solid and effective partnership amongst the VC stakeholders is at the heart of the JP implementation model. The key entity bringing these stakeholders together will be the Hub's board, which is the de facto multi-stakeholder platform and should have representatives from each type of stakeholder in the VCs and be composed in such a way that the voice of each actor, especially that of the smallholder producer who represents the main JP beneficiary, will be heard and incorporated in the decision making. The types of stakeholders that will be included are the following.

Stakholders	Level of engagement
National Government	Has been involved in the 3ADI+ initiative since its beginning. The Ministry of Agriculture, Animal Husbandry and Fisheries will take the lead in coordinating activities related to the sector's overall development, the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation will lead efforts to introduce innovative processing technologies and create market linkages, the Ministry of Regional Development and the Ministry of Home Affairs will ensure participation of women and rural communities. The Ministry of Labour will support the promotion of youth employment, decent work and labour standards, taking gender considerations into account.
Private sector	The private sector has been actively engaged in the 3ADI+ VC analysis phase and action plan development. To ensure continued private sector involvement, a multi-stakeholder platform will be established at the Hub. This platform will play a key role in strengthening collaboration and collective action between VC actors as well as public and private dialogue. Through the Hub, it will also sensitize VC actors and the broader communities

	to the benefits of the proposed collaborative implementation model, and facilitate negotiations between private sector actors and potential investors. The JP will support the private sector through technical assistance to help enterprises along the VC adapt business practices, adopt innovations and invest in improved business models and technologies.
IFIs, national banks and other financial institutions	The findings of the VC analysis and investment opportunities have been presented to potential partners such as the Islamic Development Bank (IsDB) and the Inter-American Development Bank (IDB) on the IFI side, and to Trust Bank Amanah (TBA) and Hakrinbank, two national banks who have shown strong interest as these fit with their portfolios. TBA was directly involved into detailed structuring considerations forming the basis of the collateral support facility design (see letter of support in annex). After extensive engagement TBA has been chosen as the initial implementation Bank for the first farmer loans into the market.
Civil society	Organizations such as trade unions or the Association of Indigenous Village Leaders in Suriname will support communication and interaction with workers and local communities
Research institutes	The technical component will involve strong cooperation with regional research institutes, including the Inter-American Institute for Cooperation on Agriculture (IICA), as well as strengthening of the innovative capacities of national institutes such as the Center for Agricultural Research in Suriname (CELOS) and Polytechnic College (PTC).

3.3 Monitoring, reporting, and evaluation

Reporting on the JP will be results-oriented and evidence based. Each PUNO will provide FAO as the Lead Agency with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- Annual narrative progress reports, to be provided no later than one (1) month after the end of the calendar year (i.e., 31 January), and must include the results matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- Mid-term progress review report to be submitted halfway through the implementation of Joint Programme⁵; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

FAO as the Lead Agency will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the JP, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information, including data for all indicators of the results framework, when requested.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

⁵ This will be the basis for release of funding for the second year of implementation.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After competition of a joint programmes, a final, *independent and gender-responsive*⁶ evaluation will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

The JP will emphasize monitoring and evaluation to track programme resources, activities delivery and design, and impact. The PMU members will develop a comprehensive M&E system that will allow for prompt and accurate information for decision-making.

Consequently, the M&E plan of the JP will cover project activities across all project zones and will include a strategy for data collection and verification as shown in the logical framework.

The M&E Plan will enable program staff and management to make appropriate decisions concerning the progress, opportunities and constraints towards achieving programme goals and outcomes. Timely data collection and special studies will be completed periodically to track various indicators. The programme will use various monitoring tools and instruments to collect and analyze field data. The M&E tools and instruments used will be based on best practices to enhance the validity and reliability of the data. Collection methodologies will include:

Routine monitoring: This will include the regular monitoring of the JP inputs, processes, activities, and outputs, and will form the bulk of the data collection process. Trained personnel will use standardized forms and data gathering procedures to collect quantitative and qualitative data, and whenever relevant ensure sex-disaggregated data is collected and processed. In addition, records of notes, field visit forms, material and stock tracking forms, pre-and post-training tests and checklists will also be used to track all contacts between project staff and beneficiaries. Routine monitoring will be conducted/monitored by the M&E coordinator and will guide the program decisions and re-alignment.

Special Studies: Annual surveys will be conducted to test assumptions related to the performance of technologies and the results of activities intended to increase productivity and, ultimately, incomes for VC stakeholders.

Quality Control and Verification: Periodic random checks and data verification will be completed to verify the validity and reliability of data collected.

3.4 Accountability, financial management, and public disclosure

The JP will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for

⁶ How to manage a gender responsive evaluation, Evaluation handbook, UN Women, 2015

the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme. Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund. PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.5 Legal context

Agency name: Food and Agriculture of the United Nations (FAO)

Agreement title: United Nations Multi-Country Sustainable Development Framework (UNMSDF) 2017-2021. The legal agreement between the PUNOs and the government of Suriname is the UN Multi-Country Sustainable Development Framework (UNMSDF) 2017-2021 which defines how the PUNOs pool their comparative advantages within a single strategic framework that aligns with and supports the overarching strategic goals of the Caribbean's governments & key stakeholders. **Agreement date:** 2016

Agency name: International Labour Organization (ILO)

Agreement title: Decent Work Country Programme of Suriname 2019 - 2021

Agreement date: November 5, 2019

The Decent Work Country program is a document developed, consulted and signed by ILO with the government of Suriname, through its Ministry of Labour, the Employers' Organization VSB and the Workers' Organization RAVAKSUR. Within its three action pillars, Pillar 1 is devoted to economic diversification and social progress and calls for efforts to support micro, small and cooperative enterprises in priority sectors, including agriculture. As a cross cutting driver, the program calls for promoting rural employment and Occupation, Safety and Health.

Agency name: United Nations Industrial Development Organization (UNIDO)

Agreement title: Standard Basic Assistance Agreement between the United Nations Development Programme and the Government of the Republic of Suriname

Agreement date: signed on 29 April 1978 and entered into force on 14 March 1996

"The Government of of Surinam agrees to apply to the present project, mutatis mutandis, the provisions of the Standard Basic Assistance Agreement between the UN Development Programme and the Government, signed on 29 April 1978 and entered into force on 19 June 1996."

Agency name: United Nations Population Fund (UNFPA)

Agreement title: Standard Basic Assistance Agreement between the United Nations Development Programme and the Government of the Republic of Suriname

Agreement date: signed on 29 April 1978 and entered into force on 14 March 1996