

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	SURINAME/CCB - Caribbean Group
▪ TC Name:	Supporting Increased Local Content and Expansion of Priority Sectors – Business and Innovation Climate Reforms in Suriname
▪ TC Number:	SU-T1107
▪ Team Leader/Members:	HENNESSEY, MICHAEL P. (IFD/CTI) Team Leader; STEVENSON, CLAUDIA (IFD/CTI) Alternate Team Leader; GRANT, KAYLA SHAREE (IFD/CTI); PEREIRA, STEFANO (IFD/CTI); PILGRIM, VALARIE (IFD/CTI); GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	27 Mar 2018
▪ Beneficiary:	Suriname
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 200,000.00
▪ Local counterpart funding:	\$ 30,000.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Competitiveness & Innovation
▪ Unit of Disbursement Responsibility:	Institutions for Development
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation

II. Objective and Justification

- 2.1 The objective of the project is to create a more enabling business environment for the expansion of the poultry sector and increasing local content in the tourism and hospitality sector.
- 2.2 The mineral sectors have for decades dominated Suriname’s economy but current diversification has included a thrust “to improve the condition and stability of the national economy through agricultural production for import replacement and for export, transforming Suriname into the primary food supplier for the region and a major player in CARICOM and even in the European market.” In keeping with this vision, the Ministry of Trade, Industry and Tourism, in cooperation with the Ministry of Agriculture, Livestock and Fisheries, has initiated a program to expand the poultry sector. More specifically, this program focuses on: (i) the production of more chickens; and (ii) the production of chicken fodder with its own feed components. The total contribution of Travel & Tourism to GDP in Suriname including its ‘wider impacts’ (i.e. the indirect and induced impacts) on the economy, the estimated total contribution of Travel & Tourism to GDP rises to 4.5%. Currently, approximately 90 percent of the products used in the kitchen of lead firms in the Tourism and Hospitality sector is imported. Lead firms acknowledge that there is significant room for, and are keenly interested in increasing the use of locally produced supplies, particularly for vegetable, fruit, fish and shrimp. There is a strong foreign investment interest in agriculture in Suriname and, therefore, a lot of opportunity for local production to increase value capture in this sector. This TC is aimed at: (i) creating a more enabling environment for the expansion of the

poultry sector by generating more conclusive data on the structure of the sector, which will allow more evidence-based decision making; and strengthening the policy, legislative and institutional framework; and, (ii) conducting a study on local content in the tourism and hospitality sectors and developing an Action Plan for the strengthening Tourism and Hospitality Local Supply Chains.

III. Description of Activities and Outputs

- 3.1 Component 1: Poultry Sector Study and Expansion Action Plan (US\$75,000). This component finances consulting services to (a) develop a detailed map of the poultry sector; (b) identify specific constraints to improving competitiveness and expanding the sector; and (c) develop a results-focused and very implementable Action Plan for improving competitiveness and expanding the sector with particular focus on the policy, legislative, regulatory and institutional framework.
- Component 2: Institutional Strengthening and Drafting of Policies, Legislation and Regulations (US\$70,000). This component finances consulting services to strengthen key public and private sector agencies with a critical role in supporting increased competitiveness and expansion of the sector.
- 2.3 Component 3: Sector Study, Increasing Local Content in the Tourism and Hospitality Supply Chain (US\$40,000). This component will finance a sector study which will, among other things, detail (a) the specifications and quantity of products, produced locally, and required by the tourism and hospitality enterprises; (b) supply capacity; (c) a list of products that represent the best match of support and demand; (d) the logistical arrangements required to support an effective and efficient supply chain based on the “basket of goods” that represent a good match between demand and supply; (e) specific recommendations in the form of an Action Plan for establishing a robust supply chain for the said “basket of goods”; and (f) the design of a Tourism and Hospitality Sector Local Content pilot project.
- Coordination, Monitoring and Evaluation (US\$45,000). The component will finance a part-time Project Coordinator, based in Suriname, who will assist Compete Caribbean’s FCU and the Competitiveness Unit Suriname (CUS) with coordinating the execution of the project, including (a) the collection of baseline and actual performance data; (b) coordinating the interface between the consultants engaged under the project and stakeholders, including international development agencies supporting related initiatives; (c) coordinating and maintaining the minutes of meetings of a Project Steering Committee, which will be established to project oversight and facilitate participation of key stakeholders; and (d) project communications and reporting.
- 3.2 **Component I: Component 1: Poultry Sector Study and Expansion Action Plan.** Poultry Sector Study and Expansion Action Plan
- 3.3 **Component II: Component 2: Institutional Strengthening and Drafting of Policies, Legislation and Regulations .** This component finances consulting services to strengthen key public and private sector agencies with a critical role in supporting increased competitiveness and expansion of the sector.
- 3.4 **Component III: Component 3: Sector Study, Increasing Local Content in the Tourism and Hospitality Supply Chain .** Sector Study, Increasing Local Content in the Tourism and Hospitality Supply Chain
- 3.5 **Component IV: Component 4: Coordination, Monitoring and Evaluation .** Coordination, Monitoring and Evaluation

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
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Component 1: Poultry Sector Study and Expansion Action Plan	\$ 75,000.00	\$ 0.00	\$ 75,000.00
Component 2: Institutional Strengthening and Drafting of Policies, Legislation and Regulations	\$ 70,000.00	\$ 0.00	\$ 70,000.00
Component 3: Sector Study, Increasing Local Content in the Tourism and Hospitality Supply Chain	\$ 40,000.00	\$ 0.00	\$ 40,000.00
Component 4: Coordination, Monitoring and Evaluation	\$ 15,000.00	\$ 30,000.00	\$ 45,000.00

V. Executing Agency and Execution Structure

- 5.1 The execution of this TC will be carried out by the Bank through the Competitiveness and Innovation Division (IFD/CTI) in coordination with the PEU of Compete Caribbean in based in Barbados, and in close collaboration with the Competitiveness Unit Suriname (CUS), and a Project Steering Committee. The Committee will be chaired by CUS, will comprise no more than six representatives of key stakeholder agencies , and will meet quarterly to review implementation progress and provide oversight. The project will be executed through in coordination between Competitiveness Unit of Suriname located within The Ministry of Trade and Industry and the funding partner. The funding agent and the Government of Suriname will sign a letter of agreement defining their respective roles and responsibilities for the implementation of the project.
- 5.2 The execution of this TC will be in charge of the Bank, specifically CTI Division, because of it's considerable experience executing similar types of projects and technical operations in the innovation and technology field.

VI. Project Risks and Issues

- 6.1 The major risks to achieving planned results are (a) fragmentation and the absence of a culture of cooperation and collaboration among sector stakeholders; (b) limited finance within the key public and private sector agencies that limits implementation of the Poultry Sector Expansion Plan; and (c) a lean staffing within CUS to coordinate implementation on the ground. The project will mitigate these risks by (a) recruiting consultants with significant experience in using very participatory approaches and in stakeholder engagement; (b) establishing a Project Steering Committee to facilitate joint dialogue and shared ownership for results and to buttress the capacity of CUS to coordinate implementation; improved project oversight; (c) providing a limited amount of resources to finance some of the more urgent and short term actions in the Poultry Sector Expansion Action Plan; and (d) the project will engage a part-time Project Coordinate who keep manage project communications to keep stakeholders informed and engaged; and prepare project implementation and evaluation reports.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".