
Building Effective Governments

Executive Summaries of the
Caribbean Country Studies

Suriname



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Introduction

Improving public services, using resources efficiently, and managing state institutions effectively have been an ongoing concern of Latin American and Caribbean (LAC) governments since early in this century. Today, the authorities are paying close attention to the results obtained by their administrations. Citizens are demanding not only universality, but also quality in the services provided by the State.

To assess countries' institutional capacity to manage their public sectors efficiently, the Inter-American Development Bank (IDB) designed the PRODEV Evaluation Tool (PET). This instrument uses a managing for development results (MfDR) approach to analyze five pillars of the public policy management cycle: (i) planning, (ii) budgeting, (iii) public financial management, (iv) program and project management, and (v) monitoring and evaluation.

Each pillar has components that measure the maturity of institutional systems and their capacity to orient administrations toward obtaining results. These components, in turn, include indicators that measure specific aspects of management systems, which are subdivided into the minimum requirements that make up the basic unit of information gathering. The PET has 16 components, 37 indicators, and 142 minimum requirements; all of these are scored on a 0 to 5 scale, in which 5 is optimal. The ministries of Education, Health, Social Development, and Infrastructure carried out the analysis of sectoral management in the fourth pillar. However, for various reasons, in some countries, it was not possible to analyze all of these sectors.

This methodology was used to assess the situation in 24 LAC countries by comparing data obtained in 2007 to those obtained in 2013.¹ The cutoff date of the information for the first round was not uniform across countries, as the instrument was applied between 2007 and 2009. By contrast, the cutoff date of the reports for the second round was the same in all cases: December 31, 2012.

The information gathered was analyzed in the book entitled *Building Effective Governments: Achievements and Challenges for Results-Based Public Administration in Latin America and the Caribbean*. The present document is the executive summary of the "National Progress Report (2007–2013) on Institutional Capacity to Implement Managing for Development Results," which was prepared in each of the 24 countries covered in the study. The book, the annexes, and other information related to the study are available at: www.iadb.org/gobiernosefectivos.

The editors wish to thank the authorities and public officials of the institutions that participated in this study for their collaboration and input. Without their contributions, this study could not have been carried out. Finally, with respect to the data reported in the figures, numbers expressed in hundredths were rounded up to decimals.

¹ The countries included in this study are: Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Mexico, Panama, Paraguay, Peru, Surinam, Trinidad and Tobago, and Uruguay.

Suriname

Summary of Changes between
2007 y 2013

Suriname was one of the countries with low capacity in the area of MfDR. In 2013, the pillar in which the greatest strengths were seen was results-oriented planning, followed by program and project management, financial management, and monitoring and evaluation systems. Just as in the 2007 evaluation, the weakest pillar was results-based budgeting, since no progress was made in meeting the challenges detected earlier. These included program-based budgeting.

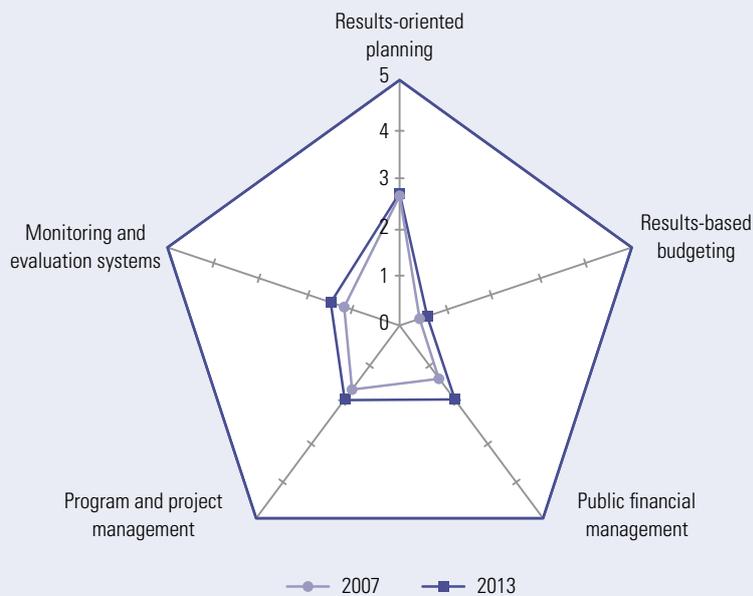
Scores for Suriname on Each MfDR Pillar for the 2007–2013 Period

PILLARS	2007	2013
Results-oriented planning	2,6	2,7
Results-based budgeting	0,5	0,6
Public financial management	1,4	1,9
Program and project management (*)	1,7	1,9
Monitoring and evaluation systems	1,2	1,5
Average (**)	1,5	1,7

(*) The scores for 2007 and 2013 included only the health sector. The original 2007 score, which included all sectors, was 1.2.

(**) The original 2007 score was 1.4.

Development of the MfDR Pillars in Suriname



Progress on MfDR Implementation in Suriname	
Planning	The National Development Plan was posted on the Internet. Methodologies were formulated for the implementation of planning and training for public institutions.
Budgeting	A medium-term fiscal framework was formulated, as well as a bill for promoting fiscal discipline.
Financial Management	A bill was drawn up to require the accounting system to be in line with international standards and guidelines. There was a pilot project aimed at improving the integrated financial management system. The Public Procurement Office was created, and a public procurement platform was designed and being used in a trial phase. The manuals and technical papers to regulate procurement were being reviewed prior to their approval. Suriname's Court of Audit, which was responsible for external auditing, became a member of INTOSAI.
Program and Project Management	The Public Investment Office was created, and methodologies and guidelines were prepared to orient and regulate public investment. A long-term plan was drawn up for the health sector.
Monitoring and Evaluation Systems	The institutional capacity of the Statistics Office was strengthened, and the periodicity of the production of social and economic statistics improved.

Results-oriented Planning

COMPONENTS	2007	2013
Results-oriented planning	2,6	2,7
Strategic planning capacity	3,0	3,1
Operational planning	2,4	2,8
Participatory nature of planning	2,4	1,8

Suriname did not have a long-term plan, but there was a medium-term plan known as Suriname in Transformation: 2012–2016, which had been published on the Internet. It defined the policy objectives to be achieved during the period of government and the strategies associated with them. Nevertheless, it lacked targets, indicators, and a program-based structure. With approval of State Decree 1 of September 2010, planning responsibility was transferred from the Ministry of Planning and Development Cooperation¹ to the Ministry of Finance. In the short time that the Ministry of Finance had been in charge of this function, it had put together manuals and methodologies to guide the development of certain processes related to planning. It had also conducted training activities for government entities. The legal framework that regulated planning was Article 40 of the Political Constitution of 1987, which established the obligation of formulating a National Development Plan (NDP).

There was still little linkage between planning and budgeting because the NDP did not have a program-based structure, which made it difficult to establish links between planning objectives and budget objectives. A slight decline was seen in the participatory nature of planning since, contrary to what was seen in 2007. Civil society was not being consulted on the preparation of the NDP because no regulations required doing so. However, the NDP would have to be approved by Parliament, as stipulated by the Planning Act of 1973.

¹ This ministry was eliminated and its functions divided between the Ministry of Finance (responsible for planning) and the Ministry of Foreign Relations (responsible for functions related to development cooperation).

Results-based Budgeting

COMPONENTS	2007	2013
Results-based budgeting	0,5	0,6
Program-based budget structuring	1,9	1,9
Medium-term budgeting perspective	0,5	0,9
Evaluation of spending effectiveness	0,0	0,0
Incentives for management effectiveness	0,0	0,0
Information dissemination	0,8	0,8

Program-based budget structuring had not improved. There were still methodological weaknesses, including the lack of program objectives, targets, and outputs. Links to planning had not improved either. However, progress was made in the medium-term budgeting perspective, since in 2013 there was a medium-term fiscal framework known as the *Financiele Nota*. It provided aggregated projections of fiscal income and expenses for the 2013–2016 period, as well as of GDP, inflation, and the government's spending capacity, even though it did not define a debt limit. However, this framework was not presented along with the annual, or was it updated annually. Even though the country did not have a fiscal law, a bill had been formulated for the Public Finance Management Act, Part III (Macroeconomic and Fiscal Policies), which included quantitative and qualitative rules for maintaining fiscal discipline. Suriname did not have a legal framework or mechanisms for evaluating spending effectiveness. It did not have incentives (monetary or non-monetary) tied to the achievement of measurable results to promote effectiveness in spending management. Nor was progress seen in the dissemination of budget information, since neither the proposed budget nor the approved budget was published on the Internet, nor were the audited reports on budget implementation.

Public Financial Management

COMPONENTS	2007	2013
Public financial management	1,4	1,9
Budgeting and financial management	2,1	2,1
Procurement system	0,3	1,1
External and internal auditing	1,9	2,4

The area of budgeting and financial management saw slight improvement, since the bill for the Public Finance Management Act made it compulsory for the accounting system to be in line with the International Public Sector Accounting Standards. A pilot project for an improved version of the integrated financial management system, including budgeting, accounting, purchasing, debt, and treasury modules, was also implemented. There were no extra-budgetary expenditures because the comptrolling law did not allow them. However, the country increased the deviation between the approved budget and the implemented budget, from an average of 7 percent in the 2005–2007 period to 12 percent in the 2009–2011 period. No progress had been made on the analysis of fiscal risks derived from direct obligations and contingent liabilities, nor were there mechanisms to mitigate them. Moreover, the financial reports did not show all of the information related to projects financed with contributions from donor countries. The budget had

administrative, economic, and functional classifications, but they were not in line with international standards. The program-based classification continued to contain methodological weaknesses. In addition, the number of days of delay in the Congress's approval of the budget had increased: for the 2010–2012 period, the average was 130 days. The accounting system continued to be based on cash flow and accrued expenses. Even though consolidated reports were being prepared with complete information on income and expenses, they were not being posted on the Internet. No progress was made in financial accounting.

Even though the legal framework that regulated the procurement system (Government Accounting Act of 1952) remained in effect, several documents were formulated to promote competition and transparency in public procurement. At the time of this study, these were in the review and approval stage. In addition, the Public Procurement Monitoring Office had recently been created within the Ministry of Finance. A platform was also being developed to support electronic purchasing, as well as a framework to regulate the process of submitting and handling claims.

The Political Constitution of Suriname makes internal and external auditing compulsory in all public institutions. In addition, the auditing legislation establishes standards for control. The entity responsible for internal auditing was the central government's Accounting and Auditing Office, but there were no internal auditing offices in public institutions. The entity responsible for external auditing was the Court of Audit (also known as the Audit Office), which was a member of INTOSAI and reported to Congress. The members of the Steering Council (Board) were appointed by the president in keeping with recommendations from the Parliament. External audits did not include specific recommendations for improvements, so there was no response from audited entities regarding the findings and their plans to address the problems detected. The implementation of performance audits had recently begun through a pilot project in the Ministry of Education. The reports on external auditing of central government income and expenses were presented to Congress.

Program and Project Management

COMPONENTS	2007	2013
Program and project management	1,7	1,9
Ex ante evaluation and prioritization of investment projects	0,0	0,8
Medium-term sectoral vision	4,0	4,0
Sectoral management of goods and services	2,3	2,3
Sectoral information systems	0,0	0,0

Ex ante Evaluation and Prioritization of Investment Projects

Although ex ante evaluations were still not being conducted for investment projects, significant progress was seen in that direction because the Office of Public Investment had recently been created in the Ministry of Finance and a regulatory framework for the public investment system had been drafted. Furthermore, that office had designed its methodology for formulating, evaluating, and selecting public investment projects, which was expected to be approved.

Sectoral Management

Public Health: Even though the Ministry of Health did not have a medium-term plan, its actions were guided by a long-term plan developed with participation by civil society. The plan included an assessment of the sector's situation and an outcome matrix with quantitative targets. Not all of the programs included in the plan had annual and multi-annual targets for the provision of services, nor were the units responsible for their achievement specified. The Ministry did not have incentives to encourage the achievement of results. However, in projects financed by donors, especially those from the Netherlands, bonuses were paid to the departments and individuals that achieved the expected outcomes. Half of the program directors were signing performance contracts. No strategy related to quality of service had been defined, although the public was sporadically consulted on what could be improved. The Ministry did not have an information system.

Monitoring and Evaluation Systems

COMPONENTS	2007	2013
Monitoring and evaluation systems	1,2	1,5
Monitoring of government management	0,9	1,1
Statistical information systems	2,2	3,2
Evaluation of government management	1,0	1,0

Only the results of programs carried out with donor financing were monitored, and there was no public management evaluation system. The Office of Public Investment of the Ministry of Finance replaced the Ministry of Planning and Development in the monitoring function, and it was formulating the respective methodologies.

The Bureau of Statistics, a semi-autonomous body that produced centralized social and economic information on the country, administered the statistics system. Progress could be seen on the periodicity and dissemination of two instruments of social information: the National Population and Housing Census and the National Household Survey. However, no evidence was found that these were in line with international technical standards. There was no timetable for the publication of statistics, and the micro data were not available to the public. Meanwhile, however, the periodicity for producing economic statistics had improved, and in most cases these efforts followed international standards.



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