

I. COUNTRY REFORM PROGRESS

Suriname has demonstrated a commitment to enhancing its revenue administration through steady progress in fiscal reforms during FY25. Strengthening tax administration through the establishment of a semi-autonomous revenue authority (SARA) and implementation of a multi-year strategic plan are key priorities on the reform agenda. Through the support of development partners, enhanced data management and targeted staff training, operational capacity within the Suriname Tax Department has significantly improved. Efforts to optimize revenue collections through strengthening value-added tax (VAT) performance are ongoing.

With the recently completed IMF's Extended Fund Facility (EFF), the predictability of expenditure is improving through the setting of quarterly ceilings on expenditure commitments by line ministries and by preparing improved cash flows using the IMF's Cash Flow Forecasting and Analysis Tool (CFAT). The authorities are committed to further enhancing the predictability of expenditure by issuing more credible ceilings on expenditure commitments and more credible cash flow forecasts, which are enforced through an enhanced FMIS FreeBalance. Additionally, as revenues increase given the new oil wealth, the authorities will need support in implementing the new legislation on fiscal rules and the Sovereign Wealth Fund, which includes adapting the fiscal frameworks, the budget processes, and the cash management system. To address the challenges associated with managing oil wealth, the IMF's Fiscal Affairs Department (FAD) will explore the authorities' views and possibly add this new area under the ongoing capacity development (CD) program.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration

Key Progress in FY25: Progress in Suriname has been slow but steady. The authorities continue to work on improving VAT efficiency by supporting taxpayer services through the production and publication of VAT materials for both staff and the public. Support is being received from Inter-American Development Bank (IDB) to establish a SARA.

Previous Progress: Support for the reform program has enhanced the operational capacity of the tax department, particularly following the widening of the tax base. Collaboration with development partners such as IDB and Inter-American Center of Tax Administrations (CIAT), has ensured a coordinated approach to address cross-cutting priorities such as improving tax compliance and revenue forecasting through better data management and staff development and training. The Netherlands has also assisted the authorities to strengthen the function of the large taxpayer office.

Next Steps: Looking ahead, future CD initiatives will seek to strengthen the overall revenue administration reform efforts by addressing the challenges identified in VAT refund, filing, and payment processes, with a strong emphasis on enhancing staff capacity. Key outcomes and milestones will include the development of targeted taxpayer assistance programs, compliance improvement plan for VAT, multi-year strategic plan, and strengthening VAT legislation.

SM II: Spending Module II – Managing Public Finance

Key progress. Low capacity has been a major impediment to reform progress. The March/April 2025 FAD mission helped prepare more credible quarterly ceilings on expenditure commitments by line ministries for the second quarter of the 2025 budget. The authorities are reporting on expenditure arrears, through a dedicated Excel file. As the expenditure controls are still weak across each stage (with an overall high-risk rating), new expenditure arrears have accumulated, with outstanding level estimated at (albeit with limited reliability) a sizeable 14.4 percent of total expenditure at the end of 2024. At the same time, key functionalities of the IFMIS are either inactive or underutilized. Although the March/April 2025 FAD mission helped customize FAD's CFAT, monthly cash forecasts for FY25 were less reliable due to unbalanced budget numbers, limited data on non-cash items, and their lack of integration with the annual borrowing plan. As none of the five main accounts at the Central Bank of Suriname (CBvS) has been designated as the primary account, there is still no Treasury Single Account (TSA). Funding for the delivery of these activities was provided by IMF resources.

Previous progress. The Budget Department has set ceilings by line ministries for the first quarter of the 2025 budget, using the Excel-based template developed by the June/July 2024 FAD mission. This activity was funded by IMF resources. Training on CFAT was provided by under the IMF's Caribbean Regional Technical Assistance Center (CARTAC).

Next steps. In FY26, FAD will continue to provide support for preparing more reliable quarterly expenditures commitments that are well harmonized with more reliable cash flow forecasts. Key priority would be improving arrears control and management, cash management, and TSA.

III. LOGICAL FRAMEWORK

Country – Suriname		
RM II: Objective - Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM		Rating - 1
Outcome	Rating	Narrative
Organizational arrangements enable more effective delivery of strategy and reforms	1 Not Achieved	Program to assist in achieving this outcome not yet in place.
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	1 Not Achieved	Program to assist in achieving this outcome yet to be developed.
Corporate priorities are better managed through effective risk management	2 Partially Achieved	Critical data being collected and analyzed.
Transparency and accountability are more effectively supported by independent external oversight and internal controls	1 Not Achieved	Program to assist in achieving this outcome not yet in place.

Effective implementation of a new tax or modernized legislation	2 Partially Achieved	VAT guides and rules drafted and being reviewed.
Digital technologies are better aligned with strategic objectives	2 Partially Achieved	Authorities have some way to go to have a single IT system.
RM II: Objective - Strengthened core tax administration functions (SDG 17.1) - TAD		Rating - 2
Outcome	Rating	Narrative
The integrity of the taxpayer base and ledger is strengthened	2 Partially Achieved	Work is advanced on segmentation, the taxpayer base and application of the correct ISIC.
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	Program to improve filing compliance is in its early stage.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Assistance commenced on strengthening VAT refund and arrears management.
Audit and other verification programs more effectively ensure accuracy of reporting	1 Not Achieved	Program in early stage of implementation.
Taxpayer services initiatives to support voluntary compliance are strengthened	2 Partially Achieved	More than 10 VAT guides drafted; awaiting approval from senior management.
RM II: Objective - Improved customs administration functions (SDG 17.1) - CAD		Rating - 1
Outcome	Rating	Narrative
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	1 Not Achieved	Discussion commences in strengthening enforcement process
Customs control during the clearance process more effectively ensures accuracy of declarations	1 Not Achieved	Early discussion in addressing custom controls process.
SM II: Objective - Frameworks to Build Sustainable Fiscal Institutions - FIF		Rating - 2
Outcome	Rating	Narrative
Strengthened capacity to assess core public financial management (PFM) functions and develop reform strategies	2 Partially Achieved	Following the adoption of the PFM strategy and action plan, the March/April 2025 FAD mission proposed new actions and the breakdown of actions into activities in three out of the six PFM priority areas to ease implementation. The implementation of the new PFM Act requires the drafting of related regulations, which are at an early stage. The implementation of the PFM-PAP is not yet supported by a PFM Reform Steering Committee

Strengthened capacity to plan, implement and sustain digitalization	2 Partially Achieved	Most functionalities of the IFMIS are either inactive or underutilized. To strengthen expenditure controls, the March /April 2025 FAD mission helped identify key functionalities that needed to be developed and/or used.
SM II: Objective - Strengthened Budget Management - PBM		Rating - 2
Outcome	Rating	Narrative
Strengthened budget execution and control processes	2 Partially Achieved	The expenditure controls are weakened across each stage with an overall high-risk rating. This has led to new expenditure arrears, with outstanding level estimated at (albeit with limited reliability) a sizeable 14.4 percent of total expenditure at the end of 2024. At the same time, key functionalities of the IFMIS are either inactive or underutilized.
Strengthened asset and liability management processes	2 Partially Achieved	Although the March/April 2025 FAD mission helped customize the CFAT, monthly cash forecasts for FY2025 were less reliable due to unbalanced budget numbers, limited data on non-cash items, and their lack of integration with the annual borrowing plan. In addition, the project helped review quarterly ceilings on expenditure commitments for the first quarter of the 2025 budget and helped prepare the ceilings for the second quarter of the FY2025, as part of the continuous benchmark under the IMF's EFF program. As none of the five main accounts at the Central Bank of Suriname (CBvS) has been designated as the primary account, there is still no TSA. Treasury's access to line ministries' accounts in commercial banks is still limited. To set a subset of a TSA as planned under the EFF program, the authorities now have a roadmap detailing actions/activities to undertake.
Strengthened identification, monitoring, and management of fiscal risks	1 Not Achieved	Regarding fiscal risks, little has been done, except the delayed publication in February 2025 of the 2019 and 2020 audits of the Electricity Corporation, as part of the IMF's EFF.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
RM II: Risk that external events create a more challenging environment to implement reforms.	Medium	Risk that external events create a more challenging environment to implement reforms.
RM II: Government revenue measures adversely impacted the tax ratio	High	Work with the IMF country team and authorities to monitor revenue measures and impact on tax ratio and propose reform measures to boost collection and tax ratio
SM II: Disrupted environment due to regional events	Medium	Ensure that the authorities remain committed to reforms
Political Support		
RM II: Lack of political support for reforms inhibits required actions or resources being allocated that are needed to enhancements to fiscal risk management institutions and practices.	Very High	- Ensure fiscal risk CD is focused on priority areas and engage regularly with ministers and senior management to ensure government ownership of reforms - Close consultation with the country team to assist authorities in recognizing the relevance of reforms.
SM II: Limited political support for reforms following the 2025 presidential elections	High	Ensure support from the new government
Management and Technical Staff Support and Commitment		
RM II: Low commitment of management and staff in finance and other ministries to adopt and implement fiscal risk management practices.	Very High	Engage with senior management and technical staff pro-actively and explain the importance of strengthening fiscal risk management.
SM II: Lack of management and technical staff support, and commitment from the Ministry of Finance and line ministries	Medium	Ensure commitment from key line ministries' cabinet officials
Resource Adequacy		
RM II: Insufficient technical capacity and human resources necessary to implement reforms are limited	High	Ensure CD plans include sufficient capacity building and training elements and prioritize CD to priority or highest risk areas where resources are limited
SM II: Limited capacity both at the Ministry of Finance and the line ministries; Availability of resources	Medium	Strengthen skills and ownership; ensure resource availability
Other Risks		
RM II: Multiple donors are providing technical assistance on tax administration	Medium	Take an active role in engaging with other donors to ensure support is well coordinated.
SM II: Lack of coordination with other donors	Medium	Ensure coordination with all development partners

V. PROJECT MANAGERS CONTACT INFORMATION

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