

REPUBLIEK SURINAME



# EITI Suriname (EITI-SR)

## Work Plan

June 30<sup>th</sup>, 2019 – December 31<sup>st</sup>, 2020

## INTRODUCTION

This 3<sup>rd</sup> EITI-SR Work plan has been drafted for the period of 2019 to 2020 by the EITI-SR Multi-Stakeholder Group (MSG) in line with the 5-step approach proposed in the EITI ‘Guidance Note 2: *“Developing an EITI Work plan”*, considering the immediate relevance of the EITI in the context of Suriname and practical constraints for initial EITI-SR implementation.

### **Government policy and priorities**

A main challenge in the contextualization of the EITI process in Suriname is the lack of formal, comprehensive and clearly defined government and/or national priorities specifically for the extractives industries. The government is still in the process of developing a national policy strategy for the mining sector, with support from the Intergovernmental Forum on Mining and the World Bank. The Multi-Annual Development Plan is an official document required by Parliament to approve annual budgets. In the plan for 2017 – 2021 (“OP 2017 – 2021”), the Government clearly states its commitment to joining EITI and embedding the EITI process in a legal framework that will also establish a broad Minerals Institute (page 77 & 78). Since then, the Ministry of Natural Resources has received Technical Assistance from the World Bank (WB) for the design of the Minerals Institute, and is preparing a WB-grant for the establishment and operation of the Institute.

Other OP policy goals for the extractive industries (and the current state of affairs) are described below:

<b>Policy Goals from OP 2017 – 2021</b>	<b>Current state of affairs</b>
Diversification of the economy (including restart of the bauxite industry)	No definitive plans for restart of the bauxite industry.
Formalization of the ASM-sector	No direct steps taken, although this is expected to be covered in the new Mining Law.
Minimizing the environmental impact of mining activities, for example through the encouragement of mercury-free mining	Suriname ratified the Minamata Convention in 2018. In May 2019, the National Environmental Institute started implementation of a seven-year project “Improving Environmental Management in the Mining Sector in Suriname, with emphasis on Artisanal and Small Scale Gold Mining (ASGM)”
Continued investment in large mining projects	Through Staatsolie, the government continues to invest in the oil sector.
Sustainable management of revenues from the extractive industries.	A Sovereign Wealth Fund law was approved by Parliament in May 2017, which organizes the allocation of a part of mining revenue in to this savings fund. It is planned to start operating in 2019, provided that the mining revenues have reached a specific threshold, at which point allocations to the Fund will be mandatory.

Other formal policy documents make little mention of specific policy priorities for the extractive industries. The Government Statement 2015 – 2020 emphasizes the importance of diversification of the economy, stating that “the revenues from non-renewable sectors bauxite, oil, and gold, will be allocated in such a way that they can be used for renewable agricultural sectors, tourism, industry, services and international trade” (page 9). Many of the abovementioned policy goals are expected to be operationalized in the new Mining Law, which aims to update, replace and consolidate the existing outdated and fragmented mining legislation and

regulations. Some preparatory work for the new Law has been done, and the Minister of Natural Resources recently announced that the new legislation should be completed by the end of 2019.

It is also important to note that – although not a main part of formal government policy – the government has continued to support EITI-SR implementation. At the launch of the 1<sup>st</sup> Report in May 2019, both the Ministers of Natural Resources and of Finance reaffirmed their commitment to EITI implementation and to following the recommendations provided in the Report.

### **EITI-SR: lessons learned from EITI-SR implementation**

The main take-away from the implementation of the previous Work Plans and the process for producing the first report is that EITI-SR implementation is seriously hampered by capacity constraints. The 1<sup>st</sup> Report (for the year 2016) was produced after a 6-month delay, resulting in a shortened time period available for the production of the 2<sup>nd</sup> Report, later this year. It is therefore expected that the primary focus for the rest of 2019 will be on the production of the 2<sup>nd</sup> Report, while in the meantime disseminating the 1<sup>st</sup> Report. Another main constraint (mainly due to the lack of capacity) is that EITI-SR has hardly been able to mobilize additional funding for EITI-SR implementation. Therefore, the main funding source for the new Work Plan is still the WB EGPS Grant and the operational funding by Government. As a result, the MSG has had to prioritize the core of the EITI, i.e. the production and dissemination of Reports, at least until extra funding can be secured. Instead of separate activities and programmes for transparency in the extractive industries, efforts will be made to include as many elements as possible in new and existing initiatives, making optimal use of existing opportunities, such as the drafting of the new Mining Law.

### **Goal & Objectives**

Considering the overall policy climate and lessons learned, the overall goal for the 2019 – 2020 EITI-SR Work Plan is prepare and deliver the 2<sup>nd</sup> and 3<sup>rd</sup> EITI-SR Reports (covering years 2017 & 2018 respectively) and to work towards further institutionalizing EITI-SR implementation as an integral part of the data collection and publication systems in the government.

The specific objectives are:

1. Prepare and submit the 2<sup>nd</sup> and 3<sup>rd</sup> EITI-SR Reports covering 2017 and 2018 respectively
2. Execute the Communication Plan to disseminate key information from EITI-SR Reports, educate the general public on EITI-SR, and create public debate regarding governance of natural resources and sector revenues
3. Take actions towards implementation of the Beneficial Ownership Roadmap

As stated earlier, in this Work Plan period, the focus will be on producing the 2<sup>nd</sup> and the 3<sup>rd</sup> EITI-SR Report. The MSG will therefore also keep the following cross-cutting objectives in mind:

1. Expand the scope of reporting to match the 2019 EITI Standard (i.e. gender, labor, and environmental data)
2. Expand the scope of reporting to include other sectors such as construction materials.
3. Disseminating EITI-SR-data and using it to further dialogue on improvements in the management of natural resources.
4. The inclusion of EITI-SR in a comprehensive, inclusive, national strategy for the extractive industries in Suriname.
5. Be prepared for Suriname's first Validation (scheduled for October 2019)

### Monitoring of the Work Plan

The MSG will review and adjust the work plan at least once every six months, using a review matrix. Based on the review, the activities and timeline can be adjusted.

## SECTION I: COMPLETED OBJECTIVES FROM THE PREVIOUS WORK PLAN

### OBJECTIVE 1: COMPLETE THE REQUIRED STEPS FOR EITI CANDIDACY BY THE END OF 2016

Expected outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
1.1 Public Declaration by Government of intention to implement EITI	1.1.1 Minister of Natural Resources makes an official statement	Min NR	N/A	Update Oct 2016: The intention was expressed publicly in November 2015 (Democracy Month), and in February 2016 (EITI Conference), and formally stated in April 2016 (EITI Symposium).	Completed
	1.1.2 Government sends a letter to the EITI Board	Min NR	N/A	Update Oct 2016: Government has since issued a letter headed to Mr. Fredrik Reinfeldt (Chair of the EITI Board) expressing intention to implement EITI	Completed
1.2 Appointment of an EITI Champion by Government	1.2.1 Government formally appoints an individual as EITI Champion (Lead Implementer)	Min NR	N/A	Update Oct 2016: the Permanent Secretary of the Ministry of Natural Resources, Mr. Dave Abeleven was named to Lead EITI implementation in Suriname	Completed
1.3 Formal establishment of a self-selected and representative MSG	1.3.1 Hold a symposium to inform stakeholders and secure commitment	Min NR	14,500 (funded by SEMIF <sup>1</sup> )	Update: symposium held on April 29, 2016	Completed
	1.3.2 Hold a workshop to discuss EITI-SR/MSG appointment, tasks, roles and responsibilities	Min NR		Update: workshop held on June 17, 2016	Completed

<sup>1</sup> SEMIF = Suriname Environmental and Mining Foundation. SEMIF manages social development funds for EI companies. Their website: <http://www.semif.net/>



	1.3.3 Conduct meetings of EITI MSG Candidates to discuss and finalize structures, roles, and responsibilities of the EITI-SR	Min NR		Pre MSG installation meetings held from August 2016. ToR approved in Q4	Completed
	1.3.4 Formally install the MSG	Min NR	N/A	Establishment formalized by Decree of the Council of Ministers	Completed
1.4 Adoption of a EITI-SR Work Plan	1.4.1 Conduct meetings of EITI MSG candidates/ members to draft, discuss, and finalize the work plan	MSG	Operational costs of the MSG and Secretariat, covered by Gov't	The adopted work plan needs to be submitted	Completed
	1.4.2 Submit formal application for candidacy to EITI International Secretariat	Min NR	N/A	The application was submitted in March 2017	Completed

## OBJECTIVE 2: PREPARE, COMPLETE AND SUBMIT THE 1<sup>st</sup> EITI Report for 2016

Expected Outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
2.1 The scope and level of materiality have been determined	2.1.1 Conduct a series of meetings with stakeholders to discuss and determine the level of materiality	IA & MSG	(Within budget IA)	This determined which companies were to be involved in the EITI report as well as which revenues and fiscal years would be reported.	COMPLETED
2.2 Substantial measures have been taken to ensure disclosure of beneficial ownership information	2.2.1 Prepare, implement and monitor a roadmap for disclosure of beneficial ownership information	MSG	(Costs included in other activities, or included in running / operational costs of MSG & Secretariat)	The Roadmap was approved by the MSG in October 2017.	COMPLETED
2.4 Reporting templates and mechanisms have been designed and are impl. by companies and government	2.4.1 Procure technical assistance in the drafting of templates and data collection and reporting mechanisms	MSG, IA	-	Use technical assistance from the WB & EITI International Secretariat	COMPLETED
	2.4.2 Facilitate a series of MSG meetings to discuss and approve templates and mechanisms	MSG	Operational costs of the MSG and Secretariat, covered by Gov't		COMPLETED
	2.4.3 Assess capacity of government and companies to use templates and mechanisms	MSG			COMPLETED
	2.4.4 Government and companies provide data, using agreed template and mechanisms	Government (Min Fin, Min NH, and others) & EI Companies	N/A		COMPLETED
2.5 A EITI-SR Report has been produced by an Independent	2.5.1 Prepare ToR for the Independent Administrator	MSG	Operational costs of the MSG and Secretariat, covered by Gov't	Selection of the Independent Administrator based on a transparent bidding process, based on a TOR	COMPLETED

administrator and approved by the MSG				approved by the MSG. The service contract was with the Min NR, for legal purposes.	
	2.5.2 Select IA	MSG	Operational costs of the MSG and Secretariat, covered by Gov't		COMPLETED
	2.5.3 Appoint IA	MSG	Operational costs of the MSG and Secretariat, covered by Gov't		COMPLETED
	2.5.4 Independent Administrator collects and analyzes data and drafts and finalizes EITI-SR report	IA	157,500 for 2 years (request EGPS Trust Fund)	Costs are for the service contract with the IA	COMPLETED
	2.5.5 Discuss, comment on and approve EITI-SR report	MSG	Operational costs of the MSG and Secretariat, covered by Gov't		COMPLETED
2.6 Submit 1 <sup>st</sup> EITI-SR Report to Oslo Secretariat		Secretariat	Same	The 1 <sup>st</sup> SEIT Report was submitted to Oslo in late May. On May 24 <sup>th</sup> a press event was held to inform of the submitted report and to launch the EITI-SR website	COMPLETED

## SECTION II: OBJECTIVES FOR THE CURRENT WORK PLAN

### OBJECTIVE 3: PREPARE & EXECUTE A COMMUNICATION PLAN TO ENSURE EITI-SR REPORTS ARE AVILABLE TO THE PUBLIC

Expected outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
3.1 A communications scoping study and outreach strategy has been designed	3.1.1 Contracting of consultant / communications specialist to design a communications and outreach strategy	MSG & EITI-SR SEC	80,000 (request EGPS Trust Fund) for activity 3.1, 3.2 and 3.3	O'Media has been contracted by MSG	COMPLETED
3.2 Inform public of basic elements and objectives of EITI-SR	3.2.1 Produce EITI-SR fact sheet	O'Media & MSG	Updated Work Plan for 2019-2020 includes \$45,000 for Communication Plan implementation during this 2 year period		COMPLETED
	3.2.2 Design set up and maintain a EITI-SR website and social media outreach	O'Media & MSG		Website was launched on May 24 <sup>th</sup> at media event with MNR and MOF	COMPLETED
3.3 Publicize 1 <sup>st</sup> EITI-SR Report covering 2016	3.3.1 Draft / Design summary versions of the EITI-SR Report	O'Media			3Q2019
	3.3.2 Conduct information session or workshops with communities and Stakeholder groups	O'Media and MSG members	Same	Information sessions to be conducted in Parmaribo and other major population centers accessible by road	3Q&4Q2019
	3.3.3 Draft press releases and newspaper articles to inform public of events and EITI-SR activates	O'Media with input from MSG	Same	Media must be engaged to support EITI-SR and inform public of planned information sessions	3Q&4Q
3.4 Publicize 2 <sup>nd</sup> EITI-SR Report covering 2017	All above activities in 3.3 to be repeated for 2 <sup>nd</sup> Report	O'Media	Same	As above	1H2020

## OBJECTIVE 4: IMPLEMENT THE BENEFICIAL OWNERSHIP ROADMAP

Expected Outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
4.1 Ensure and enable Institutional & Policy Environment for BO disclosure	4.1.1 Identify and consult with government agencies that are responsible or could be best suited to oversee, collate and maintain beneficial ownership information	- EITI-SR Sec - MSG Subgroup	Operational costs of the MSG and Secretariat, covered by Gov't		Q3, 2019
	4.1.2 Identify (legal, regulatory, practical) barriers that complicate the disclosure of various aspects of beneficial ownership and design proposals for amendments to regulation concerning beneficial ownership disclosure	- EITI-SR Sec - Legal advisor / consultant	USD 20,000 (No funding source) **This was originally budgeted for in the EGPS Grant, but has since been removed, due to other priorities**	Key in the proposals would be establishing roles and responsibilities of various relevant state bodies for supervision, clear definitions of politically exposed persons, collection and maintenance of information about individuals concerning state registration of legal entities and individuals, issuance of licenses in the mining industry, secrecy issues, joint-stock companies, investment agreements, concessions, combating corruption and the legalization (laundering) of proceeds from crime and financing of terrorism, the securities market, production-sharing agreements, etc.	Q1, 2020
	4.1.3 Prepare & submit policy proposals for Ministries to include in the 2020 Annual Work	- EITI-SR Sec - MSG Subgroup	Operational costs of the MSG and Secretariat, covered by Gov't		Q3, 2019

Expected Outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
	Plans (which Ministries should submit to Parliament in September 2019).				
4.2 Determine the scope and structure of BO-disclosure	4.2.1 Prepare & adopt a definition and thresholds of Beneficial Ownership, based on the EITI Standard, existing (national and international) definitions and the agreed-upon level of materiality for the 2016 & 2019 EITI-SR Reports	- EITI-SR Sec - MSG Subgroup	Operational costs of the MSG and Secretariat, covered by Gov't	Important issues to consider are: <ul style="list-style-type: none"> <li>• direct and indirect ownership;</li> <li>• clear indication of the mining companies, which should be covered by this definition;</li> <li>• reference to a specific person (individual), who factually owns the relevant company</li> </ul>	Q4, 2019
	4.2.2 Agree on a workable definition of politically exposed persons (PEP's)	- EITI-SR Sec - MSG Subgroup	Operational costs of the MSG and Secretariat, covered by Gov't		Q4, 2019
	4.2.3 Determine the level of disclosure details and ensure data reliability	- EITI-SR Sec - MSG Subgroup	Operational costs of the MSG and Secretariat, covered by Gov't	Dialogue and joint decision-making process with government, civil society and companies to determine the level of detail of the beneficial ownership disclosures (nationality, country of residence, level of ownership, how ownership is exerted, date of birth, residential address, means of contact, etc.). Also take into account what information was disclosed in EITI Reports.	Q4, 2019
	4.2.4 Identify and design an appropriate mechanism for companies to collect and register the data in the	- EITI-SR Sec - MSG - Request TA from World Bank	<ul style="list-style-type: none"> <li>• Operational costs of the MSG and Secretariat, covered by Gov't</li> </ul>		Q1, 2020

Expected Outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
	beneficial ownership declarations prior to data collection. (For example design a form for the declaration of beneficial ownership, or adaptation of the standard declaration form for beneficial ownership)		<ul style="list-style-type: none"> <li>World Bank TA</li> </ul>		
	4.2.3 Determine how to reflect changes in ownership over time, once a baseline has been established (data timeliness)		Operational costs of the MSG and Secretariat, covered by Gov't		Q1, 2020
4.3 Collect & publish BO-data	Collect & publish data on EITI-SR Reporting Entities (in EITI-SR Reports)		Independent Administrator		Q4, 2019

**OBJECTIVE 5: PREPARE, COMPLETE AND SUBMIT THE 2<sup>nd</sup> EITI-SR REPORT COVERING 2017**

Expected Outputs	Activities	Responsible Party	Indicative Cost (USD) & financing source	Notes	By when
2.1 Prepare 2 <sup>nd</sup> Report (2017) with improved quality & content vs 1 <sup>st</sup> EITI-SR Report (2016)	2.1.1 Review recommendations included in 1 <sup>st</sup> report as well as comments/recommendations from Oslo EITI. Seek to implement recommendations to the extent reasonable and possible in 2 <sup>nd</sup> EITI-SR report	IA & MSG	Within budget IA contract which is funded from WB grant (no proposal received yet)	A key element of EITI reporting is to show continuous improvement in the quality of annual reports. EITI-SR reports must reflect this continued improvement or risk “suspension”	2Q+3Q 2019
2.2 Companies and MoF to complete & upload templates with required data to allow analysis and reconciliation by IA	<p>2.2.1 IA to contact Companies and Gov granting access to web portal where data templates are to be completed &amp; uploaded</p> <p>2.2.2 IA to provide assistance and training (if necessary) to allow Companies and Gov to complete templates.</p> <p>2.2.3 IA to seek input from Companies and Gov regarding ways to improve &amp; simplify templates.</p>	IA	Same as above	Reporting extractive companies are same ones as for 1 <sup>st</sup> EITI-SR report, so not much training and assistance should be required	<p>Templates to be completed during 3Q2019</p> <p>IA will aim to implement improvements during 2020 (for purposes of EITI-SR 2018 Report)</p>

**SEITI Budget 2019 -2020**

Total Available Funds from WB Grant: \$ 234,456.00

Component	Prior Est for 2019-20 (USD)	Funds Already Allocated or Committed (USD)	WB proposal in May 2019 (USD)	MSG revised Budget June 2019	Comments by MSG in June 2019
Reconciliation report	\$ 70,000	\$ 70,000	\$ 70,000	\$ 140,000	w/o proposal from BDO ... assume \$80k each 2019 + \$60k for 2020
Communication	\$ 40,000	\$ 40,000	\$ 40,000	\$ 45,000	Assume \$40k for 12 mo (mid 2019-mid 2020) + balance 2020 activity (\$5k)
Legal and Regulatory Framework	\$ 42,900		\$ 19,500	\$ -	Assume will be covered by new WB loan starting in late 2020
Procurement Specialist	\$ 10,000		\$ 30,000	\$ 9,000	Cost will be transferred to new WB loan in late 2020
Financial Officer	\$ 10,000		\$ 30,000	\$ 15,000	Cost will be transferred to new WB loan in late 2020
SEITI Coordinator	\$ 10,000		\$ 30,000	\$ 20,000	Cost for coordinator for 15 mo (2019 + 2020)
Follow - up Recommendation Regarding EITI Report Issued By IA	\$ 7,500		\$ 5,500	\$ -	No specific needs for additional work at this time
SEITI Secretariat Capacity Building	\$ 7,500		\$ 2,500	\$ 1,500	Cost will be transferred to new WB loan in late 2020
SEITI Secretariat Operation Cost	\$ 10,000		\$ 5,000	\$ 4,000	Cost will be transferred to new WB loan in late 2020
<b>Total</b>	\$ 207,900		\$ 232,500	\$ 234,500	