



# SURINAME

## TECHNICAL ASSISTANCE REPORT ON GOVERNMENT FINANCE STATISTICS MISSION (DECEMBER 6–17, 2021)

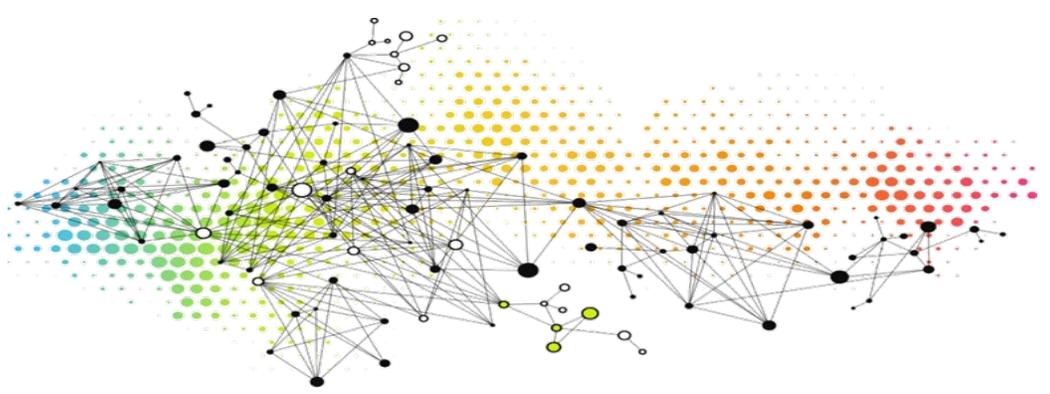
June 2022

This report on Suriname was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed in June 2022.

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JUNE  
2022

## REPORT ON GOVERNMENT FINANCE STATISTICS MISSION (DECEMBER 6–17, 2021)

**Prepared by Mariana Sabates and Viera Karolova**

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## Glossary

BCG	Budgetary Central Government
CBS	Central Bank of Suriname
ECF	Extended Credit Facility
EAD	Economic Affairs Department
ER	Exchange rate
IFMIS	Integrated Financial Management Information System
GFS	Government Finance Statistics
GG	General Government
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
IMF	International Monetary Fund
EAD	Economic Affairs Department
MFP	Ministry of Finance and Planning
MFS	Monetary and Finance Statistics
PSDS	Public Sector Debt Statistics
<i>PSDSG 2011</i>	<i>Public Sector Debt Statistics Guide 2011</i>
SDMO	Suriname Debt Management Office
SOE	State-Owned Enterprise
STA	Statistics Department
SRD	Suriname Dollar
TA	Technical Assistance

## SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

- 1. At the request of the Suriname authorities, a remote technical assistance (TA) mission took place during December 6–17, 2021.** The mission was conducted in coordination with the IMF's Western Hemisphere Department. The main objective of the mission was to assist the Ministry of Finance and Planning (MFP) and the Central Bank of Suriname (CBS) to improve the quality of the Government Finance Statistics (GFS) in view of the IMF program. The main tasks were to (i) conduct a diagnostic assessment of the current GFS and public debt compilation process, (ii) explain and reduce statistical discrepancies, (iii) analyze data on arrears and reassess their treatment in GFS, (iv) review the integration of stocks and flows of the gross debt; and (v) update the public sector institutional table, and (vi) deliver a workshop on *GFSM 2014* framework and (PSDS).
- 2. Suriname is an e-GDDS country, though numerous challenges in data quality remain.** The Economic Affairs Department (EAD) in the MFP is responsible for the compilation of the above-the-line data while the Department of Statistics in the CBS compiles below-the-line data. Monthly GFS for Budgetary Central Government (BCG) is published on the National Summary Data Page on a cash adjusted basis, two months after the end of the reference month. Despite of the close cooperation between the data compilers, large statistical discrepancies are being observed between the above-the-line and below-the-line transactions that hamper the reliability of data on the main fiscal balances.
- 3. One of the main issues impacting the quality of GFS is the absence of appropriate source data to compile revenue, expenditure, and financing.** The main source of data to compile GFS is the accounting system of the Central Bank of Suriname (CBS) covering data on transactions passing through the BCG accounts. This is a quite uncommon practice, as the reporting by the CBS, who performs the function of a cashier, has not been developed to facilitate the needs of GFS compilation. Nevertheless, the authorities must rely on these data as there is not an integrated financial system in place and the budget execution is not aggregated at the level of BCG. Consequently, the GFS compilation is extremely ad hoc and manual, requiring decisions on a daily basis about the classification of government operations and their aggregation.
- 4. Critical gaps are also observed in the debt data from the Suriname Debt Management Office (SDMO).** SDMO provides data on domestic and external debt in loans and government securities, including data on stocks, flows, and accumulated arrears. The existing debt management system did not include up-to-date information at the time of the TA mission; therefore, debt data was processed manually in an excel file implying possible errors and excessive burden on compilers. Another issue impacting reliability of debt data is the frequent revisions since there is no formal procedure in place applicable to government entities to report data on new debt disbursements and payments of some debt instruments. As a result, the data is not submitted by all BCGs to SDMO systematically, sometimes delaying by several months. Shortcomings also exist with respect to the foreign debt data expressed in the national currency (SRD). The authorities use

the same exchange rate (end of each month) for both, stocks, and transactions, while the exchange rate prevailing at the time of transactions should be used for the latter.

**5. The mission examined the factors contributing to the statistical discrepancies.** The discrepancies can be explained by the inconsistent institutional coverage in various source data (e.g., the CBS accounting system covering transactions comparing to the reporting of stocks of BCG accounts provided by the CBS and commercial banks). The mission initiated an update of the institutional table to ensure appropriate and comprehensive delineation of public entities, but further examination and follow-up work by the authorities is needed to clearly identify the coverage of each of the source data used to compile GFS. The second main factor causing the discrepancies relates to the large number of adjustments made above-the-line on an ad-hoc basis, that is not always communicated and agreed with compilers responsible for the recording of below-the-line transactions. The mission identified the current adjustments having potential impact on discrepancies and spotted some missing adjustments (see Section B of the report). Another factor causing discrepancies relates to the delays in submission of data from the tax authority and other source data providers. Regarding the integration of stocks and flows, data on gross debt expressed in the original currency is adequate. However, the issue is with respect to data converted to SRD due to the use of inappropriate exchange rate (see paragraph 4), thus ignoring the valuation changes within the period. The valuation issue may also contribute, to some extent, to the inconsistencies between the above and below-the-line data.

**6. The MFP can produce data on arrears in external loans and government securities,** which is an important memorandum item in PSDS and GFS. The authorities also maintain a system in the Paymaster Department for the recording of other accounts payable. Based on the information in this system, the mission started to work with the responsible counterparts to calculate the floating debt in other accounts payable and the related arrears.

**7. Appropriate institutional arrangements and adequate capacity are crucial to ensure further progress in improving the quality of GFS.** Due to the absence of (i) appropriate source data; (ii) systematic procedures for the source data collection, quality checks, and processing; (iii) functional information systems maintaining up-to-date information; and automatization, the GFS compilers currently substitute the work that should be done by other departments and/or government agencies. There are many revisions of the data depending on the information available and the way that the data is processed in each of the entities. The current institutional framework should be reviewed to ensure suitable institutional arrangements and improved capacity for the collection and processing of the source data and to include all the budget execution data in one system.

**8. An integrated financial management information system (IFMIS) for BCG and a detailed chart of accounts would be the basis of sound GFS.** Hence, the implementation of the IFMIS for the BCG expenditures and revenues will be an important step to improve the quality of

Suriname's GFS. If all BCG's transactions are processed through this system, reconciliation of revenue and expenditure with financing and of flows and stocks would be ensured automatically.

9. To ensure the compilation of a sound GFS when the IFMIS is not available yet, the mission made the following priority recommendations:

**Table 1. Priority Recommendations**

Target Date	Priority Recommendation	Responsible Institution
<b>As soon as possible</b>	Senior management should ensure suitable <b>institutional arrangements</b> to improve the collection and processing of the source data as required by GFS and to ensure sufficient resources and technical support for the compilation of GFS (IT tools)	<b>MFP</b>
<b>April 2022</b>	Produce and maintain a database in excel including monthly data from the original source, and the adjustments to each revenue and expenditure item, with adequate explanations on the source data used for each adjustment.	<b>MFP</b>
<b>April 2022</b>	Compile a financial balance sheet for BCG to enhance the quality of the below-the-line transactions and the integrity of stocks and flows.	<b>CBS</b>

# DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

## A. Main Issues

**10. Limited progress in the fiscal reporting was achieved by the authorities since the last Government Finance Statistics (GFS) mission that took place in May 2018.** The 2018 mission noted that the Integrated Financial Management Information System (IFMIS) did not support the compilation of GFS as it only processed a part of expenditure and omitted data on revenues. The mission also noted issues related to the insufficient documentation related to the implementation of Chart of Accounts, as well as the large discrepancies between above-the-line transactions (revenue and expenditure) and below-the-line transactions (transactions in financial assets and liabilities).

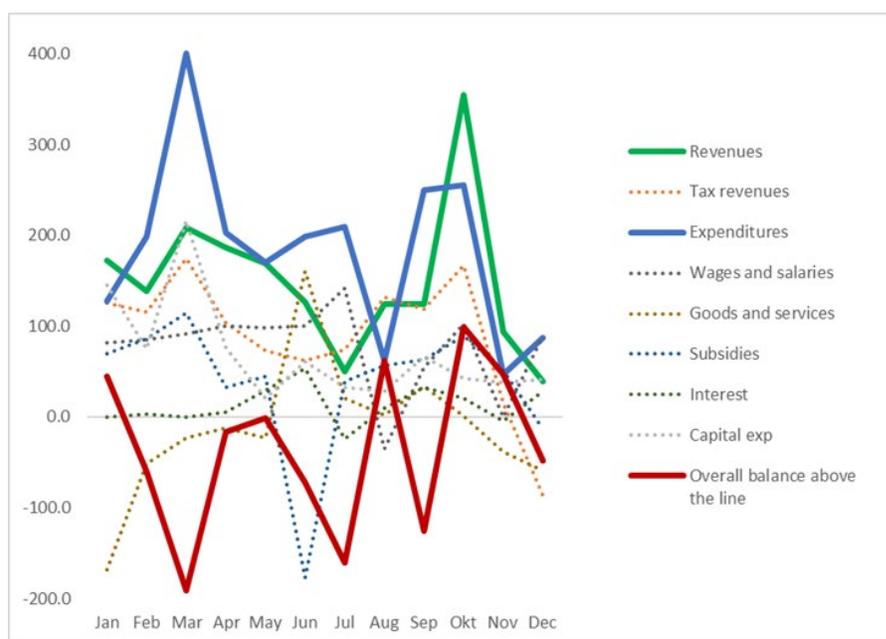
**11. The Arrangement under the Extended Fund Facility reinforced the urgent need to improve reliability of the fiscal reporting.** With respect to the latter, the main task of this TA mission was to (i) conduct diagnostic assessment of the current GFS and public debt compilation process; (ii) reduce and explain the statistical discrepancies, (iii) analyze data on arrears and reassess their treatment in GFS; (iv) review the integration of stocks and flows of the gross debt; (v) update the public sector institutional table; and (vi) deliver a workshop on *GFSM 2014* framework and Public Sector Debt Statistics.

**12. GFS is the most comprehensive high-frequency fiscal reporting, though numerous quality issues persist.** GFS is compiled on a monthly basis by the Economic Affairs Department (EAD) within the MFP and the statistics department of the Central Bank of Suriname (SBS). The EAD compiles above-the-line data (revenue and expenditure), while the statistics department of the CBS provides data on below-the-line transactions (deposits, loans and debt securities). The cooperation between these two departments is good at the technical level, nevertheless the inadequate institutional arrangements and source data, that is outside of the control of GFS compilers, hamper reliability of the fiscal reports. One of the main signs indicating the quality issues are the persisting discrepancies between above-the-line and below-the-line transactions. Such discrepancies demonstrate the existing deficiencies in the compilation process and the inaccuracy of the government net lending / net borrowing compiled by the authorities.

**13. Deficiencies in the source data:** The current accounting and reporting system at the MFP does not provide appropriate source data to compile reliable GFS. There is no comprehensive reporting consolidating all operations performed by the budgetary central government sector. The financial reporting is limited to the annual budget execution reporting of line ministries, but no aggregated and consolidated report exists. Given the above, the compilation of GFS relies mainly on the output derived from the CBS accounting system that is quite unusual practice comparing to other countries. This is a rather time-consuming compilation procedure, but the best alternative for cash-based GFS in the absence of a fully implemented IFMIS. The bank statements partially show aggregated amounts (e.g., for tax receipts or debt servicing) which does not allow a full split into

GFS economic categories, so that additional data sources have to be used. In addition, some transactions do not go through the accounting system and are thus not reflected in the CBS accounting system. Since the latter doesn't provide all required data, the compilation of GFS needs to be supplemented by numerous adjustments based on various data sources that are fragmented across different departments of the MFP, commercial banks, and other institutions (see Figure 1 illustrating the impact of adjustment in revenue and expenditure of central budgetary organizations in 2020).

**Figure 1. Impact of Adjustments on the Above-the-Line Government Data, 2020**  
(SRD, million)



Source: MFP, CBS, staff estimates

**14. Deficiencies in the institutional arrangements:** The process of data collection and data exchange between different departments and institutions is not systematic, to some extent based on the relationships between technical staff. Consequently, some data are not submitted to the GFS team in time, or are not of the requested quality, or are frequently revised as a result, the GFS team is overloaded by the manual data processing, the ad-hoc adjustments and revisions causing potential errors and issues in data quality and thus increasing potential risks in the reliability of GFS. The current institutional framework should be reviewed to ensure (i) suitable institutional arrangements, (ii) improved capacity for the collection and processing the source data as required by GFS, and (iii) sufficient resources and technical support for the compilation of GFS (IT tools).

**15. Discrepancies:** The mission identified the following main reasons behind the discrepancies: (i) the coverage of government entities included in different source data doesn't seem to be consistent; (ii) the large number of adjustments made above-the-line, sometimes with limited background information, on an ad-hoc basis is not always communicated and agreed with the compiler responsible for the below-the-line transaction leading to inconsistent recording;

(iii) data on gross debt in the original currency is adequate, but the issue is with the data expressed in the national currency (SRD) as the authorities use the same exchange rate (end of each month) for stocks and flows, thus ignoring the valuation changes within the month. The revaluation issue may also contribute, to some extent, to the inconsistencies between the above and below-the-line data. The revaluation issue concerns, in addition to debt related transactions, also to taxes and some non-tax revenues collected in foreign currencies. Importantly, some government operations used to be financed from a 'suspense' account in the CBS, that is an off-balance account in the CBS and accordingly, it is not covered by the reporting.

**16. Suriname's GFS only covers the budgetary central government (BCG).** The authorities shared with the mission an institutional table, presenting components of individual subsectors of the public sector. However, it was not clear which institutions are included in the main source and supplementary source data and which units are covered above and below-the-line. Though GFS should ultimately cover full general government sector, including extrabudgetary units and SOEs not operating on a market basis, the first step of enhancing Suriname's GFS is to align the BCG data to *GFSM 2014*, and to solve such problems as statistical discrepancies at the BCG level. Nevertheless, already at this stage, it is important to produce a comprehensive list of entities to be included in the general government sector as defined in the *GFSM 2014*. This would also allow to correctly classify transfers from the state (e.g., grants) depending on the sector classification of the final beneficiary. A list of public sector entities identified by the MFP with provisional sector classifications is included in Annex I. Local governments are small in Suriname and are largely and implicitly covered in Suriname's GFS by transfers to local government authorities and wage payments to local government employees by the BCG.

## B. Above-the-Line Transactions

**17. Majority of operations pass through the main government accounts in the CBS (31 and 32) and are reflected in the CBS accounting report.** The daily cash-based<sup>1</sup> CBS accounting report is the main source data to calculate revenue and expenditure. The accounting report covers two main groups of government accounts: group 31 that is used for operational activities, and group 32 used for specific projects and special purpose spending (e.g., loan disbursements and some grants). The coding used in the report distinguishes between cash deposits, cash settlements, transfers, and other/miscellaneous operations. Most operations are also coded by different types of inflows (direct and indirect taxes, non-tax revenues, repayments, and T-bills) and outflows (wages/pensions, business trips, goods and services, interest on domestic and foreign debt, amortization of debt, and T-bills). However, group 31 in USD and Euro (except for one operational account), and group 32, do not provide any description on the economic type of transactions. Hence, the classification of government operations in the CBS report is insufficient to facilitate the GFS needs as in some cases it doesn't provide any economic categories, or the

<sup>1</sup> An exemption occurred in May 2021, when the cash-based CBS report was amended by including ex-post liabilities of the government which hadn't been recognized in the past.

breakdown is not detailed enough. In addition, in practice, the information coming from the accounting system is not always accurate (e.g., mixing direct and indirect taxes).

**18. Data derived from the CBS accounting report should, by convention, ensure consistency between the above and below-the-line operations.** The report covers all inflows and outflows passing through the CBS accounts 31 and 32 and thus the flows are integrated with the stock of deposits, and the transactions in revenue and expenditure should be consistent with the transactions in financial assets and liabilities. Accordingly, if the data were appropriately and consistently classified by both institutions compiling GFS (MFP and CBS), there would not be any discrepancy between the below and above-the-line operations. Nevertheless, when comparing the above-the-line transactions as calculated by the MFP and the above-the-line transactions calculated by the CBS's GFS compiler's, some deviations are observed. Even if the differences are not large with respect to total revenue and expenditure, the authorities should discuss and reach an agreement on the classification and reconcile the raw data coming from the report before they start compiling GFS.

**19. Current adjustments having potential impact on discrepancies.** The mission identified the following adjustments currently made by the MFP, that should be systematically crosschecked with the below-the-line transactions to ensure consistent recording and eliminate discrepancies:

- **Taxes.** Taxes are collected by the CBS and by commercial banks. Most but not all taxes collected by commercial banks are at some point of time transferred to the CBS. Since the CBS account report only reflects taxes which are transferred from the commercial banks, an appropriate adjustment needs to be made to also cover the taxes remained in the accounts of the commercial banks. Another adjustment concerns the wage taxes payable by the civil servants. The monthly wages paid by BCG to its employees are recorded on a net basis (payable wage tax is deducted), therefore the tax to be added to the total tax and wage aggregates. The adjustment should be consistent with the transactions in deposits in the government accounts in the CBS and commercial banks.
- **Goods and services and capital expenditures.** Some government investments in nonfinancial assets financed by external debt are performed outside the CBS accounts as the creditors pay directly to the suppliers (i.e., the payments do not pass through the CBS accounts). Data on such transactions are coming from the SDMO and should be consistently reflected in the government expenditure and the government debt. The mission noted some substantial differences between the data used by the MFP to compile above-the-line transactions and data available to the CBS to compile below-the-line transactions.
- **Interest.** Some small adjustments are made by the MFP to align interest based on the CBS report with the SDMO data. The authorities should clarify the reason behind the

differences and the amounts adjusted in expenditure should be crosschecked with the amounts recorded below-the-line.

- **Non-tax revenues from royalties.** The adjustments are made to include into the government revenues the royalties paid by the Newmont company. The collection is made by the Finabank and since the receipts do not go through the CBS account, they are added to the government non-tax revenue. The value of this adjustment should be crosschecked with the below-the-line transactions in the government deposits in Finabank<sup>2</sup>.

**20. Current adjustments which should not imply discrepancies.** The following adjustments made by the MFP should not, in principle, imply discrepancies, as they do not have any impact on the fiscal balance:

- **Wages and salaries:** The figures on wages and salaries based on the CBS report are on a net basis as taxes and social contributions payable by BCG's employees are deducted. Since the GFS reporting should record revenues and expenditures on a gross basis, the figures are adjusted to impute the related tax and social contributions to gross-up the amount of wages as well as taxes and other revenues for the same amount. Thus, the impact of adjustments in revenues is offset by the equal adjustments in expenditures
- **Subsidies and grants:** Two adjustments on grants are made by the MFP. First, the wages paid to teachers in private schools are reclassified from wages to grants provided by government to the private schools (no impact on the fiscal balance as it is just a reclassification of the economic category within expenditures). Second, the payment of the Rosebelt company to the Electricity company is rerouted through government accounts (an imputation is made on tax revenues from Rosebelt and subsidies payable by the central government to the Electricity company). These adjustments do not impact the fiscal balance as both, revenues and expenditures are adjusted for the same amount.

**21. Missing adjustments.** The mission noted that some government operations have been omitted in GFS that led to underestimated expenditure and debt:

- **Spending financed from a suspense account.** In some cases, government withdrew funds from a CBS' suspense account to finance its spending. Since the government operations passing through 'suspense accounts' are not covered in the CBS report, they have been omitted in GFS. As a result, the government debt and spending had been underestimated, and may have had a potential impact on the discrepancies. Based on the

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<sup>2</sup> There is no need for adjustments of royalties paid by the two big mining companies (Rosebelt and State Oil company) and small scales gold companies as these are collected by the CBS and included in the main source data.

available information from May 2021, the value of unrecognized debt incurred in the past was more than 3 billion SRD.

- **Spending financed from tax revenues.** The mission noted that some tax revenues collected by commercial banks have never been transferred to the government account in the CBS. They have been spent by the banks to finance government operations and thus have never been reflected in the GFS reporting. Even if the monthly amount of the omitted expenditure had been negligible (0.3 million SRD in January 2020), these should also be included in the adjustments of goods & services, or other types of government expenditures (the off-budget spending financed by direct taxes accounted for 29.6 million SRD in 2020).

**22. Transparent and systematic recording of the adjustments will enhance the reliability of GFS.** The mission suggested the MFP to compile, on a regular basis, a table showing the transition from the main source data (CBS report) to the final GFS data, presenting transparently all adjustments to individual revenue and expenditure categories, and indicating the impact on the fiscal balance. This will enable the MFP to crosscheck the consistency of above-the-line data with the below-the-line operations compiled by the CBS and identify potential sources of discrepancies. This would also serve as an analytical source presenting the 'off-budget' government operations. The mission compiled with the MFP such a reconciliation table for January 2021 (see Table 1).

**Table 1. Adjustments made to the Above-the-Line Operations, January 2021**  
(in million SRD)

	CB accounting report	Taxes collected by comm. banks	Wages - move from net to gross basis	Goods and services and capital exp. outside of the CB account	PPA agreement	Interest aligning with SDMO	Reclassifications in the source data	Royalties (Finabank New Mont) and other non-tax rev collected by comm. banks	Spending made from tax revenues collected by comm. banks	Total adjustments	Amended GFS	GFS published
<b>Total revenues</b>	400.6	-2.9	70.6	0.0	84.0	0.0	0.0	30.2	0.0	181.9	582.6	573.7
Tax revenues	288.8	-2.9	60.8	0.0	77.6	0.0	-31.9	0.0	0.0	103.6	392.4	414.1
Direct taxes	216.9	-24.0	60.8		54.1		-28.6			62.3	279.2	258.1
Indirect taxes	71.9	21.0			23.5		-3.3			41.3	113.2	156.0
Non-tax revenues	111.9		9.8		6.4		31.9	30.2		78.3	190.2	159.6
<b>Total expenditures</b>	776.8	0.0	69.3	50.5	84.0	-2.5	0.0	0.0	0.3	201.7	978.5	905.0
Wages and salaries	225.2		56.2							56.2	281.3	307.6
Goods and services	325.7			0.2					0.3	0.6	326.3	156.9
Subsidies and transfers	198.7		13.1		84.0					97.2	295.9	268.2
Interest	27.2					-2.5				-2.5	24.7	26.9
Capital expenditure	0.0			50.3						50.3	50.3	145.4
<b>Overall balance (NLB)</b>	-376.2	-2.9	1.3	-50.5	0.0	2.5	0.0	30.2	-0.3	-19.8	-396.0	-331.3

**Recommendations:**

- As a first step, before starting the compilation of monthly above-the-line data, the MFP should agree with the CBS on the amount of total revenue and expenditures and on the indicative amounts of different types of revenue and expenditure, based on the CBS report.
- The MFP to agree with the CBS on all adjustment made above-the-line to keep consistency with the below-the-line transactions.
- Compilers need to receive on time the data on collected taxes from the tax authority even though their classification by type is not ready yet. After the cross-checking process is finalized, the tax authority should send the final data including the final classification by type of tax.
- Modify the adjustments on taxes, by including the amounts of collected taxes by the commercial banks (instead of those transferred to the CBS account) and adding the government expenditure made through the commercial banks and financed by tax revenue.
- Suspense account - all operations performed from such an 'off-budget' account should be included in the main source data and reflected in GFS.

**C. Below-the-Line Transactions****23. The below-the-line data is compiled by the CBS, using the following source data:**

- BCG accounts in CBS group 31 and 32, all transactions passing through these accounts are available in SRD; the exchange rate (ER) used to convert the foreign currency transactions into SRD is the ER of the day of the transaction.
- Monetary and financial statistics (MFS) reports monthly data on stocks of financial assets and liabilities of BCG held by CBS and by commercial banks. MFS reports do not provide data on transactions and revaluations. Stocks of financial assets and liabilities are reported in SRD and can be split into two aggregates - national currency and foreign currency. It is however not possible to identify the amounts in the original currency, that would enable to precisely compile transactions and the impact of revaluations due to changes in the ER. To break down the change in stocks in foreign currency into transactions and revaluations, the total flows are corrected for the change in the ER<sup>3</sup> during the month assuming that all are in US dollar.
- SDMO reports stock and flow data on external and domestic loans, government securities and domestic suppliers. As the valuation of the transactions in foreign currencies expressed in SRD is not based on the ER of the day, the flow data coming from SDMO is not always used. It is replaced by data on transactions recorded in the BCG accounts in

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<sup>3</sup> The correction is made by using ER at the beginning of the period to revalue the stock for the end of the period.

CBS (group 31 and 32). Specifically, in the case of treasury bills, the transactions are entirely based on CBS accounts. Therefore, the integration of debt stocks and flows is not ensured.

- Special information is collected from escrow accounts in commercial banks and in the CBS where the royalties are received. However, this data is not received on a regular basis.

**24. To summarize, one of the key issues with the below-the-line data is the valuation of transactions in SRD, which were originally performed in foreign currency other than USD,** but it is not possible to identify the original currency. In these cases, the assumption is that the foreign currency is US dollars. The mission recommended to use the average ER of the month to calculate the transactions expressed in SRD.

**25. SDMO debt data is available in original currency, stocks and flows are expressed in SRD with the ER of the end of the month.** SDMO was not updating its debt management system until the mission took place and the recording of debt stocks and flows have been uploaded manually in excel, and it was not possible to identify the date of each transaction. Therefore, the transactions in foreign currency could not be valued at the ER of the day of the transaction.

**26. The integration of stocks and flows is not checked systematically, and the financial balance sheet is not compiled.** If a loan does not go through the CBS accounts, the GFS compilers would not be aware that a transaction should be included in GFS. In such cases it is recommended to maintain historical series of financial balance sheet data (stocks of financial assets and liabilities) of the BCG to systematically check the consistency between stocks and available data on transactions, identify missing or netted out transactions, and to enhance the compilation of below the line data.

***Recommendations:***

- The production of a financial balance sheet would be a useful extension to the current GFS tables. The financial balance sheet may enhance the quality of the below-the-line transactions as a reconciliation of stocks and flows needs to be carried out e.g., due to changing currency exchange rates.
- Cross check different source data related to the same category. For example, it is important to understand the differences between the flows of debt instruments coming from the SDMO source and the recording of transactions in the financial statements of the BCG accounts in CBS.
- SDMO should report the foreign currency flows converted to SRD using the daily ER. If it is not possible, because the debt management system is not updated, SDMO should report the foreign currency flows using the average monthly ER, instead of the ER at the end of the month.

- SDMO needs to report comprehensive monthly data on on-lending on a regular basis, including data on stocks and flows passing through all accounts in the CBS and commercial banks.
- The codes used to describe the transactions in the BCG accounts in CBS accounting system should be enforced by the MFP to facilitate the identification of the economic nature of the transactions. Currently, some codes exist, but they are not always used in the description of the transactions. If the CBS is informed by the MFP about appropriate code on each government operation passing through the CBS accounts, it would make the data processing more accurate and the burden on the compilers would be lower.

## D. Public Sector Debt

### 35. The Suriname's government debt published by the SDMO is not compiled in accordance with the international guidelines from the *PSDS Guide 2011 (PSDSG 2011)*.

SDMO compiles and publishes Suriname's government debt data according to the Suriname's Act on the State's debt. Although the definition of government debt was changed in 2016 to be more in line with the international definitions, there are still deviations from the *PSDSG 2011*. The deviations are mainly due two sources:

- **Differences regarding the valuation of debt.** The *PSDSG 2011* prescribes valuation at nominal value (para 2.116 in the *PSDSG 2011*). The nominal value of a debt instrument reflects the value of the debt at issuance plus any subsequent economic transactions, such as repayment of principal and increase due to interest, and other flows related changes in ER, but excluding changes due to market price fluctuations. Suriname's debt definition does not consider interest accrued but not paid. For example, the SDMO values T-bills at issuance price and its value does not change over time to equal the face value at maturity. Furthermore, the SDMO, in accordance with the Act of the State's debt, converts debt in foreign currencies to SRD using the ER at the end of the last year for which an estimate for the gross domestic product by the National Statistical Office has been published. The *PSDSG 2011* prescribes the use of the exchange rate prevailing at the time where the stock of debt refers to.
- **Differences regarding the coverage of debt instruments.** Currently the debt data includes external and domestic loans and government securities, and some loans from suppliers, but the other accounts payable are not included.

**36. The Suriname's statistical authorities should envisage to publish government debt on a gross basis according to the *PSDSG 2011*.** The Act of the State's debt and the role of the SDMO therein should not be a barrier to also publish debt according to international statistical standards. Dissemination of government debt in line with statistical principles would also make it possible to revise public sector debt backwards in case of missing data in previous publications, which is not SDMO's current practice.

**Recommendations:**

- Produce a report with monthly time series of stocks and flows. The flow data should include disbursements, principal paid, principal in arrears, interest paid, and interest in arrears. The report should have a breakdown by residency, then by instrument and by creditor. The stocks of instruments in foreign currency should be valued at the ER at the end of each month, while the flows at the average ER of the month<sup>4</sup>.
- The interest in arrears has been currently recognized and included in the stock of debt. To ensure consistency between stocks and flows, and between the above and below the line data, recognition of the interest in arrears (which had not been recorded so far) should be added to the expense and at the same time should be capitalized under the related debt instrument. The monthly interest to be considered as an expense should be the total interest paid in cash plus the change in the stock of interest in arrears. The interest in arrears is the accrued interest of the loans at the due date that was not paid due to liquidity constraints. This would be a provisional solution to record interest on modified cash basis until the SDMO implements a debt management system compiling monthly data on accrued interest.
- Revisions of historical debt data should be reported to GFS compilers as soon as data is available. The requests to approve new loans are not always transmitted to SDMO on time, therefore some loans disbursements are reported after many months. The administrative procedure should be amended to ensure that SDMO receives timely information on loans disbursements. Otherwise SDMO should inform GFS compilers on the newly reported loans as soon as the information is available including the date of the debt issuance
- SDMO should report on the loans that are not disbursed in cash and the creditor pays directly to the suppliers. To avoid statistical discrepancies, such transactions should be consistently recoded also above-the-line by imputing expenditures.
- SDMO should report on stocks and flows of the on-lending to other sectors. SDMO receives the amortization and interest payments not only through the accounts in the CBS. Sometimes the payments are made directly by the debtor to the accounts of SDMO in other commercial banks. GFS compilers do not receive information on such payments.

**E. Arrears**

**37. The MFP can produce data on arrears, which is an important memorandum item in public sector debt statistics and GFS.** It should be noted that the Suriname's authorities define arrears as amounts not yet paid related to transactions more than three months before the reporting period. According to *GFSM 2014* (para 2.247), arrears are amounts that are both unpaid

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<sup>4</sup> This valuation of flows is temporary until it is possible to value the flows using the exchange rate on the day of the transaction.

and past the due date for payment, which in fact could be less than three months after a transaction has taken place. Given the fact that the due-for-payment date is not always known in contracts, the current practical definition based on three or more months delay is a reasonable practical solution.

**38. There are two source data on arrears:**

- **SDMO** reports on arrears in principal and interest of external loans and government securities issued abroad.
- **Paymaster system.** This system collects information on the requested payments on trade credits. The public sector entities submit their requests of payment to the paymaster system that is then examined by the treasurer and the permanent secretary, and considering the liquidity constraints the payment is approved. The system registers the date when the request of payment was entered, and the date when the payment was done. Currently, the payments done after three months after the requested date are classified as payments of arrears.

***Recommendations:***

- Calculate the monthly stocks of other accounts payable from the Paymaster system. All the payments requested minus the payments done before the end of the month is the closing stock of the other accounts payable. The other accounts payable will be increased during the month by the new payment requests and decreased by the amortization payments done during the month.
- Report data on the arrears in other accounts payable.

## Appendix I. List of Institutions who Participated in the GFS Workshop

Ministries	
1	Agriculture, Livestock and Fisheries
2	Defense
3	Economic Affairs Technological Development and Innovation
4	Education, Science and Culture
5	Finance and Planning
6	Foreign Affairs, International Business, and International Cooperation
7	Home Affairs
8	Justice and Police
9	Labor, Employment Opportunity and Youth Affairs
10	Land and Forest Management
11	Natural Resources
12	Public Health
13	Public Works
14	Regional Development and Sport
15	Social Affairs and Housing
16	Transport, Communication and Tourism
Budgetary	
1	Bureau Openbare Gezondheidszorg
2	Dermatologische Dienst
3	Nationaal Archief Suriname
4	Stichting Exploitatie en Beheer Penitentiare Inrichtingen
5	Meteorologische Dienst
6	Stichting Volkshuisvesting
7	Management Instituut voor Grondregistratie en Land Informatie Systeem (MI GLIS)
8	Commissie Ordening Kleinschalige Goudsector Suriname
9	Centraal Bureau voor Burgerzaken
10	Rekenkamer Suriname
11	Communicatie Dienst Suriname
12	De Nationale Assemblée
13	Stichting Radio Boskopu
14	Instituut Bestuursambtenaren Suriname
15	Instituut Nationale Sportselecties (INS)
16	Het Militair Hospitaal
17	Agrarisch Bedrijf von Freyburg
18	Suriname Diplomaten Instituut

19	Bureau Intellectuele Eigendom
20	Geologische Mijnbouwkundige Dienst (GMD)
21	Overheidswaterleidingbedrijven in de distrikten
22	Overheidselektriciteitsbedrijven in de distrikten
23	Bureau Integriteit
24	Raad voor Cooperatievezen (RACO)
25	Centrum Nascholing Suriname (CENASU)
26	Bijzonder Nijverheidsonderwijs
27	Christelijke Pedagogisch Instituut
28	Suriname National Training Authority (SNTA)
29	Bijzonder Lager Onderwijs
30	Kustwacht van Suriname/ Suriname Coast Guard
	<b>Extrabudgetary</b>
1	Food Agriculture, Livestock and Fisheries Industries N.V. (FAI N.V.)
2	Innovative Agro Processing Industries N.V. (IAP)
3	Landsbedrijf Alliance (ALLIANCE)
4	Multipurpose Corantijn Project (MCP)
5	Nationale Rijstonderzoek (Rice research institution)
6	Stichting Agrarische Ontwikkeling Coronie (SAOC)
7	Stichting Experimentele Landbouwbedrijven (SEL)
8	Stichting Landbouwontwikkeling Commewijne (SLOC)
9	Stichting Machinale Landbouw (SML)
10	Stichting Nationale Parken (STINAPA)
11	Stichting Proeftuinen in Suriname (STIPRIS)
12	Stichting ter Bevordering van de Veehouderij (S.B.V.) _Landsboerderij
13	Stichting Viskeuringsinstituut (Stichting VKI)
14	Stichting voor Visserijbevordering (STIVI)
15	Stichting Planbureau Suriname
16	Ismay van Wilgen Sporthal
17	Stichting Nazorg Dienstplichtigen en Ex-militairen
18	Academie voor Hoger Kunst, Cultuur en Onderwijs (AHKCO)
19	Anton de Kom Universiteit van Suriname (ADEK)
20	De Volksmuziekschool
21	Stichting Centrum voor Landbouwkundig Onderzoek Suriname
22	Instituut voor de Opleiding van Leraren (IOL)
23	Stichting Dierentuin
24	Stichting Conservatorium Suriname
25	Stichting Jodensavanne
26	Cultureel Centrum Suriname (CCS)
27	Nola Hatterman instituut
28	Polytechnic College Suriname

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29	Stichting Gebouwd Erfgoed Suriname
30	Stichting Openluchtmuseum Fort Nieuw Amsterdam (SOFNA)
31	Stichting Surinaams Museum
32	Instituut voor Bevordering van Investerings in Suriname (Investsur)
33	Investment & Development Corporation Suriname NV (IDCS)
34	Surinaamse Postbedrijf (Surpost)
35	Algemeen Bureau voor de Statistiek (Statistic Bureau)
36	Bureau voor de Staatschuld (Debt Management Office)
37	Sociaal Economische Raad (SER)
38	Centrale Landsaccountantsdienst (CLAD)
39	Fonds Woningbouw Lager Inkomen (FWLI)
40	Landsbedrijf Nationale Loterij
41	National Instituut Milieuontwikkeling Suriname (NIMOS)
42	Stichting Radio-omroep Suriname (SRS)
43	Surinaamse Televisie Stichting
44	Stichting Toezicht Herkeuring Motorrijtuigen
45	Scholings Instituut voor de vakbeweging (SIVIS)
46	Stichting Arbeidsmobilisatie & Ontwikkeling (SAO)
47	Stichting productieve werkeenheden (SPWE)
48	Stichting Suriname Hospitality and Tourism Training Centre (SHTTC)
49	Bauxiet Instituut Suriname (BIS)
50	Energie Autoriteit Suriname
51	Academisch Ziekenhuis Paramaribo
52	Centrum Opl. Verpleegk. en Aanverwante Ber. (COVAB)
53	Psychiatrisch Centrum Suriname
54	Regionale Gezondheidsdienst (RGD)
55	Stg. L. Mungra Streekziekenhuis Nickerie (Hospital)
56	Stichting Jeugd tandverzorging (Youth dental care)
57	Stichting Marwina Ziekenhuis
58	Stichting s' Lands Hospitaal
59	Stichting Nationale Bloedbank van het Surinaamse Rode Kruis
60	Burger Luchtvaart Autoriteit Suriname (CASAS)
61	Maritieme autoriteit Suriname (MAS)
62	Nationaal Vervoersbedrijf N.V. (NVB)
63	Scheepvaart Maatschappij Suriname (SMS)
64	Telecommunicatie Autoriteit Suriname (TAS)
65	Wegenautoriteit
66	Fonds Ontwikkeling Binnenland
67	Stichting Nyun Combe (SNC)
68	Esther stichting
69	Stichting Beheer en Exploitatie Bejaarden Centra (Ashiana)
70	Stichting Beheer en Exploitatie Crechen (SBEC)

71	Stichting Kinderen en Jongeren Telefoon
72	Stichting Na Nyun Hori Zon Suriname (SNNHZ)
73	Stichting Trainingsproj. Jeugdige Gehandicapten (TJG)
74	Stg. voor Bosbeheer en bostoezicht (SBB)
75	Stichting Jan Starke Opleidings- en Ontspanningscentrum (J.S.O.O.C)
76	Stichting Natuurbehoud Suriname (STINASU)
77	Regional Sports Academy (RSA)
78	Stichting Anthony Nesty Sporthal
79	Stichting Anti-Doping Autoriteit Suriname (SADA)
80	Stichting Beheer Exploitatie Overheids Sportaccommodaties (BEOS)
81	Stichting Schoolsport Federatie Suriname (SSFS)
82	Willebrod Axwijk Sportcentrum (SOSIS)
83	Stichting Toerisme Suriname (STS)
84	Stichting Beheersraad Waterkant
85	Surinaams Bureau voor Standaarden
86	Suriname Business Forum
	<b>Social Security Funds</b>
1	Pensioenfonds Suriname
2	Stichting Staatsziekenfonds (SZF)
3	Algemene Oudedags Voorzieningsfonds (AOV)
4	Zorgraad
5	Uitvoeringsorgaan Basiszorg
	<b>Local Government</b>
1	Districtsbestuur Boven-Coppename Sipaliwini
2	Districtsbestuur Boven-Saramacca Sipaliwini
3	Districtsbestuur Boven-Suriname Sipaliwini
4	Districtsbestuur Brokopondo
5	Districtsbestuur Coeroeni Sipaliwini
6	Districtsbestuur Commewijne
7	Districtsbestuur Coronie
8	Districtsbestuur Kabalebo Sipaliwini
9	Districtsbestuur Marowijne
10	Districtsbestuur Nickerie
11	Districtsbestuur Noord-West Wanica
12	Districtsbestuur Para
13	Districtsbestuur Paramacca Sipaliwini

14	Districtsbestuur Paramaribo N - O
15	Districtsbestuur Paramaribo Z - W
16	Districtsbestuur Saramacca
17	Districtsbestuur Tapanahony Sipaliwini
18	Districtsbestuur Zuid-West Wanica
	<b>Public Non-Financial Corporations</b>
1	Bedrijf Geneesmiddelen Voorziening Suriname (BGVS)
2	Canawaima Management Company N.V.
3	Centrale voor Visser shaven in Suriname (CEVIHAS)
4	De Melkcentrale N.V.
5	Landbouwmaatschappij Patamacca (PATAMACCA)
6	N.V. Energie Bedrijven Suriname (EBS)
7	N.V. Grasshopper Aluminum Company (Grassalco)
8	N.V. Havenbeheer (Port Management)
9	N.V. LUCHTHAVENBEHEER
10	N.V. Suriname Zwaarmaterieel (SURZWAM)
11	Staatsolie N.V.
12	Surinaamse Amerikaanse Industriemaatschappij (SAIL)
13	Surinaamse Cultuurmaatschappij N.V.
14	Surinaamse Luchtvaartmaatschappij (SLM)
15	Surinaamse Waterleiding Maatschappij (SWM)
16	Suriname Fuel Import & Distribution N.V. (SURFUEL N.V.)
17	Suriname National & Foreign Investment N.V. (SNFI N.V.)
18	Telesur (Telephone Company)
19	Waarborgfonds Motorverkeer
	<b>Public Financial Corporations</b>
1	Centrale Bank van Suriname (CBvS)
2	Hakrinbank N.V. (34%)
3	Nationale Ontwikkelings Bank (NOB)
4	Self-Reliance N.V. (39%)
5	Stichting Garantie fonds voor Bedrijfskredieten
6	Surinaamse Postspaarbank (Postal bank)
7	Volkscredietbank

## Appendix II. List of Officials Who Attended the GFS Workshop

Organization	Department	Name
Ministry of Finance and Planning	Economic Affairs	Georgetine Tjalim
	Economic Affairs	Marlene Troenosetro
	Economic Affairs	Tevany Westenburg
	Economic Affairs	Devisha Bansraj
	Economic Affairs	Nancy Echteld
	Economic Affairs	Maheswari Tjikoeri
	Economic Affairs	Siomara Anasai
	Economic Affairs	Enrico Kramp
	Economic Affairs	Madhavi Gajadin
	Economic Affairs	Ivanildo Schattevoo
	Economic Affairs	Fabian Noordwijk
	Economic Affairs	Robert de Clercq
	Economic Affairs	Aartie Sewsaran
	Economic Affairs	Elisa Djahari
	Budget	Ivanda Cummingsborg
	Budget	Meliesa Prijor
	Budget	Roebina Plet
	Treasury	Liane Halfhide
	Treasury	Monica Kramawitana
	Central Paymaster	Sabrina Waterberg
Central Bookkeeping	Shanti Radja	
Tax Office	Atman Kuldipsingh	
Central Bank of Suriname Suriname Debt Management Office	Statistics	Maltie Kishna
	SDMO	Sarajane Omouth
	SDMO	Jonathan Vangee
	SDMO	Charlene Soentik
	SDMO	Radjin Wens
	SDMO	Cindy Eersel
	SDMO	Francisca Carrilho
SDMO	Angela Ghisaidoobe	

### Appendix III. Officials Met During the Mission

Name	Institution/Department
Georgetine Tjalim	Ministry of Finance and Planning, Economic Affairs
Marlene Troenosetro	Ministry of Finance and Planning, Economic Affairs
Maltie Kishna	Central Bank of Suriname, Statistics