HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

SURINAME

Strengthening the Fiscal Framework Ahead of the Anticipated Oil Boom

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The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: This technical assistance report was prepared in response to Suriname's request for support in strengthening its fiscal framework ahead of the anticipated offshore oil production starting in 2028. The report finds that while Suriname has made significant legal advances by adopting a robust Public Financial Management (PFM) Law in 2024 and revamping the Savings and Stabilization Fund Suriname (SSFS), operationalization of these frameworks remains incomplete due to institutional capacity constraints, delayed secondary legislation, and limited political engagement. The report emphasizes the urgent need to finalize implementing decrees, establish governance bodies, and build macro-fiscal analytical capacity to ensure fiscal discipline and sustainability. Key recommendations focus on accelerating the operationalization of fiscal rules and the SSFS, enhancing the medium-term fiscal framework (MTFF) and medium-term expenditure framework (MTEF), and strengthening the Budget Strategy Paper (BSP) to serve as a credible policy anchor.

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Background

Suriname stands at a pivotal moment as it prepares for an expected oil boom beginning in 2028, which offers significant opportunities for economic growth and poverty reduction but also poses substantial macro-fiscal risks. Recognizing these challenges, the Government of Suriname (GoS) requested technical assistance from the International Monetary Fund's (IMF) Fiscal Affairs Department (FAD) to assess and strengthen its fiscal framework. The assistance mission conducted an in-depth evaluation of Suriname's fiscal rules, the SSFS, the medium-term expenditure framework (MTFF), the medium-term expenditure framework (MTEF), and the Budget Strategy Paper (BSP).

The project aimed to identify institutional gaps and provide a roadmap to transition from a strong legal design to effective implementation of a rules-based fiscal framework. This technical assistance builds on previous IMF advice, including recommendations from the 2025 Article IV consultation and earlier capacity development efforts, and aligns with the Government's priority to anchor fiscal policy in sustainable, transparent, and credible medium-term planning. The project's relevance is underscored by the need to manage volatile resource revenues prudently, avoid procyclical spending, and ensure intergenerational equity in the use of oil wealth.

The mission engaged extensively with the Ministry of Finance and Planning (MoFP), line ministries, the Central Bank of Suriname (CBvS), and other key institutions. It also facilitated a workshop with broad stakeholder participation to foster technical exchange and build consensus on reform priorities. The findings and recommendations are intended to support Suriname's transition to a fully operational fiscal framework before oil revenues begin flowing, thereby safeguarding macroeconomic stability and fiscal sustainability.

Summary of Findings

Suriname has made notable progress in establishing a comprehensive legal framework for fiscal discipline, anchored by the 2024 Public Financial Management (PFM) Law and the Savings and Stabilization Fund Suriname (SSFS) Act. These laws embed two key fiscal rules: a medium-term net debt anchor (public debt net of SSFS assets) and binding annual primary expenditure ceilings. The SSFS is designed to manage resource revenues prudently, supporting both budget stabilization and long-term savings, with governance and transparency provisions aligned with best practices.

Despite this strong legal foundation, the fiscal framework remains largely non-operational. Secondary legislation necessary to operationalize the fiscal rules and the SSFS, including detailed provisions on escape clauses, asset-liability management, and investment strategies, are yet to be finalized. The SSFS governance arrangements are yet to be established, and coordination between the MoFP and the CBvS remains preparatory.

The MTFF, which is central to linking fiscal rules with budget preparation, is underdeveloped and not yet fully integrated into decision-making. The MTFF model lacks financing and debt modules, and data limitations, especially concerning the oil and gold sectors. Institutional coordination is weak, with limited data sharing among key agencies, and the macro-fiscal function is understaffed and under-resourced. The MTEF is similarly constrained by the absence of a formal baseline methodology, limited multi-year expenditure ceilings, and weak public investment management (PIM). Budget credibility is low, with frequent in-year overruns and misalignment between projections and actual spending.

The Budget Strategy Paper (BSP), intended as the medium-term fiscal anchor and policy communication tool, has yet to fulfill its legal and strategic role. The 2026 BSP covers only a single year, lacks numerical fiscal rule targets, and has not been formally discussed or approved by the Council of Ministers. It also

omits critical components such as a public investment strategy, comprehensive fiscal risk analysis, and multi-year expenditure ceilings.

Overall, the report highlights that the main challenges lie not in the legal design but in operational readiness, sequencing, and capacity constraints. Without urgent action to finalize secondary legislation, build institutional capacity, and strengthen governance arrangements, Suriname risks failing to harness the benefits of the oil boom sustainably and prudently.

Summary of Recommendations

The report recommends a comprehensive, phased approach to operationalize Suriname's fiscal framework ahead of the anticipated oil boom, emphasizing regulatory, operational, and communication actions. First, it urges the acceleration of implementation by finalizing and approving the Decree on Sustainable Government Finances, nominating a high-level Steering Committee to oversee reforms, and deciding on the start year for the first Five-Year Financial Plan. Addressing severe staffing and capacity gaps in the Department of Economic Affairs, the Budget Department, the Planning Bureau, and key line ministries is critical to support these reforms.

Second, the report stresses the importance of operationalizing fiscal rules and the SSFS through secondary legislation and transitional arrangements without reopening core primary laws. This includes adopting provisions on escape clauses and asset-liability management, establishing the SSFS Board and Investment Advisory Committee, drafting and approving the SSFS investment strategy, and submitting the Five-Year Financial Plan with fiscal rule ceilings to Parliament. Parliamentary engagement and training are also recommended to build oversight capacity and political buy-in.

Third, strengthening the MTFF requires reestablishing an interdepartmental working group, deciding on a unified macro-fiscal model, and improving the quality and transparency of macro-fiscal projections by incorporating financing and debt modules and enhancing data availability, especially for the mineral sectors. Formalizing management of the MTFF model with clear documentation and version control will improve reliability and institutional memory.

Fourth, the MTEF should be reviewed and enhanced by introducing multi-year expenditure ceilings for ministries, developing aggregated and disaggregated baseline methodologies, and reforming the budget process to start earlier with clearer strategic and operational phases. Establishing a central Public Investment Management Unit within the MoFP and continuing ongoing reforms with support from development partners will improve investment planning and execution.

Finally, the Budget Strategy Paper must be strengthened and aligned with legal requirements by extending its horizon to five years, including explicit numerical fiscal rule targets, creating a dedicated MTFF chapter, and incorporating a robust public investment strategy and fiscal risk analysis. The BSP should be formally discussed and approved by the Council of Ministers to enhance ownership and credibility.

Together, these recommendations aim to transform Suriname's fiscal framework from a strong legal design into a fully operational, credible, and transparent system that can effectively manage the risks and opportunities of the impending oil boom, ensuring fiscal discipline and sustainable development.