December 19, 2013

The Honorable Steven Relyveld
Minister of Finance
Ministry of Finance
Tamarindelaan 3
Paramaribo
SURINAME

Re: Republic of Suriname: IDF Grant for Development of Accounting and Auditing Standards and Practices Project
IDF Grant No. TF014560

Dear Minister:

In response to the request for financial assistance made on behalf of the Ministry of Finance of the Republic of Suriname ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend, for the benefit of the Republic of Suriname ("Member Country"), a grant from the World Bank's Institutional Development Fund ("IDF") in an amount not to exceed three hundred thousand United States Dollars (U.S.$300,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

We look forward to a continued collaboration.

Very truly yours,

Sophie Sirtaine
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region
AGREED:
REPUBLIC OF SURINAME

By: 

Authorized Representative
Name: Steven Relyveld
Title: Minister of Finance, Government of Suriname
Date: December 27th, 2013.

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to help strengthen the capacity of the professional accountancy organization (Suriname Institute of Chartered Accountants, hereinafter “SUVA”), and the Supreme Audit Institution (“SAI”), and enhance the capacity of the local accountants and auditors in using International Financial Reporting Standards (“IFRS”), International Standards on Auditing (“ISA”), International Standards for Supreme Audit Institutions (“ISSAI”) in the Republic of Suriname. The Project consists of the following parts:

**Part A: Strengthening the Capacity of the SUVA**

Strengthening the institutional capacity of SUVA through:

(i) provision of technical assistance to prepare a strategic plan for the institutional development of SUVA.

(ii) provision of technical assistance to assess the training needs of the local qualified accountants and accounting technicians in order to design relevant training courses.

(iii) provision of technical assistance to develop the website of SUVA and to design a continuing professional development courses on IFRS, ISA, and International Public Sector Accounting Standards (IPSAS), and provision of goods to modernize the library of SUVA.

(iv) provision of technical assistance to develop ethical standards and guidelines based on the code of Ethics and related guidance issued by the International Standards Board for Accountants, and provision of training to practicing accountants and members of SUVA.

(v) provision of technical assistance to review the quality of audit work carried out by the accounting firms over a two year period, and provision of training and workshops for SUVA members to enable them to conduct more quality reviews and disseminate results of the audit quality reviews.

(vi) provision of technical assistance to review and revise the accountancy education curricula in Suriname, and development of the education curricula on IFRS and international auditing standards.
Part B: Strengthening the Capacity of the SAI

Strengthening the capacity of the SAI through:

(i) provision of technical assistance and training to prepare the public accounts of the government of Suriname on the budget report prepared by the Ministry of Finance ("MoF") and the Central Bank of Suriname.

(ii) provision of technical assistance to strengthen the audit and oversight capacity of the SAI through preparing a Financial Audit Manual, and provision of training to SAI staff on using the Financial Audit Manual while conducting the audit of the public accounts.

(iii) provision of technical assistance to facilitate carrying out of the first financial audits and to support the quality of the second year audit, and provision of training for the SAI staff on ISSAI and using electronic working files and Computer Assisted Audit Techniques (CAATs).

Part C: Audit of Project Accounts

Conducting two Grant audit reports.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** The Recipient shall implement the Project in coordination with the Central Bank of Suriname (hereinafter, the “Central Bank”). The Recipient shall establish and thereafter maintain throughout the duration of the Project, the Steering Committee” with a structure, functions and responsibilities satisfactory to the World Bank, and cause it to be responsible for general Project oversight, overall policy direction, strategic guidance, review of overall project progress and implementation guidance; the Project Steering Committee shall be chaired by the Minister of Finance or the Governor of the Central Bank, and shall be comprised of the representatives from the MoF, the Central Bank, CLAD, SAI, and SUVA.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.
2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have the Grant Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the entire Grant period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with [paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services.** Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based
Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection of consulting firms; (F) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (G) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (H) Selection of Individual Consultants; and (I) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant and the percentage of expenditures to be financed for Eligible Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive/exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Non-consulting services, Training, Consultants’ services (including audit)</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>300,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training” means Project-related training courses, seminars, workshops and other training activities, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.
Article VI
Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is Ministry of Finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
Tamarindelaan 3
Paramaribo
SURINAME

Cable:  
Telex:  
Facsimile:

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:     Telex:    Facsimile:
INTBAFRAD  248423 (MCI) or 1-202-477-6391
Washington, D.C.  64145 (MCI)