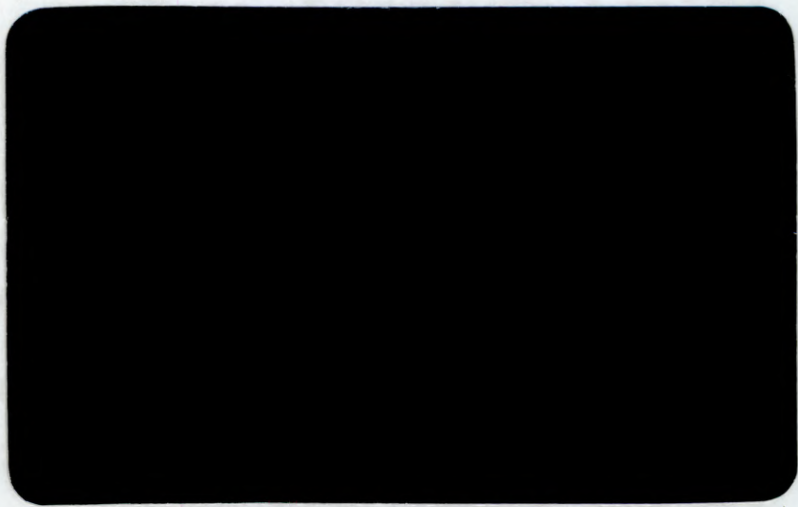


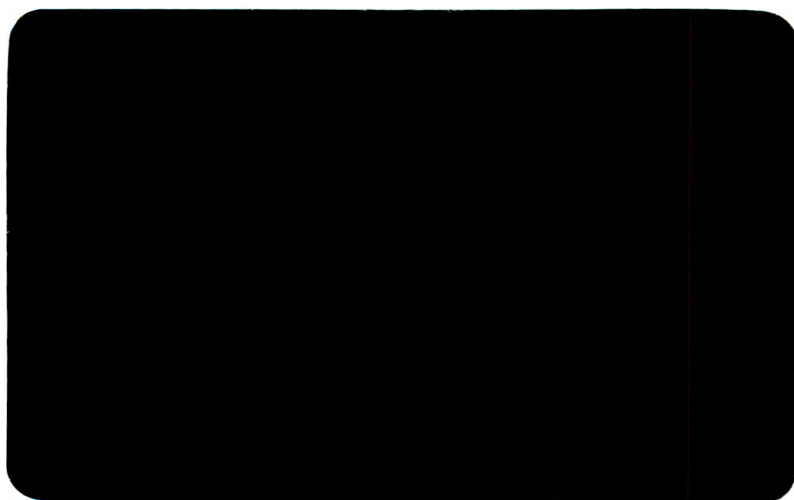
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INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE
IICA OFFICE SURINAME



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IICA ACTION STRATEGY

FOR 1990-1991

SURINAME

January - 1989

Prepared by MARIO FRANCA



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The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American system. The Institute was founded on October 7, 1942 when the Council of Directors of the Pan American Union approved the creation of the Inter-American Institute for Agricultural Sciences.

IICA was founded as an institution for agricultural research and graduate training in tropical agriculture. In response to changing needs in the hemisphere, the Institute gradually evolved into an agency for technical cooperation and institutional strengthening in the field of agriculture. These changes were officially recognized through the ratification of a new Convention on December 8, 1980. The Institute's purposes under the new Convention are to encourage, promote and support cooperation among the 29 Member States, to bring about agricultural development and rural well-being.

With its broader and more flexible mandate and a new structure to facilitate direct participation by the Member States in activities of the Inter-American Board of Agriculture and the Executive Committee, the Institute now has a geographic reach that allows it to respond to needs for technical cooperation in all of its Member States.

The contributions provided by the Member States and the ties IICA maintains with its twelve observer countries and numerous international organizations provide the Institute with channels to direct its human and financial resources in support of agricultural development throughout the Americas.

The 1987-1991 Medium Term Plan, the policy document that sets IICA's priorities, stresses the reactivation of the agricultural sector as the key to economic growth. In support of this policy, the Institute is placing special emphasis on the support and promotion of actions to modernize agricultural technology and strengthen the processes of regional and subregional integration.

In order to attain these goals, the Institute is concentrating its actions on the following five programs: Agrarian Policy Analysis and Planning; Technology Generation and Transfer; Organization and Management for Rural Development; Marketing and Agroindustry; and Animal Health and Plant Protection.

These fields of action reflect the needs and priorities established by the Member States and delimit the areas in which IICA concentrates its efforts and technical capacity. They are the focus of IICA's human and financial resource allocations and shape its relationship with other international organizations.

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EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

- 1.1 The history of Suriname, in common with every other country of the Western Hemisphere, began its modern socio-economic structure as the colonial territory of an European State. Therefore, like most of the former colonies, its colonial past, its settlement and development, and its ties in language, European consumption patterns, cultural traditions, education, trade and migration to the metropolis, have largely shaped its present appearance.
- 1.2 The per capita income (US\$3,257 - 1984/1987) and standard of living of the Surinamese is relatively high as compared with other Latin American and Caribbean countries. A total area of 163,820 square kilometers and a population of 392,464 (at the beginning of 1987) with an annual growth rate of 1.1% (1972-1986).
- 1.3 The performance of Suriname economy has depended heavily on the role played by the bauxite sector. The bauxite sector which accounts for about 75% of the country's export earnings, suffered a reduction of more than 40% from 1980 to 1986.
- 1.4 The performance of Suriname economy started to decline since 1980, when the bauxite ore, alumina and aluminum prices went down on the world market.
- 1.5 The suspension of the Dutch development aid at the end of 1982, which averaged some US\$90 million annually, financing most of the public sector investment programs and priority development projects, created a severe shortage of foreign exchange required for the import of capital goods for investments, durable goods and final consumer goods to supply the internal market.

- 1.6 The economic recession of the Suriname economy has brought during the past years an acute shortage of foreign exchange and as a consequence it has been felt by the production sector and services in reduction of national output as well as productivity.
- 1.7 The Government used its substantial foreign exchange reserves during a couple of years (1983-1986) to continue supporting the implementation of priority development projects previously financed by Dutch aid and for imports of essential products.
- 1.8 The public sector deficit was financed by Central Bank. This line of credit for the public sector was expanded in 1986 to the amount of more than 40% of total loans.
- 1.9 The performance of the Mining, Manufacturing, Construction and Trade sectors have faced the extreme dependence on imported inputs and foreign services.
- 1.10 In the last seven years the Gross Domestic Product has dropped significantly and the service balance has been negative. Since 1980 the net difference between Exports and Imports of goods and services has been negative. The total Expenditure of the Central Government as a percentage of GDP has increased significantly: 1983-45.7%; 1984-44.1%; 1985-48.6%; 1986-52.7%; 1987-61.8%.

- 1.11 The agroindustrial sector suffers at present from several constraints. First, discontinuation production supply from producers. Second severe dependence on agricultural raw materials imported. Third, the technology of food processing is also imported. Fourth, the packing material such as plastic bags, plastic containers, bottles, cans, papers, carton, are also imported. Fifth, the low prices of foreign foodstuffs and processing food, has discouraged the agricultural sector.
- 1.12 The interdependence of the world economic market has affected the less dynamic sectors. In several developed countries, agricultural products have been sold abroad under heavy subsidies. The developing countries which do not have a protectionist system are affected drastically. This is also the case of the Agricultural sector of Suriname.
- 1.13 On January 25th 1988, a new Government took position. The new Government soon announced significant policy initiatives for fiscal and monetary measures to improve the nation's financial situation and to stimulate investments and to promote the economic growth.
- 1.14 At the beginning of 1988 negotiations have been initiated for the restoration and normalization of the relations with the Netherlands, in full scope based on the bilateral Treaty of the Multi-Annual Development, as a result from the Independence Agreement, which was suspended in December 1982.

1.15 At the beginning of 1988 negotiations were started with the two multinational aluminum companies. First the rough estimate of the investment to recuperate the sector is around of US\$150 million. However, the multinational companies would like to invest, provided they receive a preferential exchange rate for a period of three to five years.

On the other hand it is necessary to reopen the full activities of the hydro-electric dam Afobakka and put back electric transmission lines to assure electric supplies for aluminum production, but this means extremely high start up costs.

1.16 To guarantee the social and economic development and the increased level of quality of goods and services, the Government of Suriname is in continuous negotiation with international financial organizations for external financial support.

1.17 The Government prepared within the Social and Economic Development Policies Proposal a National Sectorial Development Plan which gives social and economic guidance to the State and Private sectors, and delivered this to the National Assembly for its approval.

AGRICULTURE IN THE COUNTRY

2. AGRICULTURE IN THE COUNTRY

2.1 Overview of the Social, Economy and Political Situation

Suriname (Dutch speaking) is one of the three Guyanas which developed out of the colonization by the British, French and Dutch on the North-Eastern Coastline of South America. It is bounded by Guyana (English speaking) on the West, French Guyana (French speaking) on the East and Brazil (Portuguese speaking) in the South. A total area of 163,820 square kilometers.

The history of Suriname, in common with every other country of the Western Hemisphere, began its modern socio-economic structure as the colonial territory of a European state. Therefore, like most former colonies, its colonial past, its settlement and development, and its ties in language, European consumption patterns, cultural traditions, educational, trade and migration to the metropolis, have largely shaped its present. These linkages have not been always beneficial. The country became independent on November 25th 1975, after 25 years of internal self-government within the Dutch Commonwealth. At this specific point in time over 20% of native born Surinamese opted for Dutch citizenship and emigrated to Holland. After a continuing emigration process to Holland the number of native born Surinamese, who live in the Netherlands is around 280.000.

The remaining population at present from the latest demographic figures available, which is the beginning of 1987, is 392,464 with an annual growth rate of 1.1% (1972-1986). The population is a youthful one with 70% being under the age of thirty. This population is also highly literate and residing mainly in and around Great Paramaribo (60%), along the developed coastal strip (22%) and the countryside (18%). The Suriname society is noteworthy for an ethnic diversity, resulting from the import of slaves and indentured labour for the colonial plantations.

The current racial distribution is: a] Creole 40%; b] East Indian 35%; c] Javanese 15%; d] Other (Chinese, Europeans, Syrian, Lebanese, Amerindian) 10%. The mixing of the races did not result in a perfect integration. The reason is probably because Suriname is a new independent country.

The per capita income (US\$3,257-1984/1987) and standard of living of the Surinamese is relatively high as compared with other Latin American and Caribbean countries. The country possesses a wealth of resources, not only resources such as bauxite, petroleum and some gold and diamonds, but important renewable natural resources such as its coastal and estuarine fisheries, fertile soils, ample water supplies and extensive forests.

Between 1974 and 1983 bauxite and its derivatives (alumina and aluminum) represented an average of 75% of the output exports. In the year 1974 the Government of Suriname, along with other members of the International Bauxite Association, introduced a levy on the production of bauxite, tied to the price of refined aluminum abroad.

The consequence was, that the total export of the bauxite sector increased with an average of 16% between 1974 and 1980. But at the same time, the bauxite ore and product prices went constantly down on the world market. The world price for bauxite ore fell from US\$59 per ton in 1983 to US\$32 per ton, while the world price for alumina, the most important bauxite product, dropped by some 42% over the period 1982-1986. The world price for aluminum also decreased by 22% from US\$1,530 per ton in 1982 to US\$1,187 per ton in 1986. Because of internal security problems the electricity supply from the hydro-electric power dam (Afobakka) came to a complete stop in the first half of 1987.

The evolution of the Surinamese economy since its independence from the Netherlands can be clearly divided into three periods. The period, which started before the independence lasting from 1974 to 1980, was of real growth as measured by GDP at constant prices.

The second stage was a period of constant decline in output lasting from 1981 to 1985 and the third period from 1986 to 1988 a collapse of the bauxite sector and the economic recession. According to the performance of the economy of Suriname during 1987 the deterioration accelerated sharply (GDP -6.6).

Figures for 1988 are not available. The average annual growth rate during the first period was 8.25% while the annual rate of decline ever since has been -1.41%. Growth in the first period of independence can be attributed mainly to high public sector investments and to the good performance of bauxite in the international market. The decline of public investment as a result of the total suspension of the grant support from the Netherlands and the uncertainty to private investors brought about by the decline of international bauxite market of 1980 were the main causes for the negative performance of the Surinamese economy in recent years. The level of private investments was mainly determined by the bauxite sector, following the expectations of the alumina and aluminum world market. But public investments grew rapidly with the implementation of the Multi-Annual Development Program which was financed mainly through the Dutch Development Aid and revenues from the bauxite sector.

Since Suriname never generated sufficient national savings to finance all of its domestic investments, it has relied much on foreign savings to finance about 25 percent of its development. Domestic expenditures for the period 1975-1980 were higher than GDP at market prices. Widening the resource gap up to 6.6 percent of the GDP in 1977. This situation was not particularly disturbing as long as the Dutch Development Aid (provided out of the agreement on development cooperation with the Netherlands at independence), was flowing.

Indeed, the Dutch Development Aid averaged 9 percent of GDP from 1976 to 1982. This inflow on the capital account, together with the earnings from the bauxite and its by-products on the current account, generated annual overall surpluses on the balance of payments in the 1970's.

As a result Suriname maintained a comfortable cushion of foreign exchange reserves, equivalent to some four months of imports during 1975-1982.

The economy started to decline in 1980 when the world market for bauxite ore and related products started to weaken.

The bauxite sector which accounts for about 75% of the country's export earnings, suffered a reduction of more than 40 percent from 1980 to 1986.

The suspension of the Dutch development aid at the end of 1982, which had averaged some US\$90 million annually, financing most of the public sector investment programs, and priority development projects, created a severe shortage of foreign exchange required for the import of capital goods for investments, and durable goods and final consumer goods to supply the internal market. Suriname's economic performance deteriorated significantly. Real GDP at market prices declined at an annual average rate of 2 percent. Government's current expenditure rose from 31 to 54 percent of the GDP, widening its current deficits from a 3 percent of GDP in 1981 to 25 percent of GDP in 1986, notwithstanding drastic cuts in development expenditures.

From 1981-1986 gross investments fell from 31 percent of GDP to 6 percent of GDP.

Since 1980 the net difference between Exports and Imports of goods and services has been negative.

The Government used its substantial foreign exchange reserves largely for the completion and or preservation of development projects previously financed by Dutch aid and for imports of essential products.

The result was a total depletion of reserves in the four years 1983-1986, and arrears continued to accumulate.

The public sector deficit was financed - as before - by Central Bank Loans, expanding public credit for 1986 by more than 40 percent. Private credit, on the other hand, contracted in real terms over the same period, reflected the impact of the foreign exchange scarcity on the domestic activity.

This expansion in public credit was achieved mainly through increases in money supply putting further pressure on the inflationary process.

Concurrently with the above, government imposed wage and price control measures which led to shortages, and the logical development of a parallel market.

According to the sectoral contribution to GDP in real production by the last figures available for the principal sector production were down in 1987, agricultural sector (-3.3%); mining sector (-4.5%); construction sector (-5.2%); industrial sector (-15,7%), combined with an expansionary fiscal policy, which kept real GDP from falling further down to (-6.6%) in 1987.

As for the case with the GDP, for better understanding the evolution of the balance of payments of Suriname since its independence, it is necessary to divide the analysis into three periods, 1974 to 1980; 1981 to 1984 and 1986 to 1988. The first period can be characterized as one of surpluses in the balance of payments due to the inflow of Dutch aid and an increase on export earnings due to the bauxite and its derivatives. The latter account for over 70% of total exports. The second period can be characterized as the beginning of deterioration of the Suriname economy and the third period as the economic recession.

Suriname can be characterized as a very open economy with a high import to GDP ratio which, at current market prices, was 58% in 1981. Reviewing the trade balance in that period, it is noticeable, that merchandise exports compared to merchandise imports grew at a slower pace.

The growth of imports was an outcome of the acceleration in consumerism in the economy. Both consumption and imports grew at the same average rate about 20% per annum for the period 1975-1981. Also the increase in gross investment, about 84% for the same period, influenced the trade balance in favor of the merchandise imports.

The composition of the imports by major product group indicates that 50 to 55 percent of the total merchandise imports consist of raw materials and resources of which some 40 to 50 percent are fossil fuel products. The considerable increase in the value of oil imports between 1978 and 1980 was a result of a drastic raise of the oil-prices on the world market.

Imports of final consumer goods more than doubled for the period under review, as well as the imports of durable goods.

In Suriname, export performance depends heavily on the dominant bauxite sector. The main agricultural trade of product exports (rice, fisheries, bananas) are managed by state companies.

The second most important sector in terms of export earnings is the agricultural sector. However, the performance of the sector depends extremely on importation of agricultural inputs and services.

The analysis of the economic structure of Suriname, indicates an extremely dependent economy.

On January 25th 1988, a new Government officially took position. The new Government soon announced significant policy initiatives for fiscal and monetary measures to improve the nation's financial situation and to stimulate investments and to promote the economic growth. The Government has presented its main policy proposals for discussion among all groups and levels in the society. The social and economic development policies will be built on four principles: a. to guarantee the economic growth based on upgrading the level and quality of production and services, but underlining the development of national know-how and technology. b. to promote regional integration, which means, that the proposal for modernization and diversification of the economic structure, should come through the introduction of technological options for the acquisition of capital goods and services, which will safeguard the development of hinterland structure which affords the population of the countryside a better integration in the Surinamese society;

c. to reduce the dependency risks through the implementation of the wider bilateral cooperation agreements and international development cooperation of a multilateral nature and by attracting investments, know-how and technology on a private basis, as a way to avoid undesirable disruptions of the Surinamese economy;

d. the direction and management of development cooperation.

The evaluation of programs for development cooperation will, to a large extent, provide the foundation for the elaboration of the policy on development cooperation.

In addition to organic and historical linkages the Government of Suriname will strengthen the geopolitical relations to improve and continuously promote the quality and effectiveness of development cooperation on the basis of a stable multi-annual policy to be agreed on with due consideration for the Multi-Annual Development Program.

At the beginning of 1988 negotiations initiated for the restoration and normalization of the relations with the Netherlands in its full scope, based on the bilateral Treaty of the Multi-Annual Development Program, as a result from the Independence Agreement which was suspended in December 1982. At this point of time, official communication has indicated that an amount of US\$100 millions per year will become available in the middle of 1989 for a period of 5 years, to implement priority development projects. In the interim period some emergency financial support was provided under the same agreement of US\$30 millions in 1988 and US\$20 millions for the period January - April 1989, for the importation of essential spare parts, machinery, equipment and raw materials for agricultural and industrial sectors. The other principal external sources of aid are Belgium and International Financial Organizations, which require an average of two years gestation to be affective for financial support. Any breakdown of this process will bring constraints for the country's.

Despite the big effort of the Government of Suriname, which has set the launching of official peace talks and to restore calm and security to the hinterland, in particular to the Eastern and Central Suriname, in the shortest term possible, at the end of the year armed groups continued to harass residents, especially affected electricity supplies, mining outputs and the oil palm state farms in the conflict areas and there appears to be no rational solution in sight to what now seems to be a senseless insurgency.

Similarly there was no marked change in the economy which remained stagnant with a small increase in already high unemployment and the persistent inflationary pressures as result of the large and growing fiscal deficit attached with economic recession derived from the acute declining of investments and the deterioration of machinery, equipment and tools from production sectors due to the fact that they have not been overhauled or replaced for several years.

The Government of Suriname has devoted considerable attention to remigration of Surinamese refugees, who fled to French Guyana as a result of the civil disturbance in the hinterland.

These political facts have seriously affected the progress of the negotiation to restore the peace and security in the hinterland and still continues its endeavour to reconstruct the affected areas in the countryside and institute structures, which afford the population of the interior a better integration in the Surinamese society with due consideration for the cultural values of those concerned. A transition period is necessary for any society between independence and the development of the ability to control its own destiny, to improve the diversification of its' international relationship by expanding economic, social and cultural connections with other countries, and deal with the reality of dependency.

The political situation and the probable changes will depend on how the Surinamese society foresees the approach of the Government toward the new future of the economic development and the new conditions of the world economy and the reality of the structure of production of Suriname. According to the performance of Suriname during 1988, the deterioration of the economy has continued. The total Gross Domestic Product is highly dependent upon imported inputs and services. The Balance of Payments was negative and has maintained an average around US\$60 million per year. The job supply insufficient to support the pressure of the intensive job demand.

The priority programs concentrated on the coast, in the past, promoted significant inequalities in share and distribution of the economic development benefits against regional integration. However, the Government accelerates the efforts to carry out the policy of social and economic development aimed at promoting regional integration. The high standard of living of Suriname society based on a European consumption pattern has promoted high social cost, because the inflation has contributed extremely to the increase of the prices of final consumer goods, despite of the fact, that the wages did not increase at the same rates.

The bauxite/alumina/aluminum sector, which in the past has been the driving force of the economy, nowadays presents difficulties. The bauxite sector is controlled by two multinational companies. First of all, since the independence, the multinational companies have sharply reduced the investments in the sector. The industrial plants are becoming obsolescent and the cost of production is very high. On the other hand, a rough estimate of the investment to recuperate the sector to increase the bauxite output and to reduce the production costs, will be US\$150 millions. However, the multinational companies would like to invest, provided they receive a preferential exchange rate for a period of three to five years.

Since 1987 the two multinational stopped paying to Government of Suriname the levy on the production of bauxite. It is necessary to reopen the full activities of the hydro-electric dam Afobakka and put back electric transmission lines to assure electric supplies for aluminum production but this means extremely high start up costs. There exists a good perspective for crude petroleum, which has been exported on a trial basis to Trinidad and Tobago since 1987. Another important sector is the construction sector, which has limited its activities considerably, principally because of the prices of the imported inputs. Because there is no protectionist system, the local manufacturers are extremely dependent on the imported inputs and at the same time the cost of production is very high. (Labor force/capital goods). The cost of production is higher than the world market and as a result the domestic enterprise lost ground to imported goods.

The open economy of Suriname has promoted the deterioration of local manufacturing and increased the dependence of the country. From the analysis of the structure of the production of the economy of Suriname, it can be inferred, that performance of the economy of the agricultural sector is the main productive sector, which has had a significant potential since the independence and probably will be the driving force of the economy in the future, basically in terms of foreign exchange generation because the agricultural sector is the second sector of the Suriname economy.

2.2 Summary of Agricultural Sector Problems

2.2.1 In analysing of the Suriname Agricultural production structure one can see, that this sector is divided into two agricultural subsectors. The first is the Export Agricultural Sub-sector, which is characterized by a large scale production, high skill of labor force, a high capital intensive agriculture, directly tied to the external market.

The second is the Traditional Agricultural Subsector, which is characterized by a micro-scale of production, low level of technology, no qualified labor force, low yields resulting in high production costs and directly tied to the domestic market.

2.2.2. The Export Agricultural Sub-sector is based on traditional commodities (rice, fish and shrimp and banana) for which prices declined in the world market between 1980 and 1986. However, there has been an upturn in the past 12-18 months, particularly for rice and shrimp.

2.2.3. The analysis of Agricultural Sector points out, that the agricultural production and research system is heavy implemented and supported by Public Sector, which has limited physical, financial and human resources to carry out projects and programs.

2.2.4. The deterioration of the Suriname economy as a result of the decreasing performance of the bauxite sector and the suspension of the Dutch economy aid at the end of 1982, resulted in growing of public and fiscal deficit with attached persistent inflationary pressures, promoted an acute decline of investments in the agricultural sector.

- 2.2.5. The scarcity of foreign exchange resulted in a serious shortage of significant raw materials and essential spare parts of machinery and equipment for the implementation of production in the agricultural sector. This brought as a consequence, from several years of production discontinuities, a sharp decline in agricultural outputs.
- 2.2.6. The high cost to access the foreign agricultural technology, the crucial requirements for foreign agricultural inputs, the low price of foodstuffs processed foods on the world market and the European consumption pattern of the Surinamese society, has encouraged Suriname to increase the dependence of foodstuffs importation.
- 2.2.7. The scarcity of foreign exchange has brought as a consequence a proportional decline of foodstuffs imports, and the appearance of small agricultural producers around Great Paramaribo without experience, with a low level of technology and high production costs.
- 2.2.8. Macro-economic measures such as monetary and fiscal policies, and subsidy for final consumer goods did not result in benefits for the development of commercial agricultural sector.
- 2.2.9. There are not enough professionals at the Ministry of Agriculture to supply the technical assistance to prepare and implement priority agricultural programs and projects with the speed and magnitude, that the primary sector should carry out.

2.2.10 Agricultural research should be allocated toward crops, that have dynamic comparative advantages. The agricultural sector presents some constraints: a] export traditional agricultural products; b] it has import components; c] the agricultural output has a very high cost price compared with the world market; d] research institutions do not have financing and human resources available to implement activities; e] except for the traditional export crops the agricultural production structure has no significant economy scale to carry out research programs; f] the society should pay very high social cost to implement original domestic research; g] the Government should implement adjustments towards the official exchange rate regime to be competitive in agricultural exports products on the world market.

2.2.11 There is no reliable and up-to-date agricultural data available for a deep analysis of the sector.

2.2.12 The absence of a coherent and rational agricultural policy and policy measure framework to give support to the resource allocation development process.

2.2.13 At present the proposal for the Agricultural Sector, prepared by the Government is restricted and for this reason the list of investment in agricultural projects were not presented to the public.

2.3 Outlook for the Sector and Investment Projects

From the analysis of the production structure since the independence (1975), it can be inferred, that the performance of the agricultural sector has played a significant role in the Suriname economy. The prevalent guidelines from the Government's Policy Statement 1988-1993 for the agricultural sector will be pointed to the modernization and diversification and encourage incentives for the strengthening and implementing the agro-industrial sector. However, to carry out the proposal it is extremely important that the agricultural sector receives heavy investments and reduces the dependence on the foreign agricultural inputs, technology and services. The multiplier effect of the decadence of the bauxite sector and the cut off of the Dutch development aid during the last years has affected the performance of all sectors and has brought the economic recession of the Suriname economy. The production of the agricultural sector has dropped in productivity as well as yield.

On the other hand the unavailability of foreign exchange for important agricultural inputs and the spare parts so necessary to restore machinery and equipment brought as a consequence a serious decline of agricultural output. The balance of trade since 1980 has been negative. The exports and imports of Goods and Services diminished significantly, however, the amount of imports is still higher than exports. This means, that there is a private domestic savings straight oriented to purchase durable goods and final consumer goods to supply the internal market. Nevertheless the imports have been declining since 1980 as a result of deterioration of the economy and the scarcity of foreign exchange.

The Government had to use the already so scarce available foreign exchange to import essential food for nutritional purposes because the domestic production did not cover the internal demand.

Of these imported items, there is a significant participation of products from the Livestock sector (salted beef, milk powder, processed milk, butter, cheese, margarine).

The Government of Suriname has pointed out the importance of the agricultural sector and in particular the livestock sector. The institute has supported and will continue to carry out the dairy development production in Suriname. IICA has put emphasize on transferring and introducing appropriate technology and promoting the training of farmers, farms and technical personnel in the application of new technology and will stimulate research on dairy farming.

Other foodstuffs importation (maize, onions, potatoes, garlic, peanuts, wheat, sugar, cooking oil). The import items are significant agricultural inputs (machinery, equipment, tools, fertilizer, agrochemicals, medicines and animal feed). The export items the oil palm production has increased considerable since 1975. Most of the oil palm is grown on three plantations in the middle of the Eastern area. The plantations Victoria, Phedra and Patamacca are all fully owned by the Government.

In 1980 there was a drop in production due to an outbreak as a consequence of pest Cyparissus daedalus (Castnia). In 1986 exports of oil palm products also suffered as a result of internal conflicts of a military nature leading to a serious setback in production. At the end of 1987 the plantations at Victoria and Phedra were re-opened and cleaned up and harvesting was restored. However, a disease condition known as "Spear Rot" for which the causal factor is unknown, is decimating the Victoria plantation and is slowly spreading at Phedra since 1986. IICA has been associated with the national effort and has worked with the Research Division and the Palm Research Center of the Ministry of Agriculture and will continue to implement activities in the field of animal health and plant protection.

The outlook for the agricultural sector is promising due to the proposal from the Public Sector of Agricultural Development Plan, the negotiation with international financing organizations for investment programs and projects, and the strategy of the multinational aluminum companies and the Dutch development aid. This will be, however, a very slow positive process. In the interim period the Dutch Government has made available some emergency financial support, in order to cover the needs of Suriname economy and implement identification and preparation of priority development programs and projects.

One of the most important projects which IICA has presented to the Government of Suriname was the identification and preparation of priority development projects. These activities will be continued in the year to come. The wide experience of IICA on agricultural policy and policy analysis will be useful to support the agricultural sector studies. The main priority and tasks of the Ministry of Agriculture will be to promote agricultural policy and policy measures to guarantee the self-sufficiency demand in the internal market in food supply to reduce the dependence on foodstuffs and agricultural inputs importations, which have a relevant position on the list of the imported items. Concerning the export agricultural subsector, the Government should create incentives to produce non-traditional agricultural products and concerning the commercial agricultural subsector the Government should create incentives to produce agricultural import substitution (foodstuffs and inputs) and implement some specific tropical agricultural research programs.

To carry out the agricultural policies and policy measures within a desired framework of the new Government, it is extremely necessary to supply the technical assistance for the identification and preparation of priority programs and projects in order to support the needs of the social and economic development.

To implement the proposal of the new Government to modernize and diversify the agricultural sector and support the agroindustrial sector it is very important to allocate heavy investments in these two sectors.

In 1988 the Government of Suriname has negotiated for external aid respectively from Belgium, Brazil, Holland and the Venezuelan Government and with international financial and technical assistance organizations, for priority programs and projects in the field of research, extension, production and agricultural infrastructure.

2.4 INVESTMENT PROJECTS

PROGRAM AND PROJECT	OBJECTIVES	FUNDING SOURCE	EXEC. AGENCY AND COMPLETION DATE OF TECHN. ACTION	LINKAGES OF RESOURCES AND ACTIVITIES	EX-COUNTRY (IICA) SUPPORT REQUIRED	BENEFICIARY INSTITUTIONS	AMOUNT OF FINANCING AVAILABLE
PROGRAM I							
Agricultural Policy Analysis and Planning							
Project 1.	To support the development of an Agricultural Sector Policy Analysis & Planning System	IICA Resources	IICA Completion 1990	-	PROGRAM I Technicians Caribbean and Headquarters Regional Project Unit University of Suriname	1. Ministry of Agriculture 2. National Planning Off. 3. Agricultural Bank	US\$67,000 Additional External Resources expected from FAO and University of Vermont - USA
Project 2.	Reorganization and Upgrading of the Agricul. Extension Service in Suriname	Bilateral Aid and Internat. Financing Organizations	IICA	PROGRAM I Technician in place PROGRAM II Techn. Gen. & Transfer Spec. available	PROGRAM II Caribbean and Headquarters Extension Serv. Spec.	1. Min. of Agr. 2. Technicians 3. Farmers	
Project 3.	Small Business Training for Integrated Rural Develop. in Suriname	Bilateral Aid and Internat. Financing Organizations	IICA Completion December 1990	PROGRAM I Technician in place PROGRAM II Tech. available	Caribbean and Headquarters Rural Develop. Specialist	Small Business Enterprises	
Project 4.	Development of a Data Processing System for continuous Agric. Statist.	Bilateral Aid & Internat. Organizations	IICA Completion December 1990	-	PROGRAM I Caribbean and Headquarters Reg. Proj. Units Stat. and Data Proces. Spec.	1. Min. of Agric. 2. Statist. Div. Min. of Agric.	

PROGRAM AND PROJECT	OBJECTIVES	FUNDING SOURCE	EXEC. AGENCY AND COMPLETION DATE OF TECHN. ACTION	LINKAGES OF RESOURCES AND ACTIVITIES	EX-COUNTRY CILCA) SUPPORT REQUIRED	BENEFICIARY INSTITUTIONS	AMOUNT OF FINANCING AVAILABLE
PROGRAM II							
<u>Technology, Generation and Transfer</u>							
<u>Project 1.</u>							
Multinational Proj. supporting the Development of Livestock Systems in Guyana and Suriname	To support the Generation Testing and Adaptation and Transfer of Appropriate Technology for Livestock Product.	Bilateral Aid Bank	IICA Completion Project 1991	Tech. Gen. and Transfer Spec. in place. Livestock Tech. Min. of Agr. available	-	1. Min. of Agric. US\$2,500 2. Livestock Farmers Union 3. Farmers Resources expected from IDB & Suriname Agr. Bank.	
<u>Project 2.</u>							
Small Projects Fund Livestock Farmers Union	Upgrade the Production Income of some 180 small Farmers in the Hanica, Para & Saramacca Districts	- ICB-Suriname Agric. Bank	IICA Completion Project 1990 Ongoing	Livestock Farmers Union organized IICA Spec. in Place Livestock Tech Min. of Agric. available	-	1. Livestock Farmers Union 2. Farmers 3. Min. of Agric. expected from IDB and Suriname Agr. Bank	US\$500,000 Additional External Res.
<u>Project 3.</u>							
Local Production Animal Feed Feas. Study	-	IICA-IDB Agreement	IICA Feas. Study October 1990	Tech., Gen. & Transfer Spec. in place Livestock Tech. Min. of Agr. available	PROGRAM I Tech. Caribbean and Headquarters Regional Proj. Units PROGRAM II Techn. Animal Nutrition		

PROGRAM AND PROJECT	OBJECTIVES	FUNDING SOURCE	EXEC. AGENCY AND COMPLETION DATE OF TECHN. ACTION	LINKAGES OF RESOURCES AND ACTIVITIES	EX-COUNTRY CIICA SUPPORT REQUIRED	BENEFICIARY INSTITUTIONS	AMOUNT OF FINANCING AVAILABLE
Project 4. Transformation of the State Farm into a Tech. Gener. & Transfer Unit Feas. Study	-	IICA-IDB Agreement	IICA Feas. Study prepared March 1991	Tech. Gener. & Transfer Spec. in place Livestock Tech. Min. of Agric. available Technician University of Suriname avail.	PROGRAM I Tech. Caribbean and Headquarters Regional Proj. Units PROGRAM II Technicians Pasture Research and Management Specialist	1. Min. of Agric. 2. State Farm 3. Univ. of Suriname 4. Livestock Farmers Union 5. Total Livestock Industry	
Project 5. Introduction of Beef- and Dairy Private Farms and Vegetable Production Enterprises in the L.O.C. Area Feas. Study	-	IICA-IDB Agreement	IICA Feas. Study prepared	Techn. Gener. & Transfer Spec. in place Techn. Minist. of Agr. avail.	PROGRAM I Tech. Caribbean and Headquarters Regional Proj. Units Vegetable Spec. Marketing Spec.	1. Min. of Agr. 2. L.O.C. 3. Livestock Farmers Union 4. Farmers	
PROGRAM V <u>Animal Health and Plant Protection</u>							
Project 1. Plan to Control Pests and Diseases of Coconut and Oil Palm in Suriname	Development of Effective Measures Plan for the control of Pests and Diseases of Oil Palm and Coconut in Suriname	Implementation Plan of Intern. Finan. Organizations	IICA Implementation Plan 1990 Ongoing	Oil Palm Spec. in place Tech. Univ. of Suriname Tech. Min. of Agric. Oil Palm Center Operating	Assistance Oil Palm Specialist of Brazil	1. Three Oil Palm Estates 2. Min. of Agric. External Res. expected from Brazil/Suriname Agreement 3. Nation's Population	US\$50,000
Project 2. Multinational Plan Control and/or Eradication of Dacus dorsalis complex	Control and/or Eradication of Dacus dorsalis complex	Multilateral Financial Aid	IICA Implementation Plan 1990 - Ongoing	Specialists and Technicians available and in place in all countries involved.	Entomologist Government of Brazil	Fruit Industry in all countries involved	US\$81,000

POSSIBLE AREAS FOR IICA ACTION

3. POSSIBLE AREAS FOR IICA ACTION

3.1 Review of Important Technical Cooperation and Other Services Provided by IICA

The Government of Suriname and the Inter-American Institute for Cooperation on Agriculture agreed to establish a National IICA Office in the territory of Suriname through Memorandum of Understanding on March 9th 1981.

The activities of the IICA in Suriname started on November 1981 and the Basic Agreement was signed on October 29th 1982.

Coincidentally the starting point of technical cooperation assistance from the IICA begun during a substantial decline of the performance of the Suriname economy.

The main cooperation which the IICA has offered the Government of Suriname since 1981 has been in the field of Planning Transfer, Animal Production, Animal Health, Agricultural Research, Plant Protection, Training Programs and Courses, Workshop and Seminars on agricultural technical assistance.

The analysis and review of the technical cooperation that IICA has implemented in Suriname has presented some obstacles and constraints:

- i. The chronic shortage of national technicians to give technical assistance and unavailability of professional counterparts from public sector.
- ii. Inadequate budgets and lack of trained human resources.
- iii. The need to develop analytical skills and advisory services for agricultural policy.
- iv. Insufficient development of infrastructure for agro-industry.
- v. Insufficient private sector participation in the agricultural sector.
- vi. Inadequate budgets for and lack of technology generation and transfer to support the agricultural development production.
- vii. Inadequate integration between research and technology transfer.

viii Unsuitable organizational structures.

ix. Shortcomings in the definition and implementation of plans, programs and projects.

x. Economic losses due to diseases and pests.

The evaluation and the follow up of the programs and projects for the development of technical cooperation has been a continuous exercise. IICA technical assistance expanded substantially during the last two years in order to respond to the proposals and needs of the Ministry of Agriculture, specifically not only in the straight line of supporting areas of agricultural policy analysis and planning; technology generation and transfer; animal health and plant protection, training programs for national professionals and small farmers, but also in strengthening the core institutions for research and production, which will have to play a great role to develop the agricultural sector. The activities of the Institute in Suriname have been negotiated with the Ministry of Agriculture to carry out in new agricultural policies and the technical assistance. Despite of all regular activities, IICA implements and gives support for other technical cooperation taking into account the requests of the Ministry of Agriculture. There has been a significant change in the technical cooperation assistance implemented by IICA in Suriname. An analysis of its technical assistance was made, based upon the trends and the performance of the economy and was necessary to face a structural adjustment in the process of technical cooperation assistance. For this reason technicians of IICA and the Ministry of Agriculture agreed to prepare new projects and propose new areas for technical assistance. These facts gave the Institute great opportunity to discuss and analyse with the Government some recommendations contented in the IICA proposals, Plan of Action for Agricultural Reactivation in the Latin America and Caribbean. The current technical cooperation assistance, implemented by IICA, has been approved by the Ministry of Agriculture, Animal Husbandry and Fisheries.

3.2 Determination of Areas for Potential IICA Technical Cooperation Actions

3.2.1 Sectoral Problems that coincide with the Areas of Concentration of IICA Programs.

The performance of IICA in the country shows that in spite of the many constraints and limiting factors, which were present and influencing the project results, the final product achieved can be called more than successful. At present the Institute is supporting the Government of Suriname in three major areas. First, in the identification and preparation of priority projects to Suriname. Second, to reduce the foodstuffs importation, that is the specific for the dairy sector where Suriname has great potentiality. Third, to promote and improve the amount of export agricultural products especially cooking oil of coconut and oil palm, basically because the economic losses due to diseases and pests hopefully will be reduced significantly in the near future.

PROGRAM I. Agricultural Policy Analysis and Planning

Project: Support to Agricultural and Rural Development Planning in Suriname.

The problems of the lack of a sectoral planning system and its' sub-problems - the lack of trained staff and of a sound information base - coincides precisely with the area of concentration of IICA Program I which offers technical assistance for institutional strengthening in Agricultural Planning and Policy Analysis and Data Management.

The technical cooperation, which Suriname is receiving in this area is sporadic and confined to specific studies of limited policy areas such as "economic pricing for trade" and "the efficiency of the public production corporations". There is no basic and wholistic approach to policy analysis and generation of policy alternatives such as incentives policies.

The problem of inefficient and non-effective Agricultural Research and Extension Services to support sectoral growth and development. This problem coincides precisely with the area of concentration of IICA Program I which offers technical assistance of Institutional strengthening in these areas. At this time no other international agency is providing technical cooperation in this area. From the inception of IICA Technical Cooperation activities in Suriname the Government has requested, and has continued to request assistance in the area of Agricultural Policy Analysis and Planning. This request has been expanded to include closely related training in project identification, design and preparation.

While in some respect the institutional structure, particularly in the Ministry of Agriculture, is very efficient in trained and experienced personnel, this is compensated for, in large measure, by the demonstrated political will to improve the sectoral planning system.

The technical capacity already existing in the IICA office in Suriname, supported by Program I technicians in the Caribbean and San Jose is both adequate and appropriate.

PROGRAM II. Technology Generation and Transfer

Project: Strengthening the Animal Health and Production of the Ministry of Agriculture in Order to Respond to the Needs of Dairy Development in Suriname.

This project was completed and achieved many positive results in the dairy production. Since the Dairy Farm Survey (by Munoz/Ford in 1984) of Para, Saramacca and Wanica Districts and the Dairy Farm Survey in the same area (by John Rump in 1987) which gave a clear picture of the dairy sector in the country and started to implement the technical cooperation assistance to the Ministry of Suriname.

The project gave the technical support in the preparation of the Suriname Dairy Production Project Feasibility Study.

A great number of Dairy Farmers, farm personnel, extension and instructors were trained during short courses covering the subjects of pasture development and management, herd management, health, registration, calf rearing, farm buildings and milking techniques.

A manual for ensilage and a manual for dairy farmers part I Pasture development and management was prepared in the Dutch language. Feasibility Studies for three demonstration farms and a grass multiplication center were prepared. Assistance of the IICA technician to the Livestock Farmers Union resulted in the preparation of an IDB Small Funds Project. The preparation of this project will be completed in March 1989 and implementation will start in the second half of 1989. The IICA Office in Suriname will perform as Executing Agency for this Project. The projects which IICA has implemented during the past years in the Dairy Sector have not only resulted in direct positive achievements on farm level, better trained technicians and instructors but may be the more important result has been that the IICA office in Suriname has come to know in detail the actual situation and problem areas in the Dairy subsector.

The assistance of the Institute has contributed greatly to the fact, that the IICA Office in Suriname is more than ever aware of the needs of the dairy subsector for a generous program on Technology, Generation and Transfer. Also through the performance of IICA the Government of Suriname has come to realize that the improvement of the Dairy subsector is of eminent importance for the economic sector. Improvement of Dairy Production has to be accelerated. Import substitution is pointed out by the Government of Suriname as one of the policies to save on the scarce available foreign exchange. Furthermore, it can be expected that the prices of imported milk powder will triple in the very near future due to the withdrawing of subsidies on milk production in most of the European countries and the USA.

This makes it for Suriname even more crucial to speed up their own dairy production since of the total milk consumption, more than 50% is imported milk powder.

For this reason IICA prepared a new project "Supporting the Development of Livestock Production System in Guyana and Suriname" that it will be implemented during the period from 1989 to 1991.

The IICA assistance to the Livestock Farmers Union has to be extended as this Union must act as the main tool to reach the farmer with implementation of the IDB Small Business Loan. A base will be founded from which it will be possible to complete the structure of the Union.

In order to implement with success the new project, the Ministry of Agriculture should realize that it is their responsibility to improve Livestock production and, in particular, Dairy production. With a very poor general extension service and a total lack of infrastructure for extension service in the livestock sector, a tremendous shortage of qualified personnel on all levels, and weak management of the scarce available technical personnel, the Ministry of Agriculture has to resolve this problem through employment of sufficient and qualified personnel. The training of personnel in the different disciplines of the livestock sector. The implementation of a good infrastructure to the farmer can be achieved then in collaboration with our office in Suriname.

PROGRAM V. Animal Health and Plant Protection

Project: Support for a Program to Control Pests and Diseases of Coconut and Oil Palm in Suriname.

The implementation of this project has faced some constraints and limiting factors, mainly due to the shortage of personnel in the counterpart from Government of Suriname. This project considering the technical nature of achieving results will continue to receive assistance from international consultants.

The impact of the project activities has been positive. The Government is now seeking support on international level to implement the proposal prepared by the project "Regional Institute for Oil Palm Research in Tropical America".

3.2.2 Sectoral Problems that do not coincide with Areas of Concentration Established by IICA

- a. Fiscal and Monetary distortions in the Suriname economy which result in non-competitive price relatives of agricultural imports and exports.
- b. The very high dependence on agricultural inputs and foodstuffs importation.
- c. Shortage of labor and very high cost of agricultural labor and therefore very high cost of agricultural output.

3.3 Feasibility of Addressing the Areas Identified

3.3.1 The Express Interest of National Institutions in Having IICA Technical Assistance

The Ministry of Agriculture has continued to request technical cooperation assistance from the Institute. Despite the activities of IICA in Suriname have been expanded in the last two years the Government of Suriname should intensify the technical cooperation with IICA. At present the Institute has direct linkage with the following national institutions.

- a. Planning Department of Ministry of Agriculture
- b. Statistical Division of Ministry of Agriculture
- c. National Planning Office
- d. Anton de Kom University of Suriname
- e. Animal Husbandry Division
- f. Central Milk Plant
- g. Livestock Farmers Union
- h. Experimental Agricultural Foundation
- i. Experimental Station of Ministry of Agriculture.

- j. Experimental Agricultural Research Center
- k. Palm Research Center
- l. Oil Palm State Company.

All the projects and activities performed have included training technical staff at different levels to cover the needs of the different sub-sectors.

3.3.2 The Existence of an Institutional Structure to work on the Problems in Question.

An unsatisfactory feature of Suriname's public agricultural sector is an unproductive human overburden in the institutional and service infrastructure. Even as the institutions have a critically shortage of professionals, technical and managerial skills, they are heavily overstaffed at the junior administrative semi-skilled and unskilled levels. This further reduces their quality of operation and reinforces their inefficiencies. All these events are a result of resources allocations for agricultural institutions which have stagnated since 1982, and in some cases even declined or disappeared.

Technical staff turnover has become common in the field of human resources. This problem has had an enormous negative impact in the implementation of agricultural programs and projects. Inadequate budgets and lack of trained institutional management practices have increased the difficulties of the implementation activities.

3.3.3 The Technical Capacity of the Institute of Resources are concerned.

IICA technical cooperation assistance expanded substantially during the last years. The Institute has not enough and complete conditions to support all the requests from the Ministry of Agriculture. However, there is a great possibility for IICA to implement technical assistance if it receives financial support from bilateral aid missions from Brazil, Belgium, Holland and Venezuela. On the other hand negotiations were held with Inter-American Development Bank and with Suriname Agricultural Bank to finance programs and projects. At the same time there was the implementation of technical and financial support discussions with European Economic Commission and with the University of Vermont - USA to obtain technical and financial resources to carry out and support activities and projects in Suriname.

STRATEGY FOR THE PERIOD

4. STRATEGY FOR THE PERIOD

In the past years Suriname has faced an economic recession basically because the performance of Suriname economy has depended heavily on the role played by the bauxite sector and the investment allocated by the Public Administration in the production sectors. Since 1980, when the bauxite ore, alumina and aluminum prices went down on the world market, the bauxite sector suffered a reduction of more than 40% in its production. Since 1982, a drastical reduction of investments has occurred in the Public Sector in priority development programs and projects. At the beginning of the 80's decade, the Suriname economy has faced a severe shortage of foreign exchange required for the import of capital goods, durable goods and final consumer goods to support its social and economic development. Since the deterioration of the Suriname economy, the performance of the agricultural sector has played a significant role in the production structure. At this moment the Government of Suriname should diversify the production structure to reduce the dominance of the bauxite sector and some few agricultural export commodities, that generate foreign exchange. In the Agricultural Sector the self-sufficiency in food supply should be promoted and improve the country's food balance. This would result in priority development programs and projects. The present economic policy proposal should realize this. The Suriname Government has to implement regional integration and carry out economic development in the countryside. To implement the Agricultural Development Plan the Government has programmed to use a part of the resources from the Multi-Annual Development Program. This is the Agreement with the Government of Holland as a result of the independence. At the same time it would like to use a credit line as a support from international financial aid. On the other side, the Government intends to promote incentives to increase the domestic savings to allocate part of these resources for investments in the agricultural sector.

However, the key point of the proposal of the Suriname Government for modernization and diversification of the social and economic structure should come through the introduction of technological options to obtain capital goods and services, which will safeguard the development of the hinterland structure, which affords the population of the countryside a better integration and the guarantee of an adequate share of benefits of the Surinamese society. The restricted information from the National Authorities concerning the Agricultural Development Plan has limited the analysis and evaluation of the strategy for the agricultural sector. At present, international relations are developed with the Caribbean and Latin American countries to reduce the exclusiveness of relations with Holland.

4.1 The Technical Cooperation Instruments which will be included in the Biennium

The technical cooperation assistance of IICA in Suriname has played a significant role to support the needs and requests of the Ministry of Agriculture and the Private Sector. The main demand from the agricultural sector has appeared in the following major areas: a) Technology Generation and Transfer; b) Animal Health and Plant Protection; c) Agricultural Policy Analysis and Planning. The large experience of IICA in these fields will be tremendously useful to Suriname.

Basically the implementation of the strategy, that will be proposed by IICA will be strongly tied with the changes which will be introduced in the agricultural production structure. The last two years the Suriname economy has remained stagnant and there was no noticeable change in the production structure. The reactivation of the Bauxite sector and the renegotiation of the international financial support and the solution of the internal disturbances will bring positive multiplier effects for the Suriname economy.

The principle strategy activities which should be implemented by IICA in the near future will be to exercise a deep analysis of the agricultural sector to define its constraints and potentialities on the research, production and marketing. It will continue to give strengthening and support to organization from to the Public and Private Agricultural Sector, in identification and preparation programs and projects, assist to negotiate with international and national financial institutions and implement technical cooperation assistance. However, the Suriname Government should carry out some important reforms in the Public agricultural sector: a] in the exchange rate regime; b] allocate heavy investments to promote and support the modernization and diversification of the agricultural sector, and the strengthening of the agroindustrial sector; c] to develop and carry out policy measures to protect the import substitution (agricultural inputs and foodstuffs) sector; d] allocate financial resources to promote and support appropriate agricultural research; e] promote incentives to implement the processing food technology; f] create incentives to stop the turnover process of qualified technical personnel; g] implement a complete renovation of the public agricultural sector; h] the Suriname Government should support the technical assistance from IICA with Professionals and General Services counterparts; i] the potentiality of the domestic saving should be explored by the Suriname Government through the fiscal incentive measures to promote and increase the participation of the private sector in the agricultural output, research and technical assistance to reduce the presence of the public sector in the agricultural sector.

4.2 Ideas, Profiles and Projects for the Biennium

IICA Suriname should continue its successful collaboration with the Government in the identification and preparation of priority agricultural development programs and projects, to obtain external resources to implement such projects, particularly where IICA technical cooperation may be reinforced or expanded.

The Ministry of Agriculture has made a formal request for assistance in the identification and preparation of agricultural programs and projects.

Upon the request of the Government IICA Office Suriname has developed a total of 18 project ideas, profiles and projects.

The following project profiles are considered to be favorable for IICA.

Project:

1. Studies on the Etiology and Control of Spear Rot disease of Oil Palm in Suriname.
2. Small Business Training for integrated Rural Development in Suriname.
3. Suriname Dairy Production Project (feasibility study completed)
4. Development of a Data Processing System for continuous Agricultural Statistics.
5. Reorganizations and Upgrading of the Agricultural Extension Service in Suriname.

Project Profiles:

1. Feasibility Study for the Rehabilitation and Expansion of Coconut Cultivation in Suriname.
2. Coronie Small Farm, Sheep production project.
3. Establishment a Rapid Plant Multiplication Facility based on Micro propagation Technologies at Ministry of Agriculture.
4. Cooperative fruit production project for supply to Suriname agro-industries.
5. Development of Small holder mixed farming system at Waterloo, Nursery and Hazard (West Suriname).

Special Requests from Ministry of Agriculture

1. The Small Project loan for the Livestock Farmers Union (1989-1991 IDB Financing).
2. Dairy Production Project (1990-1998 external financing required most probably the Dutch and IDB).
3. Reorganization and Upgrading of the Agricultural Extension Service in Suriname.
4. Local Production Animal Feed Feasibility
5. Transformation of the State Farm into a Technology Generation and Transfer Unit. Feasibility Study.

*UTILIZATION OF ASSIGNED RESOURCES
AND OF RESOURCES UNDER NEGOTIATION*

5. UTILIZATION OF ASSIGNED RESOURCES AND OF RESOURCES UNDER NEGOTIATION

The Institute has implemented contacts and has identified and prepared project ideas, project profiles and projects to present to the Ministry of Agriculture to negotiate with international financial organizations and bilateral financial aids. The year of 1989 to Suriname could still be described as a year of transition, principally because the agricultural policies and policy measures which have been implemented by the Suriname Government since 1988, will only be effective in the end of 1989 and the year after.

5.1 Human and Financial Resources

To support the technical cooperation assistance that IICA will be implementing in the very near future in terms of human resources, is for a great deal depending on the financial resources available. The Suriname Government is in negotiation with the Inter-American Development Bank and Bilateral Financial Agencies. However, it has to be appreciated that the IICA Office in Suriname and IICA Head Quarters, in particular Program II, has to be aware of the financial door, which will be wide opened in a not-to-long time by the Dutch Government through their Development Aid. Presently, the Dutch have allocated some five million guilders for rehabilitation of the Milk Plant. The Dutch, having a wide experience in Animal Husbandry, is showing great interest in this field. It is therefore essential for IICA to define a strong strategy for their Program Technology Generation and Transfer in order to be competitive. Fortunately, the Ministry of Agriculture has given technical support to the Project activities of IICA.

The Projects prepared and to be implemented and on-going project have been all analysed and approved by the Ministry of Agriculture.

Presented project profiles are being analysed at the moment and it can be expected that very shortly, official requests will be presented to IICA by the Ministry of Agriculture for further technical assistance.

The Flagship project in Suriname is the project supporting the Development of the Livestock System. It has been given high priority by the Ministry of Agriculture in their new policy concerning the Agricultural Sector. The Ministry of Agriculture has approved the Project for Technology Generation and Transfer under the Technical Cooperation Guidance of IICA Suriname.

It is, however, a necessity to assign local professional personnel to the Project, because a continuous relationship with the Small Farmers is of utmost importance. It is fundamental for the success of the project to have a technician, who speaks and writes fluently the Dutch and Surinamese language, as the small farmers in general only speak the Surinamese language.

The IICA Office in Suriname has located such an experienced livestock specialist with these qualities.

As it can be expected, that with the approval of the Inter-American Development Bank Small Projects Funds Project for the Livestock Farmers Union, IICA Office in Suriname will be requested to manage the project. It is therefore also necessary to expand the general service personnel for the office, in order to be able to cope with the increased activities of IICA in Suriname in the Agricultural Sector.

5.2 Plan of Obtaining External Resources

The IICA Office in Suriname maintains good relationship with the Embassy of Brazil, the Royal Netherlands Embassy, the Inter-American Development Bank - Office in Suriname, the Commission of the European Communities and the Belgian Development Cooperation Sections Embassy.

External funds are being made available by the Government of Brazil for the Project "Administrative Support Action to Detection and Control of Dacus dorsalis Complex species in Suriname". IICA Office in Suriname will carry out the management of this project. An agreement between the Government of Brazil, the Government of Suriname and IICA will be signed shortly.

In the past six months, a very intensive relation has been built up with the Royal Netherlands Embassy. The Dutch are aware of and appreciate the wide knowledge. IICA-Office in Suriname has acquired during the past years of the actual situation of the Livestock Industry and its complexity.

They are in favor of using this expertise to the greatest extent. However, the Dutch have expressed their concern about the availability of technicians if such livestock projects would be managed by IICA. Once again, there are great opportunities for IICA to manage Dutch projects and then to obtain through this external funds, but IICA has to show a strong strategy concerning human resources.

The negotiations of the IICA-Office have resulted in the preparation of a project to strengthen the Livestock Farmers Union out of the Inter-American Development Bank Small Project Funds. The preparation of the Project will be finalized by the end of March and implementation will start in the middle of this year. The project will be managed by the IICA Office in Suriname.

At the moment the IICA Office is preparing the Small Business Training Project to Support Integrated Rural Development Program in Suriname. Once obtained approval from the Government of Suriname, external funds can be acquired from the European Community Commission for this Project.

Joint Action Collaboration among IICA, Anton de Kom University of Suriname and University of Vermont - USA. Total amount was not yet defined. Personnel and Operations supported by University of Suriname and University of Vermont - USA.

Project profiles prepared by the IICA Office have been presented by the Ministry of Agriculture to the Belgians and the European Community Commission for approval. However, the time required to reach implementation will take about 2-3 years.

Concluding it can be said, that there are great opportunities for the IICA Office in Suriname to obtain external funds, however, this will depend, for a great deal, on IICA itself, as for what kind of policy IICA is intending to execute concerning human resources.



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