

Suriname gets US\$62 million from IMF



The headquarters of the International Monetary Fund in Washington DC.

The International Monetary Fund (IMF) Monday says it is providing US\$62 million to Suriname after its executive board approved the ninth and final review under the Extended Fund Facility (EFF) arrangement with the Dutch-speaking Caribbean Community (Caricom) country.

The Washington-based financial institution said the new funds bring to US\$572 million, the total programme and that in completing the review, the executive board approved Suriname's request for a waiver of non-observance of the end-December 2024 performance criteria on the central government primary balance based on the corrective actions the authorities have already taken.

In 2021, the IMF executive board approved Suriname's EFF arrangement with the country pursuing an ambitious economic reform agenda with the objective of restoring macroeconomic stability and debt sustainability, while laying the foundations for strong and more inclusive growth.

The programme focused on restoring fiscal and debt sustainability, protecting the poor and vulnerable, upgrading the monetary and exchange rate policy framework, addressing banking sector vulnerabilities, and advancing the anti-corruption and governance reform agenda.

"The authorities' reforms under the EFF-supported programme—the first ever to be completed by Suriname—are increasingly bolstering macroeconomic stability and investor confidence. The economy is growing, inflation is approaching single digits, international bond spreads are at record low levels, and donor support is increasing," said Kenji Okamura, the IMF deputy managing director and acting chair.

He said in view of the Final Investment Decision for the country's oil resources, it is critical to put in place robust institutional frameworks, including fiscal rules and improved transparency and

accountability safeguards.

Okamura said such institutional improvements will help Suriname avoid procyclical fiscal policy, prioritise urgent development needs, ensure intergenerational equity, and transform exhaustible resource wealth into financial assets.

“The near-term priority is to maintain the path for debt reduction while protecting the vulnerable from the burden of the adjustment. Gradually phasing out electricity subsidies and strengthening tax administration will help create fiscal space for higher, targeted social assistance and infrastructure spending.

“Fully implementing the recently finalised social assistance reform plan will make social programmes more efficient and effective. Strengthening financial management controls in the state-owned electricity company, including regularly publishing its audited financial statements, will help promote accountability and oversight,” he added.

Okamura said the debt restructuring process is nearing completion and bilateral agreements with all official creditors and all but one commercial creditor have been achieved.

He said domestic debt arrears have been cleared. Improving commitment controls in the budget and addressing weaknesses in cash management will restrain public spending and prevent accumulation of supplier arrears.

“A restrictive monetary policy is supporting disinflation. Recent implementation of the agreed central bank recapitalisation plan is a critical step in ensuring a strong central bank balance sheet with clear operational and financial autonomy.

“The authorities’ demonstrated commitment to a flexible, market-determined exchange rate is supporting international reserve accumulation. Timely implementation of recapitalisation plans for undercapitalised commercial banks and improving the monitoring of nonbank financial institutions will help bolster financial sector resilience.”

Okamura said Suriname should persevere with their ambitious structural reform agenda to strengthen institutions, address governance weaknesses, build climate resilience, improve data quality and address gender gaps.

“This important work will continue to be supported by capacity development from the Fund and other development partners,” Okamura said. (CMC)