

AFD AND SURINAME

Partnering for concerted
regional cooperation

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Suriname: key facts and figures

- the country shares a 520 km long river border with French Guiana;
- it is a democratic Republic and a former Dutch colony (1667 onwards) which gained independence in 1975;
- its 492 000 inhabitants are mainly concentrated on the coastal strip and along the river border due to the dominance of the Amazon Rainforest in the country (86%);
- it is an ethnic and cultural patchwork: the main communities are of Indian, Creole or Javanese origin;
- its economy is experiencing dynamic growth, but remains small (GDP half that of French Guiana at €1.3 billion compared to €2.8 billion) and GDP per capita almost four times lower (€4 080 against €13 800);
- activities are open towards the outside world and diversification. Foreign trade is mainly based on the export of three products (alumina, gold and, to a lesser extent, oil).



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AFD'S STRATEGY IN SURINAME

Suriname faces several challenges, particularly in the sectors of education, health, transport, energy and the environment. AFD supports the country and focuses its operations on three core objectives:

- to improve access to health and education services and infrastructure for the populations of the Maroni River;
- to promote the economic development and opening up of the East region which borders French Guiana;
- to implement a joint policy for the rational management of natural resources on the Guiana Shield.

AFD aims to scale up its operations in Suriname in the framework of its regional cooperation strategy. In January 2010 it consequently opened a representation office in Paramaribo for Suriname and Guyana. This makes it possible to supervise active projects more closely and improve the way in which future projects are identified (this activity used to be conducted by AFD's Cayenne agency). Different types of project may be envisaged by AFD in Suriname in the future, for example, to develop the Albina region by implementing education and electricity interconnection projects with French Guiana, as well as microfinance and environmental protection projects.

HOW AFD WORKS IN SURINAME

Partners

AFD works in close partnership with the Surinamese authorities, the French Embassy in Suriname, the NGO WWF and the main donors working in Suriname, particularly IDB (Inter-American Development Bank) and the European Union with which it can cofinance operations.

Financial tools

AFD's operations in Suriname may take several forms:

- soft loans to the Surinamese State (which benefit from a subsidy from the French State) earmarked to finance investment projects in the priority sectors (education, health, transport, water...);
- medium and long-term loans to public companies either with a small subsidy or at market rates (with or without a subsidy from the French State) and without a State guarantee;
- grants to finance feasibility studies and technical assistance;
- grants from the French Global Environment Facility (French GEF).

Studies

In addition to project financing, AFD contributes to research and debate on development by leading or participating in studies.

AFD financing in Suriname

In millions of euros	2005	2006	2007	2008
Grants	0.3	0.2	0	1.1
Long-term loans	0	0	0	40



In 2008, AFD conducted a study: "French Guiana-Suriname, better mutual economics knowledge for better cooperation" in partnership with INSEE (French National Institute of Statistics and Economic Studies) and IEDOM (French Overseas Communities note-issuing bank). This study

provided more accurate information about the two territories and will facilitate the implementation of actions to help strengthen cooperation between these two regions which have long-standing historical ties. The study highlights some promising factors for the future of their economic relations which still remain weak today. It also stresses the important need to pursue cooperation efforts in sectors where both countries face common problems (transport, education, health, tourism, forest management) and how it is in their interest to continue their efforts to further integrate their regional environment.

The study can be downloaded at www.afd.fr under "Publications / Scientific Publications".

PROJECTS FINANCED BY AFD IN SURINAME

Rehabilitation of Paramaribo-Albina road

Suriname's inland and border areas are extremely remote. This stems from the lack of quality road infrastructure or sometimes the total lack of infrastructure. The movement of persons, goods and services is consequently limited, particularly towards the capital, Paramaribo, the country's main economic hub. This situation hampers the equitable and sustainable development of the country and its regional integration. It also causes health and security problems. One of the Surinamese Government's current priorities is to develop satisfactory transport infrastructure. AFD is providing support as one of the funders of the rehabilitation of the road linking Paramaribo to Albina. The total project cost is estimated at roughly €100 million.



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AFD will be providing a €25 million subsidized loan with a 20-year maturity in cofinancing with the Inter-American Development Bank and the European Commission.

Support for the health sector

Suriname's health system suffers from a lack of infrastructure and staff. The only exceptions are Paramaribo and Nickerie. The Surinamese Government is implementing a program to improve healthcare services along the Maroni River and in the country's inner regions. AFD is supporting this action by allocating Suriname a €15 million subsidized loan with a 20-year maturity to finance the construction, rehabilitation and equipment of Albina's Hospital, health centers along the coastal strip and in the country's inner regions. A €1.1 million grant has also been allocated to finance bilateral cooperation actions between French Guiana and Suriname in the hospital and health sectors.

Biodiversity and sustainable forest management in the Guiana Shield

The Guiana Shield is made up of primary humid tropical forests and enjoys worldwide recognition for its ecological and biological interest. Today it faces considerable challenges caused by illegal gold mining, forest exploitation and tourism activities. The French Global Environment Facility (French GEF), whose secretariat is hosted by AFD, is one of the funders of a project implemented by the NGO WWF. This project aims to ensure the forest ecosystems in the three territories covered by this Shield (Guyana, Suriname, French Guiana) are sustainably protected. It also aims to ensure that the environmental services these different ecosystems provide to local populations are preserved. The French GEF's financial participation amounts to €1.3 million. The total project budget for the period 2008-2011 stands at €6.79 million.



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AFD stands for the *Agence Française de Développement*. AFD is a public development-finance institution that has worked to fight poverty and support economic growth in developing countries and the French Overseas Communities for more than 60 years. AFD executes the French government's development aid policies.

With offices in more than 50 countries, AFD finances and supports projects that improve people's living conditions, promote economic growth and protect the planet. AFD-funded projects provide schooling for children, support farmers and small businesses, supply drinking water, preserve tropical forests and fight climate change, among other things.

AFD committed nearly €6.2 billion to financing aid activities in developing countries and the French Overseas Communities in 2009. The funds should permit the vaccination of 1.8 million children, give 7.3 million people access to drinking water and create or save jobs for 900,000 workers engaged in private enterprise; funding for energy efficiency projects will save nearly 5 million tons of carbon dioxide emissions per year.

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FFEM is a bilateral public facility set up by the French Government in 1994 following the Rio Summit. It aims at promoting global environmental protection via sustainable development projects in developing or transition countries. The French Global Environment Facility supports physical projects in recipient countries. Its operations are learning-based and support experimental, innovative or exemplary approaches.



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PROPARCO, AFD's subsidiary dedicated to private investment, promotes private investment in emerging and developing countries in order to boost growth, promote sustainable development and reach the Millennium Development Goals. Its financing is tailored to the specific needs of investors in the productive sector, financial systems, infrastructure and private equity investment.



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