

TECHNICAL COOPERATION ABSTRACT

I. BASIC INFORMATION

Country/Region:	Suriname
TC Name:	Implementation of the Emerging and Sustainable Cities Initiative (ESCI) in Paramaribo
TC Number:	SU-T1081
Team:	Team Leader: Andres Blanco, Co-Team Leader: Ellis J. Juan (VPS/VPS); Rebecca Sabo, Roland Krebs, Diego Arcia, and (IFD/FMM); Luis Lopez-Torres (INE/WSA); (LEG/SGO), and Maria Perrier (IFD/FMM).
TC Type:	Research and Dissemination
Beneficiary:	Suriname
Executing Entity:	Inter-American Development Bank, through the coordination of the ESCI and IFD/FMM
Financing:	US\$1,100,000 from ESCI's Ordinary Capital (OC)
Execution Period:	36 months
Disbursements Period:	48 months
Consultant Type:	Individual Consultants and Firms
UDR:	IFD/FMM
Priority Sector GCI-9:	(i) Infrastructure for competitiveness and social welfare, (ii) Institutions for growth and social welfare, and (iii) Protect the environment, respond to climate change, promote renewable energy, and secure food security.

II. OBJECTIVE AND JUSTIFICATION

- 2.1 **Objective.** The objective of this Technical Cooperation (TC) is to improve the sustainability and quality of life of the residents of Paramaribo, Suriname through the implementation of the Emerging and Sustainable Cities Initiative (ESCI) ESCI's regular program.
- 2.2 **Justification.** Rapid growth in the region's emerging cities poses a range of challenges in areas such as transportation, sanitation, solid waste management, disaster risk in the face of climate change, urban planning, and municipal finances. This operation adds value by leveraging the Bank's multisectoral expertise, especially in subnational government institutions, planning, infrastructure, and the environment, to guide intermediate cities on a path to sustainability, addressing their citizens' most urgent concerns without jeopardizing the resources available for future generations.
- 2.3 The TC will support a diagnostic assessment and the preparation of an action plan to improve the city's sustainability in the environmental, urban, and fiscal and governance dimensions. It will then support pre-investment studies for selected

- projects prioritized in the action plan. These may include more detailed diagnostics, the determination of economic and technical pre-feasibility, engineering drafts, and designs. The operation will also finance the consulting contracts necessary to carry out the rapid and efficient administration of all steps of the process. This operation is the continuation of a multi-sectorial effort to improve the quality of life in emerging cities in Latin America and the Caribbean.
- 2.4 The TC helps to fulfill the ninth general capital increase (GCI-9) goals by (i) incentivizing an increase in financing for infrastructure that promotes competitiveness and social well-being; (ii) strengthening subnational institutions; and (iii) protecting the environment and facing climate change, as the energy requirements of development are met. By improving the conditions and sustainability of Suriname's largest city, it also supports a small, vulnerable country.

III. DESCRIPTION OF COMPONENTS AND BUDGET

A. Components

- 3.1 **Component 1. Preparation, diagnostic assessment and analysis, prioritization, strategy selection, and preparation of action plan (US\$450,000).** This component includes the identification of critical action areas for the city using a multi-sectorial diagnostic assessment of the city's environmental, urban, and fiscal and governance dimensions analyzed by Bank specialists and consultants in conjunction with stakeholder interviews and other relevant documents such as development plans, and the subsequent prioritization of the critical action areas with the greatest potential to improve the sustainability and quality of life in the city using environmental, economic, and public opinion criteria. The operation will also include an analysis of existing and planned IDB and other donor projects benefiting Paramaribo to avoid duplication and benefit from lessons learned. An action plan will then be developed with concrete strategies to address the issues identified in the priority action areas.
- 3.2 **Component 2. Pre-investment studies (US\$550,000).** The operation will finance pre-investment studies essential to the sustainability of Paramaribo. The pre-investment studies will cover projects in one or more of the initiative's three pillars (environmental, urban, and fiscal/governance). The number, depth, and areas of coverage of the studies will be determined by the action plan.
- 3.3 **Component 3. Monitoring system (US\$100,000).** This component will finance the design and initial implementation of an external system to monitor the results and impact of Paramaribo's action plan and the city's general progress.
- 3.4 As a result, in the short term, Paramaribo will have a diagnosis and prioritization of its critical areas, with solutions identified for the critical problems in an action plan. This plan will support an integrated vision of urban, environmental, and fiscal/institutional sustainability. The action plan will provide the city with an

agenda of priority investments compatible with the technical and financial capacities necessary to execute it in an effective and efficient way. This will allow the city to execute high impact investments, avoiding wasting resources on low priority topics. In addition, the development of the ESCI coordination activities will advance inter-sectorial work within the Bank.

B. Budget

- 3.5 The budget for this technical cooperation will be US\$1,100,000, which will be financed by the ESCI's Ordinary Capital.

Components	Total (USD)
Component 1. Preparation, diagnostic assessment, prioritization, action plan	450,000
Component 2. Pre-investment studies to be determined by the action plan	550,000
Component 3. Monitoring system	100,000
Total	1,100,00

IV. EXECUTION

- 4.1 At the request of the government of Suriname, the Bank will be responsible for executing this TC, through IFD/FMM in close coordination with the Emerging and Sustainable Cities Initiative's coordination group (ESCICG). The Bank's multidisciplinary expertise and ability to identify feasible projects and corresponding potential sources of financing, as well as the ESCICG's experience implementing the methodology and IFD/FMM's experience with subnational finances, institutions, and urban planning, make the Bank the most appropriate executing agency for this operation.

V. RISKS

- 5.1 There are two fundamental risks that could impede achieving the results of this TC: (i) lack of coordination among different government agencies during the implementation of the methodology in Paramaribo; and (ii) institutional weakness and low technical capacity of some areas of the city's government.
- 5.2 To minimize the first risk, during the execution of the TC the Bank's team will hold coordination meetings with government agencies involved in the process, including the Ministry of Finance. As to the second risk, the action plan will incorporate institutional strengthening methods to improve the capacity of the government to execute and supervise projects like those to be implemented from the ESCI action plan.

VI. ENVIRONMENTAL AND SOCIAL STRATEGY

- 6.1 This project is not expected to have any negative environmental and/or social impact. On the contrary, the studies and projects to have a positive social and environmental impact, promoting improvements in the urban environment and the quality of life of Paramaribo's residents. This TC has been rated as "C".