

# Validation of Suriname

## Final assessment of progress in implementing the EITI Standard

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## Acronyms

APR	Annual Progress Report
ASM	Artisanal and Small-Scale Mining
BO	Beneficial Ownership
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EY	Ernst & Young
FATF	Financial Action Task Force
GBS	General Bureau of Statistics
GDP	Gross Domestic Product
GMD	Geologisch Mijnbouwkundige Dienst (Geological Mining Service)
IA	Independent Administrator
IGF	Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development
IOC	International Oil Company
MER	Mutual Evaluation Report
MoFP	Ministry of Finance and Planning
MoNR	Ministry of Natural Resources
MoU	Memorandum of Understanding
MSG	Multi-Stakeholder Group
NIMOS	National Institute for Environment and Development in Suriname
NMA	National Environmental Authority
OAS	Organisation of American States
PEP	Politically Exposed Person
PSC	Production-Sharing Contract
PPA	Power Purchasing Agreement
SDT	Summary Data Template
SHI	Staatsolie Hydrocarbon Institute
SOE	State-Owned Enterprise
SPCS	Staatsolie Power Company N.V. 11
SRD	Suriname Dollar
SSM	Small-scale mechanised mining
ToRs	Terms of Reference
USD	United States Dollar

## Executive summary

This draft Validation report presents the findings of the International Secretariat's Validation of Suriname, which commenced on 1 October 2023. The draft report was finalised for review by the multi-stakeholder group (MSG) on 7 March 2024. Following comments from the MSG expected on 4 April 2024, the Validation report will be finalised for consideration by the EITI Board. The assessment suggests that Suriname has exceeded zero EITI Requirements, fully met four, mostly met 12 and partly met 12 requirements, with six requirements assessed as not applicable.

Suriname's previous Validation under the 2016 EITI Standard was concluded in March 2021 ([Board decision 2021-23](#)). The Validation established 19 corrective actions for Suriname to address. This Validation assesses progress in addressing the corrective actions in accordance with the 2019 EITI Standard.

### Key achievements

- The Environmental Framework Act, passed in May 2020, established the National Environmental Authority (NMA), which will augment Suriname's existing practice of publishing complete Environmental Impact Assessments on the National Institute for Environment and Development (NIMOS) website. Along with merging the NIMOS and the NMA, the Environmental Framework Act, for the first time, established domestic legal provisions and administrative rules related to environmental management and monitoring of extractive investments in the country. With proper implementation, this Act will address concerns voiced by the Surinamese public and civil society organisations through environmental rehabilitation and prevention of future environmental degradation.
- After a long period of inactivity due to insufficient funds and personnel, the National Secretariat (NS) was relocated from the Bauxite Institute to the Ministry of Natural Resources, along with a government commitment to proper funding and staffing. This has revitalized the National Secretariat, which is now able to host a functioning multi-stakeholder group, and, in turn, be an effective driver of EITI implementation in the country.
- Staatsolie and the Staatsolie Hydrocarbon Institute (SHI) are fully committed to EITI implementation in Suriname and are progressively disclosing information in accordance with the 2019 EITI Standard, in particular related to the disclosure of contracts and social and environmental expenditures. Disclosure of the former has resulted in the publication of the model production-sharing contract (PSC) used as the basis for Staatsolie's engagements with international oil companies (IOCs) and creates momentum for full contract disclosure in the oil and gas sector. Considering the developing oil and gas sector in Suriname, full contract disclosure would enable the public to understand how future oil production will affect government revenues.

### Areas for development

- Government entities should address inefficient and opaque gold royalty payment processes in both the small-scale mechanised mining (SSM) sector and to the mining state-owned enterprise (SOE), Grassalco. Inclusion of gold houses in EITI reporting would

address unclear royalty rates paid by SSM miners while the Central Bank's membership in the MSG would improve understanding around how royalty payments flow from Rosebel Gold Mines to the Central Bank and whether they first are paid to Grassalco, as well as to strengthen an overview on export data, in particular of gold. In its response to the draft assessment, the Ministry of Finance provided documentation of the 11 October 2019 agreement by which royalties destined for Grassalco were to be diverted to the Central Bank, but it is not clear if this information is systematically disclosed on the Central Bank website.

- Momentum to maintain an up-to-date license register in the mining sector has waned, with the existing register no longer in use. Efforts, both within the MSG and via broader government, to create a replacement have not yet yielded a working product. While EITI reporting helps to fill the gap, government entities should redouble efforts to establish a publicly accessible license register in the mining sector to enable the public to easily understand who owns mining rights in Suriname. In its response to the draft assessment, the MSG indicated that a mining register will be online and in use in the second half of 2024. This project is spearheaded by the Ministry of Natural Resources, with funding from the World Bank. Ongoing debate to reform the Mining Law should include provisions to establish a beneficial ownership register with an appropriate legal and regulatory framework for collection and disclosure. In establishing these registers, Suriname is encouraged to link beneficial ownership and license registers to aid public understanding of the full ownership chain of extractive contracts and licenses.
- Invitation to participate in the MSG should be extended to government entities such as the Central Bank, the Bauxite Institute and the Bureau of Statistics of Suriname, given their historical and current engagement in the extractive sector and amid prospects for new mining projects in the context of the energy transition that could bring renewed interest to commodities currently thought to be economically unviable. Likewise, Grassalco should be included in the MSG to improve governance and encourage the disclosure of financial data. This is of particular importance given that Grassalco has decision-making power on the board of SEMiF, which receives in-kind gold and silver royalty payments. In its response to the draft assessment, the MSG confirmed that Grassalco's membership to the MSG has already been granted and that invitations will be sent to the Central Bank, the Bauxite Institute and the Bureau of Statistics of Suriname soon.

## Progress in implementation

EITI Validation assesses countries against three components – “Stakeholder engagement”, “Transparency” and “Outcomes and impact”.

### *Stakeholder engagement*

Since the last Validation, the MSG has experienced periods of low activity due to a lack of institutional support and dedicated staff. To improve the functioning of the MSG, the institutional hosting for Suriname EITI was moved from the Bauxite Institute to the Ministry of Natural Resources, together with dedicated staff and budget as of 2024, which has helped revitalize support for the MSG. Government engagement has strengthened but key government entities should be included in the MSG going forward to improve the comprehensiveness and quality of EITI disclosures. Civil society is a vocal and active participant in the EITI process and uses EITI data to improve their communication and dissemination activities. Nevertheless, this

constituency suffers from a lack of technical and financial capacity. Industry engagement has improved in the oil and gas sector but there have been setbacks in engagement with small and medium-scale mining companies that do not consider the MSG to be an effective platform through which to advocate for issues relevant to their sub-constituency.

### *Transparency*

The comprehensiveness of disclosures has improved on several fronts since the previous Validation in 2020. The operations and financial relationship between SOEs and the state are much clearer for the oil and gas SOE, Staatsolie, although the mining SOE, Grassalco, discloses less information than in the previous Validation. There has been some progress in EITI disclosures of contracts and in clarifying Staatsolie's role in quasi-fiscal expenditures on behalf of the state. On the other hand, progress on beneficial ownership has remained slow and new questions have emerged concerning in-kind gold royalty payments since the last Validation. Data quality and assurance practices should be strengthened, in both EITI reporting as well as government and companies' own systematic disclosures, although it should be noted that large-scale mining activities operated by Newmont Suriname and Zhijin (previously IAMGOLD) continue to disclose much of the information required by the 2019 EITI Standard.

### *Outcomes and impact*

Public debate appears to focus on a few main areas of the extractive industries in Suriname, including the distribution of mining royalties, formalisation and documentation of mining rights and increasing transparency through systematic disclosure of data. EITI work planning has highlighted these areas of debate as key objectives for implementation, ensuring that EITI Suriname prioritises areas that are important to the public. EITI has contributed to debate around these issues by giving civil society and industry a platform to raise issues but there has been limited progress in disseminating extractive and EITI data to the public at large, and much extractive data is not publicly accessible. The MSG has provided input to the development of legislation to reform current mining laws and this legislation could also include provisions for the collection and disclosure of beneficial ownership information. Follow-up on EITI recommendations lack formal procedures, which does not allow stakeholders to understand who is responsible for follow-up activities, nor the status of these activities. Proper monitoring, evaluation and learning processes would allow stakeholders to track progress on follow-up of EITI recommendations and tailor future efforts that clearly indicate who is responsible for follow-up and provide clear timelines and deliverables for completion.

## Validation scorecard

Component & module	EITI Requirement	Progress	Score
<b>Overall score</b>		<b>Fairly low</b>	<b>58.5/100</b>
Outcomes and impact	Extra points: Effectiveness and sustainability indicators		1
	Work plan (#1.5)	Mostly met	60 ↑
	Public debate (#7.1)	Partly met	30 ↓
	Data accessibility and open data (#7.2)	Mostly met	60 -
	Recommendations from EITI (#7.3)	Mostly met	60 =
	Outcomes & impact (#7.4)	Partly met	30 =
<b>Outcomes and impact</b>		<b>Low</b>	<b>49/100</b>
Multi-stakeholder oversight	Government engagement (#1.1)	Mostly met	75 ↑
	Industry engagement (#1.2)	Mostly met	60 =
	Civil society engagement (#1.3)	Fully met	90 =
	MSG governance (#1.4)	Fully met	90 ↑
<b>Stakeholder engagement</b>		<b>Moderate</b>	<b>79/100</b>
Overview of the extractive industries	Exploration data (#3.1)	Mostly met	60 ↓
	Economic contribution (#6.3)	Mostly met	60 =
Legal and fiscal framework	Legal framework (#2.1)	Fully met	90 =
	Contracts (#2.4)	Partly met	30 -
	Environmental impact (#6.4)	Not assessed	- -
Licenses	Contract and license allocations (#2.2)	Partly met	45 ↑
	License register (#2.3)	Partly met	30 =
Ownership	Beneficial ownership (#2.5)	Partly met	30 -
State participation	State participation (#2.6)	Mostly met	60 =
	In-kind revenues (#4.2)	Partly met	30 ↓
	SOE transactions (#4.5)	Mostly met	60 =
	SOE quasi-fiscal expenditures (#6.2)	Partly met	30 ↑
Production and exports	Production data (#3.2)	Mostly met	60 ↓
	Export data (#3.3)	Fully met	90 =
Revenue collection	Comprehensiveness (#4.1)	Partly met	30 ↓
	Barter agreements (#4.3)	Not applicable	- -
	Transportation revenues (#4.4)	Not applicable	- -
	Disaggregation (#4.7)	Partly met	30 -
	Data timeliness (#4.8)	Partly met	30 ↓
	Data quality (#4.9)	Partly met	30 ↓
Revenue management	Distribution of revenues (#5.1)	Mostly met	60 ↓
	Revenue management & expenditures (#5.3)	Not assessed	- -
Subnational contributions	Direct subnational payments (#4.6)	Not applicable	- -
	Subnational transfers (#5.2)	Not applicable	- -
	Social and environmental expenditures (#6.1)	Mostly met	60 -
<b>Transparency</b>		<b>Low</b>	<b>48/100</b>

## How EITI Validation scores work

### Component and overall score

The three components of EITI Validation – “Transparency”, “Stakeholder engagement” and “Outcomes and impact” – each receive a score out of 100. The overall score represents an average of the component scores.



### Assessment of EITI Requirements

Validation assesses the extent to which each EITI Requirement is met, using five categories. The component score is an average of the points awarded for each requirement that falls within the component.



- **Exceeded** (100 points): All aspects of the requirement, including “expected”, “encouraged” and “recommended” aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- **Not assessed**: Disclosures are encouraged, but not required and thus not considered in the score.
- **Not applicable**: The MSG has demonstrated that the requirement doesn’t apply.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat’s assessment, the situation is described in the assessment.



## 1. Effectiveness and sustainability indicators

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the component score on Outcomes and impact.

### 1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Suriname addresses nationally relevant extractive sector challenges and risks.

The major areas of stakeholder interest include future oil and gas revenues and the strengthening of social and environmental expenditure reporting as well as the institutional structure of the MSG and the national secretariat. Other interest areas include improved oversight of the artisanal and informal and small-scale mechanised mining (SSM) sectors, contract transparency, the passage of a new Mining Law and improving the systematic disclosure of extractive data. These areas of national interest are adequately reflected through work plan objectives to guide EITI implementation in the country. Suriname hosts a growing oil and gas sector and has established a sovereign wealth fund, the Suriname Savings and Stabilisation Fund (SSF), to harness these future earnings in the interest of national development. Civil society stakeholders consulted mentioned ongoing discussions around the [restructuring](#) of Suriname's national debt as a threat to these future revenues as creditors attempt to tie future oil and gas earnings to debt repayment. Suriname also produces gold and silver, and to a lesser degree, mining aggregates such as gravel and sand, that provide economic opportunities for local communities but also social and environmental challenges common to many mining operations. In the last decade, bauxite and aluminium production has not been economically viable in Suriname but shifting commodity prices may present an opportunity for increased investment and production of these commodities and an increased role for the mining SOE, Grassalco, and the Bauxite Institute. During consultations, civil society stakeholders pointed to the importance and lack of public information related to the forestry sector as an opportunity for future EITI reports to go beyond the minimum requirements of the EITI Standard, in a similar vein as Suriname's neighbour Guyana does in its own EITI reporting process.

The fiscal regime is centralised and in the face of tight government budgets, royalties supposed to accrue to the mining SOE, Grassalco, are being collected directly by the central government to support government spending. The oil and gas SOE, Staatsolie, takes part in extractive-funded expenditures on behalf of government that are not reflected in the national budget via its role in providing petroleum for domestic electricity generation and later deducting the amounts sold from the dividends it owes the central government. Documentation around these arrangements does not appear to be publicly available and represents an opportunity for further transparency in the use of extractive revenues.

EITI implementation is addressing some of the key extractive sector governance issues in Suriname and the recent establishment of a full-time national coordinator and team should help maintain momentum around these issues. EITI has led to agreement on definitions and thresholds for beneficial ownership and politically exposed persons and the MSG is contributing to parliamentary debate on a new Mining Law that could lead to the establishment of a legal and regulatory framework for the collection and disclosure of beneficial ownership information for the extractive sector, as well as a major overhaul of the existing regulatory and governance procedures in the mining sector. Given the increasing relevance of the oil and gas sector, the

Ministry of Finance and Planning (MoFP) and the Central Bank (CB) could conduct revenue forecasting and projected scenarios on this sector to inform public debate and understanding around allocations and uses of these revenues. Stakeholders from all constituencies considered that there should be greater buy-in from companies and government to spur progress on as-of-yet incomplete national priorities such as contract transparency and oversight of the SSM sector.

The International Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

### 1.2 Systematic disclosures of extractive industry data

The regulators GMD, MoNR (mining) and SHI (petroleum) disclose information about laws and in the case of mining, some information on licenses although much of the information related to licenses is only available in hardcopy. In oil and gas, SHI publishes information about social and environmental expenditures and contracts, although the full text of these contracts is not publicly available. The establishment of the SHI provided a clear delineation of roles between Staatsolie and the SHI, which has improved governance of the sector and laid the groundwork for strengthened disclosures and regulation of the sector. While audited financial statements are available for the oil and gas SOE, Staatsolie, these are not available for the mining sector equivalent, Grassalco. The state budget, the budget execution report and state audit reports are publicly available through the MoFP and Central Government Audit Service (CLAD). The provision of state audit reports is a noted improvement from the prior assessment when this information was not systematically disclosed. This improvement is counterbalanced by a regression in the systematic disclosure of license information in the mining sector where progress in the establishment of a license register has stalled since the last assessment. Government representatives noted that the GMD is now requesting that license information be submitted digitally to aid in digitisation efforts. Similar efforts are underway at the Chamber of Commerce to digitise beneficial and legal ownership information, although beneficial ownership data is not yet publicly available. Ongoing efforts to pass a new Mining Law and to create a Minerals Institute that would consolidate existing government agencies represent opportunities for mainstreaming EITI disclosures. Environmental Impact Assessments (EIA) are already systematically disclosed through the National Institute for Environment and Development in Suriname (NIMOS) although further environmental monitoring and sanctioning processes are not clearly indicated. Nevertheless, the presence of what appears to be a comprehensive list, along with the full text, of current EIAs provides an example of good practice in public accessibility of information on the environmental impact of extractive activities.

The International Secretariat proposes that zero additional points be added to the score on Outcomes and impact for this indicator.

### 1.3 Environment for citizen participation in extractive industry governance

This indicator considers the extent to which there is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.

Based on stakeholder consultations and available evidence, the environment for citizen participation varies depending on whether advocacy and resistance efforts are undertaken in Paramaribo or in the interior of the country. A recent [incident](#) in the district of Para demonstrates that citizen's ability to oppose extractive efforts in the interior of the country can be met with repression, which limits their ability to express opinions related to extractive sector governance.

Civil society stakeholders consulted did not consider that free, prior and informed consent provisions written into law were respected in practice. CSOs in the capital did not report any repression or coercion related to their advocacy efforts.

Consulted CSOs based in Paramaribo acknowledged that their ability to communicate results and involve local communities in discussions was lacking due to funding and capacity constraints. Capacity constraints consist of a lack of technical ability to design and implement broad awareness campaigns on complex technical issues and a lack of human capacity. Hence, outreach and consultation events in affected communities have been few and input from the broader constituency on the latest work plan and annual review of outcomes and impact was not sought. Many consulted civil society stakeholders in the capital and in the interior of the country did not consider that EITI implementation had yet to have a tangible effect on communities in regions with extractive activities.

The International Secretariat proposes that zero additional points be added to the score on Outcomes and impact for this indicator.

#### 1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research and advocacy.

Suriname is still in the preliminary stages of systematically disclosing extractive data, though some progress has been made given that EITI data is obtainable in open format, although broader digitisation efforts are ongoing (see Requirement 7.2). These data limitations combined with accessibility challenges in the form of lack of electricity and internet access in many communities in the interior of the country have led to limited use and dissemination of EITI data in communities affected by extractive activities. Civil society, media and academia located in the capital are more likely to utilise EITI data for research, analysis and advocacy but still face data accessibility challenges. The COVID-19 pandemic exacerbated data accessibility challenges related to the overall extractive sector and in the production of the 2018-2020 EITI Report, though the government is back to being fully operational. There is limited public discussion around future revenues and the fiscal regime, but mining industry representatives acknowledged that the onus is on industry and government to increase public awareness about EITI activities. EITI Reports are often the only source for extractive data, outside of some production, export and revenue data disclosed by government entities and large extractive companies. However, it does not appear that the 2018-2020 EITI Report was published in Dutch and connectivity issues to the EITI Suriname website present challenges in accessing this document.

There are opportunities to improve the accessibility of data at the community level and provide for its systematic disclosure on government websites. Consulted stakeholders noted that language, the COVID-19 pandemic, lack of internet access and lack of publication of EITI reports in local languages hindered public use of information. There have been efforts to improve communication practices through the contracting of a communications consultant, but the results of these efforts are yet to be determined.

The International Secretariat proposes that zero additional point be added to the score on Outcomes and impact for this indicator.

### 1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices.

Suriname’s second Validation has served to rejuvenate EITI implementation in the country after a period of low activity within the MSG, national secretariat and government. Since Suriname’s suspension for late publication of its 2016 EITI Report, there has been a renewed commitment by the Minister of Natural Resources and the MoNR to support EITI implementation in Suriname. Staatsolie has also increasingly committed to disclosure of data, with the publication of the model production-sharing contract as a commitment to the EITI’s principle of contract transparency. It is encouraging that the MSG has made progress in participating in the drafting of beneficial ownership regulation and that parliamentary discussions on the new Mining Law and mining regulator have incorporated MSG suggestions to ensure that these laws and institutions use the EITI Standard as a guidepost. Other areas of the extractive sector do not yet appear to be influenced by EITI implementation and stakeholders from all constituencies agreed that the EITI should have a larger impact on extractive sector policies and practices.

The International Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

## 2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Work plan (Requirement #1.5)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat’s initial assessment is that Requirement 1.5 is mostly met, an improvement since the previous Validation. The view of most stakeholders consulted is that the work plan supports the implementation of some national priorities for the extractive industries and the public sector in Suriname. The <a href="#">Multi-Annual Development Plan 2022-2026</a> is the national planning document describing the central government’s policy goals and it includes the promotion of transparency and the reduction of corruption risks as priorities. The document describes EITI Implementation as a strength of the mining sector of Suriname. The work plan contains realistic and achievable outcomes. However, although the EITI Suriname website has a reference to the 2020-2023 work plan, the document does not seem to be publicly available. The MSG in Suriname demonstrated progress by agreeing to a work plan for the years 2023-2024 in June 2023, but Suriname lacked an EITI work plan until the recent publication. The lack of funding and some concerns about the establishment of priorities for EITI Implementation are challenges</p>

	<p>that should be fulfilled to ensure that the annual planning for EITI implementation supports the achievement of national priorities for the extractive industries while laying out realistic activities that are the outcome of consultations with the broader government, industry and civil society constituencies. In its response to the draft assessment, the MSG noted that there will be targeted funding of work plan activities going forward with the funding that has been devoted to the National Secretariat and the MSG through the Ministry of Natural Resource's budget.</p> <p>Consultations confirmed that the work plan was developed by a special committee within the MSG with representation of all <a href="#">constituencies</a>. All representatives involved in this activity expressed satisfaction with the achieved work plan. Consulted stakeholders believe that the work plan reflects both national priorities and the priorities of their constituencies, although some industry stakeholders noted that insufficient attention was given to the small-scale mechanised mining companies (also referred to as SSM). Some consulted members of civil society stressed the importance of including the timber and forestry sector in future EITI reports given its relevance as an extractive sector with economic potential, the adverse effect of informal artisanal gold mining on this sector and its cultural significance to local and indigenous communities. The development of the work plan was a collective effort made by committee members from all constituencies, although it is unclear if all constituencies were consulted during this process. The work plan is widely available to the public on EITI Suriname's <a href="#">website</a>.</p> <p>The work plan includes objectives for implementation linked to the EITI principles and steps to improve EITI Implementation based on the strengthening of four priorities of public interest: the institutional structure of the MSG and the national secretariat, the systematic disclosure of information, an engagement strategy, and social and environmental expenditure reporting. These four priorities are well described in the documentation provided and, although they address most of the corrective actions from the previous Validation (Requirements 2.2, 2.3, 2.4, 2.5, 6.1, 6.2 and 6.3), they do not address corrective actions for Requirements 4.1, 4.2, 4.5 and 4.9. These priorities are also aligned with those identified during consultations. Each priority described in the work plan is broadly aligned with national priorities and includes detailed and clear activities with estimated costs and timelines.<sup>1</sup> Although activities described in the work plan include estimated costs and the government has secured funding for the national secretariat's staff, some stakeholders consulted expressed concerns about the financial support available for implementation of some activities due to the limited government funding available, as well as concerns about formal mechanisms for updating the work plan. Consultations with stakeholders confirmed that the government has made funding available for the national secretariat. International stakeholders consulted expressed their willingness to provide support for the implementation of activities included in the work plan.</p>
<p><b>Public debate (Requirement #7.1)</b></p>	<p>The International Secretariat's initial assessment is that Requirement 7.1 is partly met, which represents a regression since the previous Validation.</p>

<sup>1</sup> The first priority includes an activity focused on strengthening the institutional structure of the national secretariat, reflecting the willingness of the MSG to address capacity constraints that might be an obstacle to effective EITI Implementation. The second priority of the work plan focuses on reviewing the challenges and opportunities for strengthening the systematic disclosure of licenses, contracts and beneficial owners with a description of expected outputs and timelines. The fourth priority includes activities on environmental reporting, reflecting the willingness of the MSG to extend the scope of EITI disclosures.

<i>Partly met</i>	<p>Efforts and financial resources allocated to engage a communication expert for supporting outreach and public discourse for the fiscal year 2024 are commendable and represent progress from previous years. However, stakeholder consultations reveal a consensus that the objective of Requirement 7.1 is not met, due to the limited evidence that the MSG has showed to ensure public debate on extractive sector governance and the limited progress in activities for communicating relevant data in accessible ways and languages aligned with the needs of stakeholders.</p> <p>Suriname has made limited progress in producing additional documentation to inform the public about extractive sector activities. There is no evidence that the MSG has engaged in communication efforts to disseminate extractive sector information to communities with limited internet access, either in the form of printed or digital documents. Despite limited progress, the primary publication, the EITI Report, remains digitally accessible and adheres to EITI Standard language. Although stakeholders did not express concerns about the 2018-2020 EITI Report being available only in English, a version of the 2018-2020 EITI Report in Dutch would improve the understanding of extractive sector governance and EITI implementation among diverse audiences.</p> <p>The MSG in Suriname has presented evidence of conducting some public debate and public information dissemination activities since the last Validation, although these are scarce; most of the public debate efforts described by the MSG in the Validation templates refer to the presentation of EITI data to government agencies. For instance, in September 2022 the MSG presented EITI recommendations to the Supreme Audit Institution (Rekenkamer) and to the Ministry of Natural Resources in December 2022. More recently in June 2023, the Minister of Natural Resources launched the <a href="#">2018-2020 EITI Report</a> to representatives of all the constituencies as well as foreign countries and international institutions represented in Suriname. Stakeholders consulted from all constituencies emphasised the necessity of increasing public debate activities. Despite informal support given by government, industry, and civil society stakeholders for public debate activities, consultations for this Validation confirmed that most of these activities are performed in academic spaces and professional networks, evidencing the lack of systematic and formal efforts by the MSG to communicate with broader audiences.</p> <p>Suriname has developed a comprehensive work plan for 2024, which outlines activities aimed at strengthening communication efforts. Efforts have been made by the government to secure resources for these efforts, as described under Requirement 1.5. However, stakeholders expressed concerns about the sustainability of these activities in the future, as there are not available resources for its execution. The need for innovative dissemination channels to facilitate interaction and systematic disclosure on key extractive sector issues is recognized as a priority by all stakeholders consulted but remains inadequately addressed due to the lack of resources. The same lack of resources has restrained the capacity of the MSG in Suriname in the production of summary reports and capacity-building efforts, although consultations confirmed the availability of government funding in 2024 for addressing some of the MSG capacity constraints. In its response to the draft assessment, the MSG noted that going forward, EITI Reports will be translated into Dutch for greater reach throughout the country. Likewise,</p>
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	<p>While there is limited evidence of the use of EITI information, some stakeholders consulted expressed the relevance that EITI data has in their day-to-day activities. They also highlighted the efforts that the MSG has made to include references to EITI Requirements in the draft of the upcoming mining law that is currently being discussed by the country's parliament.</p>
<p><b>Data accessibility and open data (Requirement #7.2)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat's initial assessment is that Requirement 7.2 is mostly met. While the MSG published all data in the EITI Report in open format, and submitted the summary data file, this assessment could not find evidence of an open data policy. Stakeholder consultations confirmed a consensus that the objective of this requirement, which aims to enable a broader use and analysis of information on extractive industries through the publication of data in open and interoperable formats, has not yet been fully met.</p> <p>Although consultations with government representatives confirmed ongoing efforts by government agencies to make information from the extractive sector available in digital formats, there is relevant information available mostly in hard copy. Although some information such as production figures is available from public sources, this is not easily available to the citizens, making it difficult for the public to access, use and analyse information. Some government agencies and SOEs publish information through their websites. Staatsolie publishes annual <a href="#">reports</a> updated until 2022. Despite some efforts to make progress in strengthening the systematic disclosure of information, this remains scarce and limited. Stakeholders consulted expressed that the lack of systematic disclosure is a challenge for the broader use and analysis of extractive sector data. For instance, there is limited information regarding revenue and production data online, making it difficult for citizens to understand how revenues from the extractive sector are being utilized.</p> <p>Summary Data Templates (SDTs) have been completed in accordance with the guidelines approved by the EITI Board. SDTs, the 2018-2020 EITI Report and other relevant extractive sector information are available on Suriname's EITI website. While the MSG has published all data from the EITI Report in open machine-readable formats, the MSG in Suriname has not yet reached an agreement on a policy regarding the access, release, and reuse of EITI data. The absence of an open data policy limits the effective use and accessibility of data. In its response to the draft assessment, the MSG noted that an open data policy was under discussion at the MSG and would be published on the Suriname EITI website in the coming months. Suriname has also demonstrated limited progress in addressing the strategic recommendation from the previous EITI Validation, which urged the country to focus on capacity-building efforts to enhance stakeholders' capabilities for engaging with and analysing EITI data.</p>
<p><b>Recommendations from EITI implementation (Requirement #7.3)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat's initial assessment is that Requirement 7.3 is mostly met, as in the previous Validation. Document analysis and stakeholder consultations suggest that the objective of this requirement, to ensure that the EITI is a continuous learning process contributing to policymaking, has mostly been fulfilled.</p> <p>Stakeholder views confirmed limited oversight and documented follow-up on recommendations from EITI Implementation. Some company and civil society stakeholders consulted indicated that their activities for following up with EITI recommendations are largely informal and confined within their</p>

	<p>constituencies but that this follow-up did occur. Consultations with all three constituencies confirm the absence of formal MSG or government mechanisms to document progress, analyse lessons learned, or address information gaps in EITI implementation, including recommendations from the last EITI Validation and those of the Independent Administrator.</p> <p>The EITI Report contains a stock take of all previous EITI recommendations, demonstrating progress only in Requirement 2.5 during the reporting period. In the template assessing outcomes and impacts submitted by the MSG for this Validation, additional evidence is presented, listing activities addressing corrective actions from the previous Validation. Those activities are not reflected in annual work but demonstrate a more ad-hoc approach to following up on recommendations, and those activities only cover some of the corrective actions. During consultations, the Independent Administrator expressed concerns about the lack of follow-up to the recommendations outlined in the inception report and the previous EITI Report. All stakeholders consulted voiced concerns that the low level of follow-up is rooted in the shortage of staff and resources, staff turnover, and a lack of institutional and technical capacity at the MSG. They also considered that the limited progress in follow up on EITI recommendations had a negative impact on improving the quality of existing disclosures and the comprehensiveness of information that could be disclosed in the future. Stakeholders considered that this could lead to difficulties in maintaining public trust and an increased reputational risk in the future.</p> <p>Although the work plan includes activities to address some of the corrective actions from the previous Validation, some international partners expressed concerns about these activities being insufficient to comprehensively address all the corrective actions and recommendations from the previous Validation.</p>
<p><b>Review the outcomes and impact of EITI implementation (Requirement #7.4)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 7.4 is partly met as in the previous Validation. The document analysis and stakeholder consultations suggest that the objective of this requirement, ensuring regular monitoring and evaluation of implementation, has only been partially fulfilled.</p> <p>Suriname currently undertakes limited activities related to monitoring the impact and outcomes of EITI implementation. None of the stakeholders consulted could confirm the existence of formal and regular mechanisms for revising and providing feedback to EITI implementation in the period under review. In addition to the 2018-2020 EITI Report, Suriname has not published an Annual Progress Report (APR) or any other document outlining progress in EITI implementation during the period under review. In its response to the draft assessment, the MSG confirmed that an annual progress report for 2023 will be published soon and that discussions to establish a monitoring mechanism to assess the outcomes and impact of EITI implementation are ongoing.</p> <p>Parts I and III of the Outcomes and impact template outline an overview of activities related to progress in monitoring and achieving the objectives of the previous work plan. Although this template includes activities focused on preparations for the 2018-2020 EITI Report, the communication plan and the Beneficial Ownership Roadmap, it does not include an overview of the multi-stakeholder group’s responses to and progress made in addressing the recommendations from reconciliation and Validation and an assessment of progress towards achieving the objectives set out in its work plan, Suriname has not shown progress in addressing the corrective action from Requirement</p>



	<p>7.4, which requires Suriname to review the outcomes and impact of EITI implementation on natural resource governance, ensuring the participation of all stakeholders in the production of the annual progress report and the review of the impact of EITI implementation.</p> <p>Stakeholders consulted during this Validation considered that the lack of progress in Requirement 7.4 in the period under review is related to the lack of technical and institutional capacity of the MSG and the national secretariat, changes in MSG representation and a generalized stagnation of EITI implementation in Suriname. Industry stakeholders mentioned that these challenges, along with disclosure issues like confidentiality provisions, have slowed down the consolidation of the EITI implementation in Suriname.</p> <p>Comments from consultations about the impact of the EITI in Suriname are diverse. All stakeholders consulted confirmed that the consolidation of a national secretariat will have a positive impact on future impact assessment activities. Government representatives highlighted that the EITI has had a positive impact in the good governance of natural resources, contributing to increase the competitiveness of the national extractive sector. Industry representatives expressed that, despite limited impact and extraordinary circumstances such as the COVID-19 pandemic, the EITI has had a positive impact mainly by using the 2018-2020 EITI Report to highlight challenges and opportunities in the sector. Similarly, international stakeholders expressed their support for the EITI, indicating their push for the inclusion of EITI provisions in the draft of the new mining law. Civil society stakeholders expressed their willingness to contribute to strengthening the impact of the EITI by increasing their participation in CSOs dialogue platforms.</p> <p>Consultations confirmed the unanimous agreement among stakeholders on the need to increase awareness of the EITI in the country, allowing citizens to contribute to the EITI process.</p>
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#### New corrective actions and recommendations

- In accordance with Requirement 1.5, Suriname should ensure that the current work plan is fully costed. Suriname must ensure that the work plan is the result of consultation with key stakeholders. The MSG is encouraged to include in the work plan innovative and cost-effective dissemination activities that facilitate interaction between stakeholders and systematic disclosure on key extractive sector issues. Suriname must ensure that the MSG work plan is reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI implementation.
- In accordance with Requirement 7.1, Suriname must ensure that the information disclosed by EITI Suriname is widely accessible and distributed to key audiences, including civil society, the media and the communities where extractive activities take place. The multi-stakeholder group is encouraged to make EITI information more understandable and relevant to citizens through thematic reports and other mediums and make these available online. Suriname must also ensure that EITI disclosures are available in appropriate languages, specifically Dutch, and consider access challenges and information needs of different genders and local mining communities. Suriname may wish to consider innovative ways to strengthen the EITI's contribution to public debate and the production of summary reports focused on key national priorities. To strengthen EITI Implementation, Suriname may wish to consider undertaking capacity building efforts to improve understanding reports and online disclosures.
- In accordance with Requirement 7.2 a) and 7.2 b), Suriname must agree on a clear open data policy on the access, release and re-use of EITI data. To strengthen EITI Implementation,

Suriname EITI is encouraged to make systematically disclosed data machine readable and interoperable, and to code or tag EITI disclosures and other data files so that the information can be compared with other publicly available data.

- In accordance with Requirement 7.3, Suriname must act upon lessons learned, particularly by strengthening procedures to analyse and follow up on recommendations resulting from EITI implementation with a view to strengthening the impact of EITI in the extractive sector governance and transparency.
- In accordance with Requirement 7.4, the MSG should publish an annual progress report, or any other document agreed by the MSG that identifies, investigates and addresses the causes of any information gaps and discrepancies., and to include an assessment of progress towards achieving the objectives stated in Suriname’s 2023-2024 work plan. The MSG is encouraged to take gender considerations and inclusiveness into account. The MSG should also include an assessment of progress for the recommendations from the previous Validation and the reconciliation process.

### 3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

#### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Government engagement (Requirement #1.1)</b></p> <p><i>Mostly met with considerable improvements</i></p>	<p>The International Secretariat’s assessment is that Requirement 1.1 is mostly met, with considerable improvements since the previous Validation. Government engagement has improved since the previous Validation and some corrective actions from the previous Validation have been completed.</p> <p>The objective of this requirement is to ensure a full, active and effective government lead for EITI implementation, both in terms of high-level political leadership and operational engagement, as a means of facilitating all aspects of EITI implementation. The Secretariat’s assessment is that the government’s operational engagement is not yet full and effective, which leads to the assessment that the objective is only mostly fulfilled.</p> <p>The government has publicly <a href="#">reaffirmed</a> its commitment to implement the EITI and the integration of the national secretariat (NS) within the MoNR has helped to embed the EITI process within government systems and has increased its funding and resources. For the first time, there is a line item in the 2024 national budget devoted to funding the national secretariat, which will improve the permanence and operational capacity of the NS. The government also facilitated a cross-training session with the MSG of Trinidad and Tobago to increase operational capacity in the NS. To date, the NS is still lacking proper technical resources. The National Coordinator has clear communication channels to both the EITI Champion, the Minister of Natural Resources, and the senior government official appointed to</p>

	<p>lead EITI implementation, who is the Permanent Secretary of Mining at the MoNR. Consulted government stakeholders stated that coordination between government agencies to follow up on EITI recommendations had improved since the last Validation but that there could be more effective coordination through greater participation in MSG discussions by government agencies not currently within the MSG, such as the Central Bank, Grassalco and the Bauxite Institute. Some stakeholders from these government entities noted that outreach to government outside of the MSG is limited. Government outreach and dissemination of EITI information is limited to the publication of EITI reports.</p> <p>The Permanent Secretary of Mining is a regular attendee of MSG meetings, though stakeholders from all constituencies acknowledged that there should be more regular attendance and participation from other senior government officials at MSG meetings. In its response to the draft assessment, the national secretariat committed to monitoring and encouraging the involvement of senior government officials in MSG meetings and events. Some industry and government representatives considered that government attendance of MSG meetings improved in the latter half of the period under review, pointing to increasing engagement going forward. For this reporting period, the government signed a memorandum of understanding (MoU) with mining companies that resolved a legal barrier for the disclosure of EITI data, and it is understood that the Permanent Secretary of Mining is available to help resolve bottlenecks encountered by the national secretariat when it comes to coordination between government agencies. Government representatives were actively involved in the writing of the most recent ToR and in the special committee formed to create the MSG's most recent work plan. Further examples of inter-department coordination are summarised in Requirement 6.4.</p>
<p><b>Industry engagement (Requirement #1.2)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat's assessment is that Requirement 1.2 is mostly met, as in the previous Validation. The objective of this requirement is to ensure that extractive companies are fully, actively and effectively engaged in the EITI, both in terms of disclosures and participation in the work of the MSG, and that the government ensures an enabling environment for this. Based on stakeholder consultations and available documentation, the Secretariat's assessment is that the objective has been mostly met given varying engagement levels from extractive companies and the lack of submission of EITI data by some material companies.</p> <p>The oil and gas industry are represented on the MSG by Shell and Staatsolie, with Shell assuming primary member status from Staatsolie through an open nomination and secret ballot procedure carried out in December 2022. Coordination with the broader constituency is conducted via annual industry-wide forums and through one-off meetings with companies to discuss matters of importance. Feedback and engagement from the broader constituency is reflected in MSG discussions as evidenced by industry contributions to the current work plan. Despite the small size of the sector and Staatsolie's central role in organising the constituency, there is room for improved engagement in the oil and gas industry as not all material oil and gas companies submitted reporting templates. Of the reporting templates submitted, not all followed the agreed upon data assurance procedures consisting of sign-off by senior management.</p> <p>The mining industry consists of two large-scale mining companies and many small and medium-scale mining companies. Representation on the MSG is led by Newmont Suriname with the other large mining company that operates Rosebel Gold Mines, Zhijin, serving as an alternate member. Nomination procedures clearly describe how these companies alternate primary membership in the MSG. Small</p>

	<p>and medium-scale mining companies are represented by the Holders of Mining Rights Foundation (SHMR), which also serves as an alternate member of the MSG. Stakeholders from large mining companies as well as stakeholders from small and medium-scale mining companies agreed that there was an enabling environment for company participation in the implementation of the EITI but these two subsets of the mining sector differed in their assessment of the effectiveness of their participation. Stakeholders from small and medium-scale mining companies stated that priority issues raised by their MSG representative had not been properly addressed through the MSG platform. As a result, representatives from small and medium-scale mining companies have not regularly attended MSG meetings in the period under review and have been reticent to engage in the EITI process. In its response to this draft assessment, the MSG acknowledged the lack of participation of this group and committed to reinvigorate the engagement of this group in the MSG process, especially in MSG meetings.</p> <p>For both petroleum and mining companies, there is room to improve the level of engagement in the EITI. While representatives from both sectors considered the EITI important for increasing public understanding about the extractive industries and how industry participation can benefit communities, they acknowledged that industry should engage in more public outreach. Industry could also help to overcome challenges related to disclosures of beneficial ownership information and contract transparency. During consultations, some stakeholders indicated their support for these initiatives and were waiting for government stakeholders to take the lead. There is precedent for companies participating in EITI implementation to go beyond what is legally required considering that most major oil and gas and mining companies signed memorandums of understanding (MoU) with the government to forego secrecy provisions that prevented the disclosure of payments to government.</p>
<p><b>Civil society engagement (Requirement #1.3)</b></p> <p><i>Fully met</i></p>	<p>The International Secretariat’s assessment is that Requirement 1.3 is fully met, as in the previous Validation. The enabling environment for civil society participation in extractive industry governance should continue to be monitored by the MSG to ensure that it is safeguarded.</p> <p>The objective of this requirement is to ensure that civil society is fully, actively and effectively engaged in the EITI process, and that there is an enabling environment for this to take place. The active participation of civil society in the EITI process is key to ensuring that the transparency created by the EITI can lead to greater accountability and improved governance of oil, gas and mineral resources. The provisions related to civil society engagement seek to establish the conditions that permit this to occur over time. The Secretariat’s assessment is that the objective is fulfilled in the period under review, but notes concerns raised by some consulted civil society members that the broader environment for engagement in extractives governance is becoming more restricted.</p> <p>International civil society organisations, such as Civicus and Freedom House, corroborate claims by civil society members that the broader environment for civil society engagement in extractives governance is somewhat restricted but also highlight examples of civil society expression. Freedom House <a href="#">considers</a> Suriname to be ‘free’, with rankings remaining steady since the previous Validation despite an isolated incident of an assault on a journalist by the security of a high-ranking government official. Civicus, on the other hand, <a href="#">concludes</a> that civic space is ‘narrowed’ given concerns about press freedom stemming from the previously mentioned assault and the existence of defamation laws. Consulted civil society stakeholders highlighted the lack of impact from their efforts to strengthen</p>

	<p>collective land rights and improve clarity in licensing procedures as examples of their lack of influence in broader extractive sector governance.</p> <p><u>Expression:</u> There does not appear to have been significant changes in the enabling environment for citizen engagement since the previous Validation in 2019. Freedom of expression and of the press are guaranteed by Suriname's Constitution, and seem to be respected in practice, within the EITI process and largely on issues around extractive sector governance. Certain civil society members outside the MSG noted individual instances of self-censorship concerning artisanal and small-scale mining operations linked to politically exposed persons, including Vice President Ronnie Brunswijk, but it is the Secretariat's opinion that these instances do not amount to a pattern of government repression. While there was an incident of an <a href="#">assault</a> of a journalist in December 2021 by the bodyguards of the vice president, this incident does not appear to be related to issues around the EITI Standard or natural resource governance. <a href="#">Analysis</a> of press freedom by Reporters Without Borders supports the Secretariat's conclusion that civil society remains able to disseminate information and comment on the EITI process despite occasional instances of intimidation that has led to self-censorship. There is evidence of civil society and media expressing critical views of government and industry related to the EITI process and extractive resource governance, such as <a href="#">highlighting</a> the role of high-level <a href="#">politicians</a> involved in mining, <a href="#">criticising</a> the government's response to mining accidents and <a href="#">outlining</a> the negative externalities associated with timber and gold mining. Civil society has also used the MSG as a platform to <a href="#">denounce</a> irregular licensing procedures on indigenous lands in the Para district without free, prior and informed consent.</p> <p><u>Operation:</u> As in the previous Validation, civil society representatives appear to be able to operate freely in relation to the EITI process. CSOs must register with the Ministry of Justice and Police and stakeholder consultations did not highlight any barriers or hindrances in the registration or operation of CSOs. In terms of funding, CSOs are mainly foreign-funded and receive financial support through and assistance through organisations such as the Universal Period Review in drafting <a href="#">reports</a> to international actors. While there were no reported restrictions on access to these funds, one civil society stakeholder noted that donor rules are becoming stricter, which adds additional burden for under-capacitated CSOs.</p> <p><u>Association:</u> Freedom of association is guaranteed by Suriname's Constitution and stakeholder consultations confirmed that CSOs communicate and cooperate with one another regarding the EITI process and, increasingly, regarding extractive governance issues. CSOs are primarily organised through three umbrella organisations: KAMPOS, VIDS and SWOS. KAMPOS and VIDS represent indigenous and tribal organisations while SWOS represents workers' unions in the extractives sector. All the above-mentioned organisations noted that communication and outreach to members was performed on an ad hoc basis in face-to-face meetings and WhatsApp groups. While there are email channels to communicate with the broader civil society constituency, consultations confirmed that these had not been employed since the COVID-19 pandemic, though efforts are underway to improve cooperation with these stakeholders. In its response to the draft assessment, the MSG indicated that they will work to establish formalised mechanisms for communication between CSO umbrella organisations and individual CSOs, with the help of the International Secretariat. Nomination procedures are specific to each umbrella organisation for representation as primary members on the MSG and a call for nominations is widely disseminated among CSOs for representation as alternate MSG members. The latter process is overseen by outside consultants to allow for an unbiased selection process. During the Validation period, there was</p>
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	<p>one change of representative for KAMPOS, and documentation confirms that this change followed procedure. Consulted civil society stakeholders confirmed that there was no outside interference to nomination and selection processes.</p> <p><u>Engagement</u>: CSOs appear to be fully and actively engaged in the design, implementation, monitoring and evaluation of the EITI process. Some consulted members of civil society expressed concerns about the lack of effectiveness of civil society engagement in the EITI process, which was exacerbated by insufficient funding, partly due to the discontinuation of per diems (see Requirement 1.4) and a lack of manpower. Nevertheless, CSOs are regular and active participants in MSG meetings, MSG working groups and other outreach and EITI events and provide input and advocacy on issues related to the EITI. While civil society representatives did not report any obstacles to organising EITI events that hindered their participation, these representatives expressed discontent with the effectiveness of CSO input given ongoing issues around land rights, mining license practises and free, prior and informed consent.</p> <p><u>Access to public decision-making</u>: CSOs engaged in the EITI undertake advocacy activities related to extractive sector governance and civic space, including on the relationship between licensing and land rights as well as on the use and distribution of future oil revenues. Despite CSO advocacy, consulted stakeholders expressed dissatisfaction with the outcomes of advocacy efforts. The previous Validation referred to a <a href="#">mobile app</a> (<i>De Nationale Assemblée</i>) that was meant to facilitate access to parliamentary information and serve as a channel for providing feedback to parliamentarians but this does not appear to have been updated since 2017. Likewise, the Projekta <a href="#">website</a> details a recent invitation from the President to contribute to the agenda for the National Dialogue that was declined because CSOs did not consider that they had anything new to add and that prior contributions were not implemented.</p>
<p><b>Multi-stakeholder group (Requirement #1.4)</b></p> <p><i>Fully met</i></p>	<p>The International Secretariat’s assessment is that Requirement 1.4 is fully met, which is an improvement since the previous Validation. The objective of this requirement is to ensure that there is an independent MSG that can exercise active and meaningful oversight of all aspects of EITI implementation that balances the three main constituencies’ (government, industry and civil society) interests in a consensual manner. As a precondition for achieving this objective, the MSG must include adequate representation of key stakeholders appointed on the basis of open, fair and transparent constituency procedures, make decisions in an inclusive manner and report to wider constituencies. The Secretariat’s assessment based on available documentation and stakeholder consultations is that the objective is met. Some consulted industry stakeholders did not consider the objective of this requirement to be fully met as they did not find the MSG to be sufficiently independent from government. These stakeholders also did not consider that issues of importance to their constituency, such as licensing, beneficial ownership and royalty payments as it relates to small and medium-scale mining companies were adequately discussed during MSG meetings. While the Secretariat acknowledges the concerns raised by this constituency, other stakeholders considered the objective to be fully met and the Secretariat notes improvements from the prior assessment, such as the hiring of full-time national secretariat staff and the relocation of the institutional hosting for the EITI from the Bauxite Institute to the Ministry of Natural Resources, as signs of an improved MSG. In its response to the draft assessment, the MSG confirmed that greater attention would be paid to issues that some constituencies felt were overlooked to ensure the participation of these constituencies in EITI implementation.</p>

	<p>The MSG is comprised of eight full members and eight alternates, with three representatives from government and civil society and two representatives from industry, with industry representatives from both the mining sector and oil and gas sectors. The three primary civil society members represent the interests of wider civil society organisations, labour unions and indigenous peoples. Nine out of the 16 total primary and alternate members are women, and each constituency also reflects gender parity with its representatives. Industry and civil society have clear nomination processes and consulted stakeholders from these constituencies confirmed that these processes were independent and free from any suggestion of coercion.</p> <p>Documentation and stakeholder consultations suggest that the MSG is functioning effectively and that the invitation to participate in the MSG was open and transparent, with a renewal in MSG membership since the previous Validation. The MSG oversees the production of EITI Reports, approves work plans and other documents, organises outreach and training events and follows-up on recommendations. Meetings occur on a regular basis with adequate advance notice and documentation of discussions and decisions via meeting minutes published on the Suriname EITI <a href="#">website</a>. All decisions taken during meetings were by consensus. All constituencies had an active role in preparing documentation for this Validation and the addition of committed, full-time national secretariat staff, which was not the case in the previous Validation, has greatly improved the functioning of the MSG and the capacity of its members. While there has been a practice of per diems for attending EITI meetings, these have not been distributed since 2020 due to low government finances. Documentation describing this practice is not publicly available.</p> <p>Stakeholder consultations suggest that MSG members can speak freely at MSG meetings and raise issues for discussion, though some industry stakeholders considered that issues relevant to their sub-constituency, were not adequately discussed. Stakeholders from all constituencies indicated that they had processes in place to liaise with their constituency groups but that there was more work to be done to foster a greater sense of inclusion within the MSG and the broader EITI process.</p> <p>Terms of Reference (ToRs) for the reporting period were agreed upon by the MSG and are publicly available on the EITI Suriname <a href="#">website</a>. Likewise, the latest ToR is also available and was approved in September 2023. Available documentation confirms that the ToRs includes provisions on the roles, responsibilities and rights of the MSG and adheres to all aspects of Requirement 1.4.b. However, in practice, some MSG members encounter capacity limitations, in part due to the lack of payment of required per diems. Public information that results from the EITI process could also be more widely and effectively distributed, in practice. The legal basis for the group is also established through the ToRs, although more details on the practice of per diems should be made public. During consultations, all stakeholders confirmed that all parties abided by the EITI Association code of conduct in the period under review.</p> <p>The MSG would highly benefit from the membership and participation of the Central Bank, the Bauxite Institute and the Bureau of Statistics given these entities' involvement in extractive sector governance. This would strengthen the technical capacity of the MSG and promote dialogue with entities responsible of disclosing information of the sector. In its response to the draft assessment, the MSG indicated that efforts were already underway to include these entities in the MSG.</p>
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### New corrective actions and recommendations

- In accordance with Requirement 1.1, the government should ensure that senior government officials and government entities are fully, actively and effectively engaged in the EITI process through attendance to MSG meetings, outreach to stakeholders that are not members of the MSG and use of EITI data to promote public debate.
- In accordance with Requirement 1.2, oil, gas and mining companies should ensure full, active and effective engagement in the EITI. The SHMR should ensure systematic participation in the MSG's work and provision of data for EITI reporting. Oil and gas companies should ensure comprehensive reporting of EITI data.
- To strengthen implementation of Requirement 1.3, umbrella organisations that represent the interests of individual CSOs should establish formalised communication channels to ensure regular and comprehensive dissemination of data. Given concerns about self-censorship raised by independent third parties and some civil society members, the MSG is encouraged to closely monitor future allegations of self-censorship and possible limitations of press freedom.
- To strengthen implementation of Requirement 1.4, the MSG and national secretariat is encouraged to ensure that comments and issues tabled by each constituency are reflected in final documents and given adequate time for discussion during MSG meetings. The MSG could consider expanding to include other key stakeholders from government, such as the Central Bank and Bauxite Institute to improve information sharing and oversight.

## 4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

### Overview of the extractive sector (Requirements 3.1, 6.3)

#### Overview of progress in the module

Suriname discloses an overview of the country's extractive sector through EITI reporting and relevant government portals. However, further efforts are needed to ensure timeliness of exploration data and comprehensiveness of information on the contribution of the extractive sector to the economy for the period under review. On the latter, the MSG should play an active role to ensure the comprehensiveness of data. There are also opportunities for strengthening reporting and disclosures on SSM given the importance of small and medium-scale mining activities in Suriname.

#### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past  
corrective action and  
assessment

Summary of progress in addressing the EITI Requirement



<p><b>Exploration (Requirement #3.1)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 3.1 is mostly met, which is a regression from the previous Validation.</p> <p>The objective of this requirement is to ensure public access to an overview of the extractive sector in the country and its potential, including recent, ongoing and planned significant exploration activities. The Secretariat’s view, based on available disclosures and stakeholder views, is that the objective has been mostly fulfilled given the availability of historical data but noting the lack of a comprehensive overview of the extractive sector in 2018-2020.</p> <p>The 2018-2020 EITI Report provides information primarily based on the <a href="#">2017 IGF Mining Policy Framework Assessment</a>, with some updates for 2018-2020. Consulted stakeholders did not express any particular views on the comprehensiveness of the coverage of extractive industries and exploration activities in the EITI reporting or through systematic disclosures. However, the limited availability of systematically disclosed and timely exploration and production information was broadly noted. In its response to the draft assessment, the MSG committed to gathering more recent exploration information from extractive companies.</p> <p>Concerning encouraged disclosures, the 2018-2020 EITI Report and the <a href="#">Suriname EITI website</a> provide a brief history of the extractive industries as well as some information on reserves and artisanal and small-scale mechanised mining (SSM).</p>
<p><b>Contribution of the extractive sector to the economy (Requirement #6.3)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 6.3 is mostly met, as in the previous Validation. The objective of this requirement is to ensure a public understanding of the extractive industries’ contribution to the national economy and the level of natural resource dependency in the economy. Available documentation indicates that the objective has been mostly met, with limited stakeholder comments on this requirement expressed during consultations.</p> <p>The 2018-2020 EITI Report provides the extractive industries’ contribution to GDP in absolute and relative terms (5.6% in 2020), based on the data from the General Bureau of Statistics of Suriname. The Secretariat’s understanding from consultations is that this value covers both the mining and petroleum sectors. Key regions/areas where production is concentrated are provided throughout the report.</p> <p>Government revenues from the mining and petroleum sectors, the total government revenues and respective percentage contributions of the mining (22.7% in 2020) and petroleum (2.8% in 2020) sectors are disclosed in the 2018-2020 EITI Report. However, the data appear to be based on the EITI reporting templates, which may not be fully comprehensive of all extractive revenues and companies. During consultations, some stakeholders reiterated that the submission of reporting templates was not comprehensive from the company side or the government side. Available documentation and stakeholder consultations did not comment on whether these data are systematically disclosed through government systems.</p> <p>According to EITI reporting, the mining sector contributed to 0.9% of the total exports and the petroleum sector – to 12.9% of the total exports in 2020. The export data are provided in absolute terms and as a percentage of total exports and are based on information disclosed by the Central Bank, the General Bureau of Statistics and the Ministry of Finance and Planning.</p>

	<p>The number of employed persons in the extractive sector, by gender, and their percentage contribution towards total employment numbers are also included in the 2018-2020 EITI Report. However, the data appear to be based on information provided only by reporting companies.</p> <p>Available documentation stresses the importance of the SSM in Suriname and provides historical data. While the 2018-2020 EITI Report does not specify an estimate of informal sector activity for the period under review, including but not necessarily limited to artisanal and small-scale mining, third-party estimates, such as the March 2023 Organisation of American States (OAS) Report on illicit gold production in Suriname add to existing government sources of data on the artisanal and informal sector. In its response to the draft assessment, the MSG committed to including these estimates in future reports.</p>
<b>New corrective actions and recommendations</b>	
<ul style="list-style-type: none"> <li>• In accordance with Requirement 3.1, Suriname should disclose an overview of the extractive industries, including any significant exploration activities and comprehensive disclosure of recent, ongoing and planned significant exploration activities. If informal mining exploration activities occur publicly documented or discussed within the MSG, these should be noted in EITI reporting.</li> <li>• In accordance with Requirement 6.3, Suriname should reference government or third-party estimates of informal artisanal and small-scale gold mining, for the fiscal year(s) under review. The MSG is also encouraged to strengthen its efforts aimed at systematic disclosure of information on the contribution of the extractive industries to the economy, including companies that are not included in the scope of EITI reporting.</li> </ul>	

## Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

### Overview of progress in the module

An overview of the legal framework and fiscal regime is available in EITI reporting and through the websites of relevant government agencies. Stakeholder consultations indicated the need for updating relevant legislation, including clarification of the government’s policy on contract transparency. Suriname has not disclosed contracts or licenses entered into or amended since 1 January 2021, but some older contracts have been published in full. Regarding environmental management and monitoring, Suriname’s efforts to disclose EIAs are commendable. However, further work could be done to clarify applicable rules and practices related to environmental protection.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
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<p><b>Legal framework and fiscal regime (Requirement #2.1)</b></p> <p><i>Fully met</i></p>	<p>The International Secretariat’s assessment is that Requirement 2.1 is fully met, as in the previous Validation. The objective of this requirement is to ensure public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms. Available documentation and stakeholder consultations indicate that this objective has been fully met.</p> <p>In the <u>mining sector</u>, the 2018-2020 EITI Report includes a summary of the main laws and regulations for the mining sector, including the <a href="#">Mining Decree</a> from 1986. The report notes previous discussions on amendments to the decree but does not seem to comment on any amendments since 2018. The Transparency template includes a link to <a href="#">Suriname’s multi-year development plan for 2022-2026</a> but does not comprehensively summarise the main ongoing and planned reforms. Consulted stakeholders noted the need for updating relevant legislation, described the ongoing amendment process and noted that MSG representatives were involved in the discussions on updates to the decree, both as part of the EITI process and as representatives of their organisations. The 2018-2020 EITI Report also clarifies mining agreement types for small and medium-size companies, and large companies.</p> <p>The 2018-2020 EITI Report provides an overview of relevant government agencies and their roles. This information is also available through different websites of relevant government agencies (for example, <a href="#">MoNR</a> and <a href="#">MoFP</a>).</p> <p>The fiscal regime is detailed in the 2018-2020 EITI Report, including references to relevant laws. However, it is not clear if all relevant laws are systematically disclosed. The Transparency template confirms that fiscal devolution is not applicable in Suriname. In its response to the draft assessment, the MSG noted that they will form a working group consisting of members with legal expertise to improve the systematic disclosure of this information.</p> <p>In the <u>oil and gas sector</u>, the main laws and regulations related to the oil and gas sector, including the <a href="#">Petroleum Act</a> from 1990, are mentioned in the 2018-2020 EITI Report, but the main provisions applicable to the sector are not summarised. Consulted stakeholders noted the ongoing efforts aimed at updating relevant legislation. However, these efforts are not comprehensively described in available documentation.</p> <p>The 2018-2020 EITI Report provides an overview of relevant government agencies and their roles, and of fiscal regime. The Transparency template provides additional links and confirms that fiscal devolution is not applicable in Suriname. Consulted stakeholders noted that the relevant legal framework was accessible. Some information about the recent reforms is available in the public domain, for example, through the Staatsolie’s annual reporting (<a href="#">2021</a>). However, it was noted that more information about the planned reforms in the hydrocarbon sector could be provided.</p>
<p><b>Contracts (Requirement #2.4)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 2.4 is partly met. The objective of this requirement is to ensure the public accessibility of all licenses and contracts underpinning extractive activities (at least from 2021 onwards) as a basis for the public’s understanding of the contractual rights and obligations of companies operating in the country’s extractive industries. Available documentation and stakeholder consultations indicated that this objective has not been met, given no public accessibility of all</p>

	<p>relevant extractive sector agreements and the further need to clarify the government's policy on contract and license disclosure.</p> <p>The 2018-2020 Suriname EITI Report notes that the Surinamese legislation does not prohibit the disclosure of license and contract information. However, there is also no legal obligation to disclose full texts of relevant agreements and the government's policy on contract and license disclosure is not formalised. This has been confirmed by all constituencies during the stakeholder consultations. It was also noted that an amendment to current legislation would be needed to enforce contract and license transparency.</p> <p>The list of all active mining agreements for 2018-2020 is available in Annex 1 to the 2018-2020 EITI Report. However, it does not appear that a list of all agreements that have been granted, entered into or amended from 1 January 2021 is publicly available. Available documentation notes that all requests for mining rights are registered by GMD. However, stakeholder consultations confirmed that external users cannot access the <a href="#">relevant portal</a>. The full text of mining contracts and their annexes for several large-scale mining companies are publicly available through the <a href="#">Suriname EITI website</a>. However, the contracts date to well before 1 January 2021, with no information on any recent amendments (if applicable). It appears that contracts for medium- and small-scale mining projects are not publicly available.</p> <p>The list of all oil and gas agreements is available on the <a href="#">Staatsolie website</a> but no contracts are publicly available. Stakeholder consultations indicated that further work on license and contract registers was planned and could also contribute to contract transparency.</p> <p>Consulted stakeholders also noted that the <a href="#">model PSC</a> was publicly available and was broadly followed in practice. However, some stakeholders noted that there could be minor differences in the terms and conditions of those PSCs, therefore making the full publication of all contracts even more necessary to strengthen transparency and raise awareness of the full conditions companies have in Suriname's oil and gas sector.</p> <p>Consulted stakeholders noted the past and ongoing discussions related to disclosure of contracts executed after 1 January 2021, including commercial sensitivity of some contract terms and confidentiality issues. It appears that no mutual agreement on contract disclosure has been reached since the previous Validation, in particular regarding publication of contracts of the willing companies as the first step.</p> <p>While contract transparency has been discussed by all constituencies, it appears that the MSG has not comprehensively documented and explained the main legal and practical barriers and has not agreed a plan with a clear time frame reflected in work plans addressing any barriers to comprehensive disclosure. In its response to the draft assessment, the MSG committed to studying these barriers to disclosure.</p>
<p><b>Environmental impact (Requirement #6.4)</b></p> <p><i>Not assessed</i></p>	<p>The International Secretariat's assessment is that Requirement 6.4 remains not assessed, as there are some encouraged aspects of this requirement that remain to be addressed by Suriname EITI.</p> <p>The objective of this requirement is to provide a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental impact of extractive industries, and to assess</p>

	<p>extractive companies' adherence to environmental obligations. The passage of recent legislation and the publication of some monitoring efforts, mainly EIAs, has provided clarity around some aspects of the requirement but the broader objective of this requirement remains mostly fulfilled due to opportunities to strengthen disclosures on environmental management and monitoring, in particular related to actual practices and planned reforms.</p> <p>The 2018-2020 EITI Report provides a brief overview of relevant government agencies that are focusing on environmental impact and the Transparency template provides links to systematically disclosed information on the <a href="#">Environmental Framework Act</a>, passed in May 2020, which <a href="#">established</a> the National Environmental Authority (NMA). This Act will integrate the National Institute for Environment and Development in Suriname (NIMOS) into the NMA and the NMA will carry out all NIMOS activities with a stronger legal mandate. This Act established legal provisions and administrative rules related to environmental management and monitoring of extractive investments in the country. The roles and responsibilities of the NMA and the NIMOS are defined and there are regulatory provisions for sanctions processes, environmental liabilities and rehabilitation and remediation programmes. In its response to the draft assessment, the MSG indicated that they will consult with the International Secretariat to develop other aspects of this requirement.</p> <p>In practice, stakeholder consultations confirmed that the <a href="#">NIMOS EIA</a> repository was developed and fully functioning in the period under review. While the NIMOS website contains web pages that should contain information on other environmental monitoring and sanction procedures, there do not appear to be publicly accessible documents in these locations.</p> <p>Additionally, there are examples of inter-governmental coordination on environment impact, in particular the <a href="#">EMSAGS</a> program between MoNR, NIMOS and UNDP to improve the environmental management of mining in Suriname, particularly for small-scale gold mining; and the <a href="#">MINAMATA</a> program to push for an end to mercury use in artisanal and small scale gold mining, headed by the NIMOS.</p>
<b>New corrective actions and recommendations</b>	
<ul style="list-style-type: none"> <li>• To strengthen implementation of Requirement 2.1, Suriname is encouraged to strengthen systematic disclosure of information about the legal framework and fiscal regime to enhance the public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms.</li> <li>• In accordance with Requirement 2.4, Suriname should document the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals, and disclose in full all contracts and licenses that are granted, entered into or amended from 1 January 2021. The MSG is expected to agree and publish a plan for disclosing contracts with a clear time frame for implementation and addressing any barriers to comprehensive disclosure.</li> <li>• To strengthen implementation of Requirement 6.4, Suriname is encouraged to disclose comprehensive information on the practice associated with management and monitoring of the environmental impact of the extractive industries outside of the publication of EIAs and to continue the process of the establishment of the NMA and the fleshing out of the Environmental Framework Act.</li> </ul>	

## Licenses and property rights (Requirements 2.2, 2.3)

### Overview of progress in the module

An overview of the license and contract allocation process is provided through EITI reporting. However, Suriname has not yet used its EITI reporting to provide a diagnostic of licensing practices, despite allegations of delays in the award and renewal of small and medium-scale mining licenses.

The license data for 2018-2020 was disclosed through EITI reporting but consulted stakeholders noted that efforts were ongoing to reestablish a public online register for the mining sector after the former register was taken offline. There appear to be opportunities for both strengthening systematic disclosure and comprehensiveness of the license data. Most, but not all, information relevant to Requirement 2.3 concerning oil and gas contracts is disclosed through the Staatsolie website.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Contract and license allocations (Requirement #2.2)</b></p> <p><i>Partly met with considerable improvements</i></p>	<p>The International Secretariat’s assessment is that Requirement 2.2 is partly met, with considerable improvements since the previous Validation. The objective of this requirement is to provide a public overview of awards and transfers of oil, gas and mining licenses, the statutory procedures for license awards and transfers and whether these procedures are followed in practice. This can allow stakeholders to identify and address possible weaknesses in the license allocation process. Available documentation and stakeholder consultations indicate that this objective has not been met, given gaps in the availability of data related to rules applicable to contract and license allocations and respective practices.</p> <p>In the <u>mining sector</u>, Annex 1 of the 2018-2020 EITI Report provides a list of active mining licenses during 2018-2020, including those that were awarded in the period under review (224 licenses in 2020). The list does not specify if any licenses were transferred in 2018-2020.</p> <p>The 2018-2020 EITI Report provides an overview of the types of mining licenses and award process, including references to relevant laws. Allocation procedures are different for small- and medium-scale versus large-scale mining projects. While the report specifies differences in the list of documents for application for different types of permits (reconnaissance, exploration, exploitation, small-scale mining, building materials), it is not clear if different procedures apply to applications for small- and medium-scale versus large-scale mining projects.</p>



	<p>The main technical and financial criteria are briefly mentioned in EITI reporting, with a note that government agencies do not apply any weighting of criteria. However, it is not clear if these criteria might vary depending on the size of the mining project and its associated category of license.</p> <p>The 2018-2020 EITI Report notes which mining permits can be transferred and clarifies that exploration and exploitation licenses can be wholly or partially transferred to persons or enterprises that meet the requirements applicable to an applicant of the rights and have the transfer approved by the GMD. Consultations with the IA confirmed that the same technical and financial criteria used in the award process are used in the transfer process.</p> <p>Stakeholder consultations indicated that it was not clear what allocation approach was applied. While there were no formal bidding rounds for mining deposits, it appears that there were cases with more than one applicant. It was also mentioned that there were cases where several applications for small-scale mining were submitted for areas closely located to each other which could also be considered as a large-scale mining project, with different terms attached. Overall, available documentation does not provide a clear assessment of any non-trivial deviations from statutory procedures and ways to monitor that the license allocation and/or transfer process is followed in practice. In its response to the draft assessment, the MSG indicated that they will explore methods to improve the licensing and allocation process in the mining sector.</p> <p>In the <u>oil and gas sector</u>, the Staatsolie website provides an overview of all PSCs awarded since 1957, including the fiscal years under review. Consulted stakeholders did not express any concerns related to the comprehensiveness of the list. At the same time, it appears that the list of all bidders for recent bidding rounds is not disclosed.</p> <p>The 2018-2020 EITI Report notes that there is no formal procedure or law for application for oil concessions but clarifies the meaning of this statement in the ensuing paragraphs. State-owned enterprises, in this case Staatsolie, are granted rights to all oil concessions and then enters into production-sharing agreements with partners. The process by which Staatsolie concludes PSCs with private companies is clearly laid out in the Staatsolie Hydrocarbon Institute's (SHI) publications. It also notes that oil and gas rights are transferred through a public bidding process, with the same technical and financial criteria applied. EITI reporting provides evaluation criteria for offshore bidding rounds. However, the full technical and financial criteria applied do not appear to be comprehensively disclosed for onshore and offshore.</p> <p>The 2018-2020 EITI Report notes that the assessment of non-trivial deviations from the statutory procedures was not possible because the full text of concluded agreements was not available.</p> <p>Available documentation does not appear to provide comments on the efficiency of the contract and license allocation process. However, the 2018-2020 EITI Report provides an overview of the implementation process of recommendations, including on Requirement 2.2.</p>
<p><b>Register of licenses (Requirement #2.3)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat's assessment is that Requirement 2.3 is partly met, as in the previous Validation. Available documentation and stakeholder consultations indicate that the objective of this requirement to ensure the public accessibility of comprehensive information on property rights related to extractive deposits and projects has not been met, given challenges related to maintaining</p>

	<p>a publicly available register or cadastre and opportunities to strengthen comprehensives of license information. In its response to the draft assessment, the MSG indicated that a publicly accessible mining register should be in use by the second half of 2024.</p> <p>In the <u>mining sector</u>, the list of mining licenses in the 2018-2020 EITI Report provides the name of the license holder, Geological Mining Service (GMD) number, type of mining, size of the area, date of submission and date of termination. It appears that this list covers material and non-material companies. Consulted stakeholders expressed varying views related to the comprehensiveness of information, noting that it was difficult to confirm that all licenses were included in the list. The coordinates and commodities being produced appear to not be disclosed through EITI reporting or other publicly available sources. Consulted stakeholders did not clarify if the “date of submission” column referred to the date of application or the date of award. At the same time, consulted stakeholders noted the ongoing efforts to develop an online publicly accessible register which was expected to include timely and comprehensive license information.</p> <p>In the <u>oil and gas sector</u>, the list of PSCs published on the <a href="#">Staatsolie website</a> includes the following information: effective year, area, block, operator, partners, status (active or not), well information where applicable. Information on the dates of application, award and duration does not seem to be publicly available. Consulted stakeholders did not express any concerns related to the comprehensives of the list of PSCs. The <a href="#">map</a> of all blocks is available on the Staatsolie website but does not include specific coordinates, although size and location of the license area are disclosed. Neither documentation nor stakeholder consultations revealed plans to incorporate coordinates into this map. The commodity being produced is not specified. However, consulted stakeholders confirmed that current production covers only oil, with no gas being produced in the period under review. While the Staatsolie website provides information about the effective year, no clear dates of application, award and expiry are included.</p>
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**New corrective actions and recommendations**

- In accordance with Requirement 2.2, Suriname should comprehensively disclose the rules and practices related to the allocation and transfer processes of the oil and gas and mining sectors, including the technical and financial criteria assessed, and any non-trivial deviations from statutory procedures in practice. Where licenses or contracts are awarded through a bidding process, Suriname is required to disclose the list of applicants and the bid criteria. The MSG is encouraged to assess the efficiency of the license and contract allocation procedure and consider approaches to strengthening systematic disclosure of relevant information.
- In accordance with Requirement 2.3, Suriname should maintain a publicly available register or cadastre system with timely and comprehensive information on all mining, oil and gas licenses, including coordinates, type of commodity produced, date of application, date of award, duration of the license, and the name of the license holder. In establishing the license register. Suriname is encouraged to link license and beneficial ownership registers to aid public understanding of the full ownership chain of extractive contracts and licenses.



## Beneficial ownership (Requirement 2.5)

### Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in full in Validation as of 1 January 2022 as per the framework agreed by the Board in June 2019.<sup>2</sup> The assessment consists of a technical assessment and an assessment of effectiveness.

#### *Technical assessment*

The technical assessment is included in the Transparency template, in the tab on Requirement 2.5.

The 2012 Disclosure of Unusual Transactions Act and the Service Providers Identification Act contain identical definitions of beneficial ownership without a defined threshold and provisions for their identification, including whether a beneficial owner is considered to be a politically exposed person, but these acts only apply to financial and other service providers that collect beneficial ownership information from their clients and thus do not apply to extractive companies. Nevertheless, the January 2023 Financial Action Task Force (FATF) [Mutual Evaluation Report](#) (MER) notes that, in practice, the verification process for this data lacks formal procedures that call into question the reliability of provided information. In this latest MER, Suriname was [rated](#) as ‘non-compliant’ with Recommendations 24 and 25 on ‘Transparency and beneficial ownership of legal persons’ and ‘Transparency and beneficial ownership of legal arrangements’.

In the mining sector, Article 10-1 of the 1986 Mining [Decree](#) requires companies and individuals applying for mining licenses to register legal ownership and information on beneficial owners with the Geological Mining Department (GMD) and this information is shared with the Chamber of Commerce but there is no provision for its public disclosure and information is only accessible to relevant government authorities. Identifying information required consists of the beneficial owner’s name, date of birth, place of birth, nationality and residence and address in Suriname. This decree, however, does not contain a definition of beneficial ownership or a threshold to determine who would be considered a beneficial owner. Likewise, there is no express definition of what constitutes a ‘natural person’. It does not appear that there is similar legislation in the oil and gas sector, although consulted government and industry stakeholders indicated that beneficial ownership reporting and disclosure provisions are currently being considered by Parliament for inclusion in the new Mining Law.

Suriname’s MSG [agreed](#) on a definition of beneficial ownership and politically exposed persons on 6 August 2021. A beneficial owner is defined as an individual controlling directly or indirectly at least 20% of the legal entity. EITI Suriname requested material companies to provide beneficial ownership information using the data collection template provided by the International Secretariat. However, information provided consists of legal owners with no data related to beneficial ownership. Stock exchange information is only provided for one oil and gas company. No specific data quality assurances appear to apply to the disclosure of beneficial ownership information.

#### *Assessment of effectiveness*

Suriname does not appear to have in place a comprehensive legal framework for the collection and disclosure of beneficial ownership data of companies applying for or holding an oil and gas

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<sup>2</sup> <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

license and the legal framework in mining only extends to the collection of this data. The definition of a beneficial owner and a politically exposed person (PEP), along with an ownership threshold of 20%, is a positive step in establishing such a legal framework and Suriname's Parliament is currently debating a draft Mining Law that may include a framework for collection and disclosure in the extractive sector.

The GMD confirmed that it receives beneficial ownership data from mining companies at the application stage and that the Chamber of Commerce manages a register of information. However, this information is not publicly accessible, and the comprehensiveness of this information could not be ascertained. Government stakeholders added that they are only now beginning the process of digitising this data. While companies applying for oil and gas licenses are publicly listed in practice, there is no similar provision in the oil and gas sector for companies to provide BO data at the application stage. Of the beneficial ownership data submitted by mining companies, it is not clear if the government has in place mechanisms to verify the comprehensiveness and reliability of reported data.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Beneficial ownership (Requirement #2.5)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Suriname has partly met requirement 2.5.</p> <p>The objective of this requirement is to enable the public to know who ultimately owns and controls the companies operating in Suriname’s extractive industries to help deter improper practices in the management of extractive resources. While the MSG has agreed upon definitions of beneficial owners and PEPs and there are provisions in the mining decree for the collection of beneficial ownership information, it is unclear what data is collected in practice and the comprehensiveness of this information due to a lack of public accessibility. This leads the Secretariat to consider that the objective of this requirement is not fulfilled.</p> <p>There are no laws, regulations or policies in place to back the establishment and maintenance of a public register. Article 10-1 of the Mining Decree 1986 indicates that all persons and companies applying for mining rights are required to submit beneficial ownership information to the Geological Mining Department (GMD) but there are no provisions for the public disclosure of this information. Consulted government stakeholders added that after beneficial ownership data is submitted to the GMD, it is shared with the Chamber of Commerce, which serves as the central repository of this information. These stakeholders explained that the GMD is working to digitise the process of beneficial ownership data submission as the current process requires the submission of physical documents. In the oil and gas sector, there does not appear to be a similar legal or regulatory framework for the collection and disclosure of beneficial ownership data.</p> <p>Consulted mining industry and government representatives noted that the establishment of an official government policy on beneficial ownership is being discussed in the context of ongoing debate around amendments to the Mining Law. Suriname’s MSG agreed upon definitions for beneficial owners (and an ownership threshold of 20%) and politically exposed persons on 6 August 2021 that are aligned with Requirement 2.5.f.i and international norms. Beneficial owner information is not provided for material companies as the 2018-2020 EITI Report notes that almost all material companies did not fill out this section of the reporting template. Likewise, politically exposed persons who are involved in mining exploration and exploitation activities have not been identified using the MSG’s agreed upon definition. During consultations, the independent administrator (IA) noted that most companies did not provide links to international stock exchanges, where they are listed, and the IA did not seek out stock exchange information for material companies that are publicly listed. In place of beneficial ownership information, legal ownership information, or no information, is provided. The MSG has not provided an assessment on the comprehensiveness and reliability of beneficial ownership data that may be collected by a government entity. Information on legal ownership is available through the Chamber of Commerce’s trade register, although the January 2023 FATF <a href="#">Mutual Evaluation Report</a> notes that legal ownership information is not</p>

	complete for all companies. During consultations, the IA confirmed that neither legal nor beneficial ownership information is publicly available through the Chamber of Commerce. In its response to the draft assessment, the MSG committed to forming a working group that would work to identify beneficial owners and politically exposed persons.
<b>New corrective actions and recommendations</b>	
<ul style="list-style-type: none"> <li>• In accordance with Requirement 2.5, Suriname is required to disclose the beneficial owners and politically exposed persons of all companies holding or applying for extractive licenses. To ensure public disclosure of this information going forward, Suriname should undertake the following measures: <ul style="list-style-type: none"> <li>○ Ensure there is a legal and regulatory framework in place to ensure the collection and public disclosure of beneficial ownership information on all companies holding or applying for extractive licenses.</li> <li>○ Request all companies holding oil, gas and mining licenses to disclose beneficial ownership information and provide adequate assurances for data reliability.</li> <li>○ Require all applicants of oil, gas and mining licenses and contracts to disclose their beneficial owners at the application stage. An assessment of the comprehensiveness and reliability of this information should be undertaken by the MSG.</li> <li>○ Develop a strategy aimed to increase information-sharing among government entities that maintain beneficial ownership registers, with an eventual goal of unifying these various processes into one central public beneficial ownership register that is also linked to Suriname’s license register.</li> <li>○ Publicly identify any entities that failed to disclose their beneficial ownership.</li> <li>○ Ensure public disclosure of legal owners of all companies holding or applying for extractive licenses.</li> </ul> </li> </ul>	

## State participation (Requirements 2.6, 4.2, 4.5, 6.2)

### Overview of progress in the module

The national oil company, Staatsolie, and its one upstream subsidiary operate and hold participating interests in onshore and offshore oil projects. Staatsolie anticipates that this sector will become a larger driver of the economy and contributor to GDP as projects currently in exploration reach production. Given Staatsolie’s efficient operation, the SOE has also been tasked with maintaining non-operating interests in key gold mining operations in the country and assumed operation of the Afobaka hydroelectric dam that supplies the majority of electricity to the country, in 2020. The national mining company, Grassalco, was heavily involved in bauxite production but falling commodity prices has made bauxite production economically unviable for the time being. Grassalco now focuses on gravel production and export and the processing of tailings from large-scale gold projects as well as holding key board seats on SEMiF, which manages gold royalties meant to mitigate environmental degradation caused by mining. Since the previous Validation, there has been increased clarity in the roles and responsibilities that SOEs play in extractive production and in assisting the government.

Nevertheless, there has been some regression when it comes to transparency around mineral royalty payments. The longstanding mineral agreement for Rosebel Gold Mines that establishes Grassalco's right to receive royalties does not appear to reflect the royalty distribution practices in the period under review and there is little public documentation indicating the current practice. Conflicting accounts were presented during consultations as to whether these royalties continue to flow through Grassalco before entering the accounts of the Central Bank and it is not clear whether royalties received by Grassalco, or the Central Bank are being paid in cash or in kind. Given the importance of these royalties to the operation of Grassalco and government revenues, more public documentation of how these royalties are being distributed is needed. This is of particular importance given comments made during consultations that these royalties are being paid directly to the central bank as repayment for a loan made from the central bank to the government.

Quasi-fiscal expenditures are also an issue of national interest given Staatsolie's involvement in electricity generation. The Afobaka hydroelectric facility, which has been operated by Staatsolie's downstream subsidiary, SPCS, since 2020 provides approximately 75% of electricity to the national grid. Power purchasing agreements (PPAs) defining the terms of this power provision are not publicly available and despite a thorough accounting of the payments and liabilities associated with these arrangements by Staatsolie and the MoFP in their financial statements and annual reports, the terms of these PPAs are unknown. Consultations revealed that there were no barriers to the publication of these PPAs and given that Staatsolie is currently renegotiating its PPA with the government, there is a clear opportunity for progress in transparency through the publication of this document when it is concluded.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>State participation (Requirement #2.6)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat's assessment is that Requirement 2.6 is mostly met, as in the previous Validation. The objective of this requirement is to ensure the effective mechanism for transparency and accountability for well-governed SOEs and state participation more broadly through a public understanding of whether SOEs' management is undertaken in accordance with the relevant regulatory framework. The Secretariat's view based on available disclosures and stakeholder views is that despite a high disclosure of information by the oil and gas SOE, Staatsolie, the objective has only been mostly fulfilled given a lack of public information on Grassalco.</p> <p>There is state interest and participation in both mining and oil and gas companies and projects in Suriname. In the oil and gas sector, Staatsolie is a 100% state-owned SOE that has been granted exclusive rights to explore, develop and produce petroleum onshore and offshore and is considered material for this Validation given the revenues it pays to government. Staatsolie enters into production-sharing contracts (PSCs) and joint ventures (JVs) with international oil companies (IOCs). Staatsolie operates one subsidiary oil and gas company in the upstream sector, Paradise Hydrocarbon Company N.V., in which it</p>

	<p>holds 100% equity. Staatsolie, through its subsidiary, Staatsolie Power Company N.V. 11 (SPCS) operates the Afobaka Hydroelectric Dam, which provides electricity to the capital, Paramaribo, and surrounding areas (see Requirement 6.2). In the mining sector, Grassalco is a 100%-owned SOE with origins in bauxite production that now primarily produces crushed stone and processes tailings. Grassalco was not included in the scope of reporting given that its payments to government were not material. While the operation of Suriname's largest gold mine, Rosebel Gold Mines N.V., has changed hands over the years (previously operated by IAMGOLD and currently operated by Zijin Mining Group), the State holds a permanent 5% free equity interest in the mine. Staatsolie is also active in the mining sector where it holds a 25% non-operating, full-paid equity interest in the Suriname Gold Project CV operated by Newmont Suriname and a 30% non-operating, full-paid equity interest in the Pikin Saramacca project through an unincorporated joint venture with Zijin Mining Group. NV1, formerly a mining SOE, held this 30% non-operating interest before being acquired by Staatsolie in 2020.</p> <p>The terms associated with the state's and Staatsolie's participating interests in extractive projects are documented, an improvement since the previous assessment. Stakeholders consulted added that information on the terms attached to Staatsolie's equity in extractive projects is disclosed in the mineral agreements governing the project. It is not explicitly stated in EITI reporting whether there were changes in the level of ownership of extractive companies during the reporting period, but Staatsolie's annual financial <a href="#">reporting</a> indicated that ownership levels remained the same.</p> <p>The 2018-2020 EITI Report states that the prevailing rules regarding the financial relationship between the state and SOEs are documented in the <a href="#">1986 Mining Decree</a> and the <a href="#">1990 Petroleum Law</a> for mining and oil and gas, respectively. EITI reporting also notes that SOEs are subject to the <a href="#">1936 Commercial Code</a>, which contains the rules that allow for retained earnings, reinvestments and third-party financing. Government stakeholders confirmed that SOEs abided by these corporate governance codes. The 2018-2020 EITI Report confirms that loans made from the state to Staatsolie were paid off in 2018 and there are no outstanding loans from the state to SOEs. Staatsolie's <a href="#">annual reports</a> and audited financial statements provide information on the practices of the SOE's financial relations (distribution of profits, retained earnings, reinvestments and third-party financing with terms for repayment) with government and third-parties. Similar information on financial practices is largely not found for Grassalco and it is the Secretariat's understanding that Grassalco's AFS have not been published since 2016 and annual reports are not publicly available. Likewise, main financial items that could shed light on Grassalco's operations in the absence of AFS are not provided. Consulted industry stakeholders alluded to recent changes in the senior management of Grassalco as a reason for the delay in publication of AFS but stated that these are in the process of being published. In its response to the draft assessment, Grassalco provided additional information that clarified that Grassalco is able to retain earnings. Questions remain concerning reinvestment and third-party financing, especially in light of new information provided by Grassalco regarding a credit arrangement by which Grassalco sold gold to finance a credit arrangement between Grassalco and SLM (Flying on Trusted Wings), the Surinamese airline. Consultations also confirmed that there were no loans from Staatsolie or Grassalco to extractive companies in the period under review.</p> <p>Corporate governance information for Staatsolie is provided through filings listed on the SOE's website and includes information on the composition and</p>
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	<p>appointment of the Board of Directors and the Board's mandate and code of conduct.</p>
<p><b>Sale of the state's in-kind revenues (Requirement #4.2)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat's initial assessment is that Requirement 4.2 is partly met, which is a regression from the previous assessment. The corrective action proposed in the previous Validation to include buying companies in the reporting process has not been addressed and there appears to be less publicly available information regarding Grassalco's in-kind revenues than there were in the previous assessment. The objective of this requirement is to ensure transparency in the sale of in-kind revenues of minerals, oil and gas to allow the public to assess whether the sales values correspond to market values and ensure the traceability of the proceeds from the sale of those commodities to the national treasury. Given the lack of available documentation on the payment and sale of in-kind mineral revenues, the objective of this requirement has not been met.</p> <p>During consultations, government stakeholders indicated Staatsolie did not collect any in-kind revenues on behalf of the state in the period under review. These stakeholders confirmed that all production-sharing contracts were still in the exploration phase and that all oil production has been from fields operated solely by Staatsolie. Likewise, consultations confirmed that all revenues Staatsolie received relating to its interests in mining projects were paid in cash.</p> <p>Concerning Grassalco, the 2018-2020 EITI Report explains that the SOE is to receive the equivalent value of the monthly refined production of gold and silver from Rosebel Gold Mines, in accordance with Article 20.13 of the Mineral Agreement of 1994. Consultations with government and industry stakeholders, however, made clear that this arrangement did not occur in practice and that in the period under review, all royalty payments due to Grassalco had been collected directly by the central bank in cash. There is no public documentation of this change in payment of royalties to Grassalco.</p> <p>Mandatory environmental payments are made to the Suriname Environmental and Mining Foundation (SEMiF) in-kind. Given that the board is majority-comprised of government representatives, clarity around the sale of these in-kind revenues and the use of these funds is relevant under Requirement 4.2. Consulted government stakeholders indicated that these revenues were sold on commercial terms, but documentation of volumes and values of in-kind revenues sold in the period under review are not clearly documented in SEMiF's financial statements.</p> <p>The MSG notes in the Transparency template that Requirement 4.2 is applicable in the period under review but does not provide details concerning volumes or values sold, revenues transferred to government or materiality determinations, though the IA confirms that all in-kind revenues were to be reported, regardless of materiality. This information is not available through EITI reporting and the IA notes that while the MSG agreed on unilateral reporting of in-kind revenues by government agencies, no agencies reported these payments in the period under review. Accordingly, there is no disaggregation of volumes and values by contract or legal agreement, by individual sale, type of product or price. It appears that some of this information may be available on the MoFP <a href="#">website</a> but there is no guidance provided in the 2018-2020 EITI Report or the Transparency template as to where this information is contained within MoFP publications.</p> <p>Government stakeholders are invited to comment on the applicability of this requirement given that consultations revealed the possibility that the sole source</p>



	<p>of in-kind payments, royalty payments from RGM to Grassalco, were all made in cash in the period under review. If in-kind payments were made in the period under review, the government is invited to indicate where this information is publicly accessible.</p>
<p><b>Transactions related to state-owned enterprises (Requirement #4.5)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.5 is mostly met, as in the previous Validation. The objective of this requirement is to ensure the traceability of payments and transfers involving SOEs and strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and of the level of state financial support for SOEs. Based on available documentation and consultations, the Secretariat considers the objective to be mostly fulfilled.</p> <p>The role of the two SOEs operating in the extractive sector in Suriname, Staatsolie and Grassalco, is disclosed in the 2018-2020 EITI Report. Consultations with industry stakeholders confirmed that there were no tax or non-tax payments to Staatsolie in the period under review as no offshore oil production occurred in 2020, thus Staatsolie did not act as a fiscal agent for oil companies. Staatsolie did receive revenues from its non-operating interests in mining projects (Merian gold mine &amp; Pikin Saramacca) and these are reported in the SOE’s annual reports. Dividends paid to government are also disclosed in Staatsolie’s annual reports and were reconciled in the 2018-2020 EITI Report. It does not appear that Staatsolie made other payments to the government. Industry stakeholders consulted indicated that the arrangements mentioned in the previous assessment by which Staatsolie received government transfers to fund the SOE’s share of cash calls in oil and gas projects and the arrangement by which Staatsolie traded petroleum products on behalf of the government in exchange for a sales commission were no longer in effect in 2020. These stakeholders confirmed that Staatsolie funds its own operations and that they only trade petroleum products on their own behalf.</p> <p>Consultations with government and industry stakeholders knowledgeable on the operations of Grassalco confirmed that the SOE did not receive transfers from government. There were no government transfers to mining companies. The subject of Grassalco’s receipt, or lack thereof, of royalty payments is discussed in Requirement 4.2 and remains to be clarified during the MSG comment period. In its response to the draft assessment, the MSG included the decree signed by the Ministry of Finance and Planning and the Central Bank that denotes this change in the flow of royalty payments from RGM. It does not appear that this decree is publicly available. Outside of these potential royalty payments, there were no other payments from extractive companies to Grassalco.</p> <p>During consultations with government stakeholders, one stakeholder mentioned that the central bank provided a loan in 2020 to the government for SRD 9 billion [USD 250 million]. This stakeholder indicated that the royalty payments, in cash, that the central bank is receiving directly from Rosebel Gold Mines are meant to pay back this loan to the government. While further information around the terms of this loan were to be provided, the International Secretariat does not currently have more details about this loan. The government is invited to comment on the public accessibility of additional information on this loan, including the repayment modalities, and provide documentation of this loan agreement.</p>
<p><b>Quasi-fiscal expenditures (Requirement #6.2)</b></p>	<p>The International Secretariat’s initial assessment is that Requirement 6.2 is partly met, an improvement from the previous Validation. The objective of this requirement is that where state-owned enterprises undertake extractive-funded</p>

<i>Partly met</i>	<p>expenditures on behalf of the government that are not reflected in the national budget, these are disclosed to ensure accountability in their management. The MSG committed to discussing and providing information regarding potential quasi-fiscal expenditures via EITI reporting, but this was not carried out and public information concerning potential quasi-fiscal expenditures is spread across multiple non-government sources. The Secretariat considers that when all public sources are taken into account, the objective of this requirement has not been fulfilled, though questions remain as to whether this requirement could be considered ‘Not applicable’.</p> <p>The MSG indicated that no quasi-fiscal expenditures existed in the period under review. However, stakeholder consultations, a government <a href="#">press release</a> and the previous assessment document the existence of a power purchasing agreement (PPA) through which the government subsidises the sale of oil for electricity generation, which could be considered as a quasi-fiscal expenditure. It appears that this subsidy was in operation in the period under review, though it may have been terminated in July 2021 based on an EY <a href="#">analysis</a> in 2022. Through this PPA, Staatsolie supplies oil it produces to the hydroelectric dam, which has been operated by Staatsolie’s subsidiary, Staatsolie Power Company Suriname (SPCS), since January 2020. The oil supplied to the dam is used in the process of electricity generation, which is then sold to EBS that then sells power to Suriname’s grid. EBS is not able to pay for this electricity, rather the value of this electricity is deducted from the dividends paid by Staatsolie to the government. Consultations highlighted that Staatsolie's <a href="#">annual reports</a> provide monetary values associated with the provision of oil for electricity generation and the deductions made to dividends paid to the government. Likewise MoFP <a href="#">annual reports</a> document values associated with this subsidy to EBS and the amended dividends paid to MoFP from Staatsolie. While the PPA is not publicly available, it appears that the underlying financial information associated with this arrangement is. In the absence of an MSG discussion on quasi-fiscal expenditures, including agreement on a definition of what constitutes a quasi-fiscal expenditures, the Secretariat is uncertain whether this subsidy to EBS represents a quasi-fiscal expenditure. The publication of the PPA would enable a clearer understanding of this arrangement. Government stakeholders consulted did not consider there to be barriers to the publication of this document and noted that this PPA was currently being renegotiated. When finalised, the publication of this PPA represents a clear opportunity for enhanced transparency around quasi-fiscal expenditures in Suriname. In its response to the draft assessment, the MSG committed to working with the Independent Administrator to better document arrangements that may be considered to be quasi-fiscal in nature, including the recent arrangement by which Grassalco sold gold reserves to finance a credit arrangement with the Surinamese airline (SLM) that could be considered a quasi-fiscal expenditure.</p> <p>A May 2022 Ernst &amp; Young (EY) independent business <a href="#">analysis</a> of EBS, which was not included in EITI documentation, provides evidence that makes the publication of PPAs related to public energy supply even more important. This EY analysis presents EBS’ costs associated with power generation and notes a sharp rise in recent years. The analysis highlights that these PPAs are denominated in USD and with recent devaluations of the SRD, it has become very costly to purchase thermal-generated electricity. This analysis sheds some information on the terms associated with this PPA as it notes that “fuel purchases are made at US Spot prices plus a premium of USD 7 per barrel.” In 2021, this led to a 114% increase in government expenditures.</p>
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### New corrective actions and recommendations

- In accordance with Requirement 2.6, Suriname should ensure that a comprehensive overview of Grassalco is publicly disclosed, including an explanation of the practices related to Grassalco's retained earnings, and prevailing rules and practices for reinvestment and third-party funding. To strengthen implementation of Requirement 2.6, the MSG is encouraged to publish the rules and practices related to SOEs' operating and capital expenditures.
- In accordance with Requirement 4.2, the MSG should provide information on in-kind volumes or values sold, revenues transferred to government and materiality determinations. Volumes sold and revenues received should be disaggregated by individual buying company and to levels commensurate with the reporting of other payments and revenue streams. The MSG should include buying companies in the scope of reporting, as was indicated in the previous assessment, to allow for reconciliation of these payments as opposed to unilateral reporting by government entities.
- In accordance with Requirement 4.5, Suriname should clarify the procedure used in the transfer of mineral royalties from Rosebel Gold Mines, either to Grassalco, or directly transferred to the Central Bank. This clarification would include a decree establishing the transfer procedure, whether royalties are paid in cash or in kind, and in the case of the latter, relevant information about the sale of these in-kind royalties, including buying companies. Government stakeholders should also clarify whether these royalty payments are being used to repay Government of Suriname loans.
- In accordance with Requirement 6.2, Suriname should undertake a comprehensive review of all expenditures undertaken by extractive SOEs that could be considered quasi-fiscal expenditures, such as the provision of oil for electricity generation by Staatsolie in return for a reduction in dividend payment. Suriname is encouraged to assess terms of a planned financing of a loan to the SLM (Flying on Trusted Wings) by Grassalco. If these or other expenditures are deemed to be quasi-fiscal, Suriname should develop a reporting process to achieve a level of transparency commensurate with other payments and revenue streams, and the MSG should discuss them and include them in its EITI reporting processes.

## Production and exports (Requirements 3.2, 3.3)

### Overview of progress in the module

Suriname discloses production and export data through EITI reporting as well as government and company portals. Available documentation and stakeholder consultations indicated that there were further opportunities for enhancing data disaggregation in line with the EITI Standard.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
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<p><b>Production (Requirement #3.2)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 3.2 is mostly met, which is a regression from the previous assessment. The objective of this requirement is to ensure public understanding of extractive commodity(ies) production levels and the valuation of extractive commodity output, as a basis for addressing production-related issues in the extractive industries. Available documentation and stakeholder consultations indicate that the objective has been mostly met, as production data of the SSM sector are not yet publicly available.</p> <p>Production volumes and values for crude oil and gold are provided in the 2018-2020 EITI Report. Consulted stakeholders confirmed that these were the main commodities produced in 2018-2020, with the processing of tailings and the production of gravel and other aggregates as other commodities produced in the country. Some production data associated with these other commodities can be found through the Suriname’s General Bureau of Statistics (GBS) Environment Statistics <a href="#">publication</a>. While this publication was not provided among Validation documents, it is systematically disclosed on the GBS website and is in the public domain. In its response to the draft assessment, the MSG provided additional information from the Central Bank on gold production.</p> <p>Gold production volumes and values are available through EITI reporting and appear to be based on IAMGOLD’s and Newmont Suriname’s annual reporting, as reported through reporting templates. While production values are provided, it is unclear how values were calculated, though this is an encouraged aspect of the requirement. The EITI reporting also refers to the data presented by the Ministry of Finance and Planning (<a href="#">2020</a>). It appears that production data provided in IAMGOLD’s annual reporting and the MoFP differ. Stakeholder consultations did not clarify if there are different types of gold (for example, gold ore or gold and silver alloy) produced and if silver was also produced in the period under review. Challenges with collection of production data from small-scale companies have been also noted. Production volumes associated with Grassalco’s production of gravel are provided through GBS reports and sourced from Grassalco, though there are no values provided to inform the public of the value of this production. The Secretariat’s understanding is that production of construction materials, such as gravel, did not give rise to material payments to government in the period under review.</p> <p>Crude oil production volumes and values are available through EITI reporting and have been previously systematically disclosed through the Central Bank’s annual report publications. However, these annual reports were not available on the Central Bank <a href="#">website</a> at the time of writing of this Validation. Oil production volumes are also systematically disclosed in Bureau of Statistics <a href="#">annual publications</a> by common product (such as crude oil, gasoline, fuel oil and asphalt). Production data for crude oil presented in the 2018-2020 EITI Report is based on the Staatsolie’s annual reporting (<a href="#">2020</a>). It appears that gross revenues rather than production values were reported in the period under review.</p> <p>Regarding encouraged aspects of this requirement, production data do not appear to be disaggregated by state/region, company or project for oil and gas and only for two the two main companies for gold production. While sources of information are clearly noted, the methods for calculating production volumes and values are not specified. MSG comments on the reliability of production information is welcome and any efforts to estimate production of artisanal and small-scale mining should be documented.</p>
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<p><b>Exports (Requirement #3.3)</b></p> <p><i>Fully met</i></p>	<p>The International Secretariat’s assessment is that Requirement 3.3 is fully met, as in the previous Validation. The objective of this requirement is to ensure public understanding of extractive commodities export levels and the valuation of extractive commodity exports, as a basis for addressing export-related issues in the extractive industries. Available documentation and stakeholder consultations indicate that the objective has been fully met due to systematic disclosure of this data by commodity by the General Bureau of Statistics (GBS).</p> <p>Export volumes and values are available in aggregate, by sector, through EITI reporting. Additional systematically disclosed GBS <a href="#">documentation</a> that was not included in the 2018-2020 EITI Report provides export volumes and values by commodity. Gold exports are broken down into groups – the two large gold companies and local gold exporting companies that receive production from small and medium-scale mining companies. Large-scale gold export data is provided by IAMGOLD and Newmont Suriname while small-scale gold export data is provided by the Central Bank. Gravel export volumes are provided by Grassalco but there are no values associated with this information.</p> <p>Stakeholder consultations indicated that the only petroleum commodity exported was crude oil. Volumes and values are provided through Staatsolie’s annual reports and GBS trade statistics.</p> <p>In terms of additional information on production, export data do not appear to be disaggregated by state/region, company or project. While sources of information are clearly noted, the methods for calculating export volumes and values are not specified for all commodities and the 2018-2020 EITI Report does not comment on the reliability of export data or possible discrepancies between different data sets. In its response to the draft assessment, the MSG committed to discussing gaps in export data in coming MSG meetings.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> <li>• In accordance with Requirement 3.2, Suriname is required to disclose timely production data. Including production volumes and values by commodity. Suriname is encouraged to disaggregate production volumes and values by region, company or project, and include sources and the methods for calculating production volumes and values. The MSG is encouraged to provide their opinion on the reliability of production data and consider providing an estimate of artisanal and informal production.</li> <li>• To strengthen implementation of Requirement 3.3, Suriname is encouraged to disaggregate export volumes and values by region, company or project, and include sources and the methods for calculating export volumes and values. The MSG is encouraged to provide their opinion on the reliability of export data and consider providing an estimate of ASM exports.</li> </ul>	

## Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

### Overview of progress in the module

Strengthening the disclosure of revenue collection data represents a challenge for effective EITI implementation in Suriname, particularly given the expanding oil and gas sector. Commendable efforts have been made by the MSG to agree on quality assurance mechanisms that could guarantee to citizens that the information disclosed is reliable. Despite documented discussions

between the MSG and the Independent Administrator, challenges such as delays from government agencies and companies in reporting information persist.

While stakeholders unanimously agree that no economically significant revenue streams or company payments are omitted from the EITI Report's scope, consultations and documentation confirmed concerns regarding comprehensiveness, timeliness, and quality of revenue collection data. The disclosure of revenue collection data related to the medium and small-scale mining sector seems to be of particular interest for all constituencies but remains outside of the immediate priorities of the MSG. For future EITI Implementation and strengthening the disclosure of revenue collection data, the International Secretariat encourages the MSG to become more involved in overseeing disclosures of EITI data, both through systematic disclosures and EITI reporting. This support can enhance both the quantity and timeliness of collected data, increasing the effectiveness of the reconciliation and the data analysis. Additional government support during the data collection stage could help all reporting companies and government agencies to disclose revenue collection data according to the MSG agreed procedures for EITI reporting.

Consultations and documentation confirm that Suriname currently reports revenue collection data on a de facto project basis, with taxes levied on each Production Sharing Contract (PSC) and mineral agreement separately. While stakeholders express no concerns about project-level reporting, there is a unanimous request for disaggregated data, especially for the medium and small-scale mining sector. The disaggregation of data by individual company, government entity, and revenue stream, both in the oil and gas and mining sectors, is essential for a comprehensive understanding and public scrutiny of government-collected revenues. To strengthen public scrutiny of revenue collection data in Suriname, the MSG and the government need to improve the accessibility of revenue collection data, disclosing information in an open format and in appropriate languages on government websites. By strengthening the systematic disclosure of revenue collection data, citizens will be able to access the information needed to understand and assess the equitable share of payments made by extractive sector projects to the government.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Comprehensive disclosure of taxes and revenues (Requirement #4.1)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat's initial assessment is that Requirement 4.1 is partly met, which is a regression since the previous Validation. The 2018-2020 EITI Report discloses information from the most relevant and material extractive sector companies in Suriname. However, the review of documentation and stakeholder consultations confirmed that the objective of ensuring comprehensive disclosures of company payments and government revenues from mining and oil and gas, which represents the basis for public understanding of the contribution of the extractive industries to government revenues has not been fulfilled due to the lack of full government disclosures by revenue streams</p>



	<p>for the mining sector and the lack of description of the revenue streams considered material.</p> <p>During consultations, the Independent Administrator confirmed that the procedures to produce both the scoping study and the 2018-2020 EITI Report were agreed by the MSG and in line with the standard procedures for EITI Reporting. With the support of the Ministry of Finance and Planning (MoFP), the Independent Administrator identified and publicly listed 37 revenue streams applicable to the scope of the EITI Report, although a description of each revenue flow, as required by the EITI Standard, is not present through EITI reporting or systematic disclosure. Consultations confirmed the MSG's agreement to include a list of revenue streams without applying a materiality threshold, and the 2018-2020 EITI Report includes references about the MSG's agreement on this matter.</p> <p>Concerning reporting companies, the MSG identified a group of relevant and material companies participating in the EITI Report, including four large-scale mining and eight oil and gas companies.</p> <p>For the oil and gas companies, the MSG agreed to include all petroleum companies holding active licenses in the fiscal years 2018, 2019 and 2020, including the SOE Staatsolie. Given the restrictions of the COVID-19 pandemic, the MSG agreed to reconcile the revenue streams from eight oil &amp; gas companies without applying any materiality threshold. The lack of government submissions for the scoping study represents a gap described in the 2018-2020 EITI Report as the rationale for not applying a materiality threshold in the oil and gas sector. From the eight oil reporting companies, the three largest (Staatsolie, Kosmos Energy, and Petronas Suriname) contributed over 99% to the government income for 2018-2020, confirming that all oil and gas companies making material payments to the government comprehensively disclosed these payments, in accordance with Requirement 4.1 d) and the agreed scope with the MSG. No stakeholders expressed concerns about material oil and gas companies being excluded from the scope of the EITI reporting, although the 2018-2020 EITI Report include comments about two companies (APA Suriname and Decker Petroleum and Marketing Co. ltd.) that did not provide feedback regarding the signature of MoU for the disclosure of information.</p> <p>For the mining sector, the 2018-2020 EITI Report details four large-scale material mining companies having active mining agreements signed with the government of Suriname: Rosebel Gold Mines, Newmont Suriname, Staatsolie, and Grassalco (see Requirement 2.6). Data from the mining sector is unilaterally disclosed by the government following the MSG agreement on flexible reporting. However, although Rosebel Gold Mines and Newmont Suriname alone accounted for over 89 percent of government income from the mining sector in 2020, the revenue data reported by these companies is not fully disclosed by company and revenue stream, as required by the EITI standard (see Requirement 4.7). For the medium and small-scale mining companies, the scoping study describes that it was not possible to establish a materiality threshold due to the lack of disaggregated data and therefore, the information about these companies is presented in aggregated figures.</p> <p>None of the stakeholders consulted expressed concerns about large-scale mining companies remaining outside of the scope of the 2018-2020 EITI Report or</p>
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	<p>about payments made outside the scope of these large-scale companies as economically relevant. However, industry stakeholders expressed concerns about the lack of clarity regarding the amount of royalties that medium and small-scale companies are legally required to pay to government agencies and local traders. In its response to the draft assessment, the MSG noted that they will use the support of the International Secretariat to address gaps in this requirement.</p> <p>Regarding government reporting entities, the report notes that the MSG discussed the inclusion of five relevant government agencies in the EITI Report, although the only material government agency that was required to participate in the reconciliation exercise was the MoFP. The government fully reports all revenues, including revenues below the materiality threshold, in aggregate. Consultations with the Independent Administrator confirmed that, due to the exceptional circumstances that the COVID-19 pandemic represented for Suriname, the MSG decided on December 2021 to follow a flexible reporting approach, conducting a reconciliation exercise only for the oil and gas sector with mining sector revenues reported unilaterally by government entities.</p> <p>The reconciliation exercise carried out solely for oil and gas companies found some differences between government and industry payment disclosures that was followed by a process of clarification and adjustments. The total unreconciled discrepancies amounted to SRD 24,085,489 for the FY 2018, SRD 297,505 for the FY 2019, SRD 408,757 for the FY 2020 representing respectively 8.7%, 0.1% and 0.2% of total revenues included in the reconciliation scope. These unreconciled differences point out to gaps in the reporting templates, the data collection procedure, and the lack of taxes reported by Staatsolie. For the reconciliation of the oil and gas sector revenues, the Ministry of Finance and Planning submitted reporting templates for four out of eight oil companies to the Independent Administrator, while two out of these eight companies did not submit these templates. From the reconciliation sheets included in the EITI Report, only two companies (Staatsolie and Kosmos Energy) were able to engage in a full and comprehensive reconciliation of government revenues and company payments. Stakeholders consulted had different opinions about the reasons behind the lack of submissions, pointing out to delays in data collection by government agencies, lack of commitment from constituencies or deficiencies in the agreed procedures with the Independent Administrator. The Independent Administrator and Stakeholders consulted agreed that, because of the lack of submissions of reporting templates, the comprehensiveness and reliability of the data is a concern. The Independent Administrator team includes a statement in the 2018-2020 EITI Report explaining their inability to conclude that the 2018-2020 EITI Report covers all significant revenues made in during this period. Finally, the 2018-2020 EITI Report describes that four out of eight material companies were able to publicly disclose their audited financial statements.</p>
<p><b>Infrastructure provisions and barter arrangements (Requirement #4.3)</b></p> <p><i>Not applicable</i></p>	<p>The International Secretariat's assessment indicates that Requirement 4.3 remains not applicable in Suriname during the period under review, as in the previous EITI Validation. The 2017 EITI Report describes that infrastructure provisions and barter agreements were not applicable in Suriname, as evidenced by the absence of such arrangements in the country. The 2018-2020 EITI Report points out that none of the reporting entities disclosed any infrastructure provisions or barter arrangements for the fiscal years 2018, 2019, and 2020 and</p>

	<p>that the prevailing understanding is that these arrangements are not applicable within the extractive sector in Suriname.</p> <p>While the Inception Report for EITI Suriname acknowledges that the MSG had initially agreed to include and disclose information on ongoing infrastructure provisions and barter arrangements for both extractive companies and government agencies, the 2018-2020 EITI Report affirms that no reporting entities provided information on such arrangements during the specified fiscal years. The Independent Administrator’s view is that infrastructure provisions and barter arrangements are not applicable to the extractive sector in Suriname.</p>
<p><b>Transportation revenues (Requirement #4.4)</b></p> <p><i>Not applicable</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.4 remains not applicable in Suriname during the period under review, as in the previous assessment. There is no indication of the government receiving material revenues from the transportation of extractive resources. The 2018-2020 EITI Report points out that none of the reporting entities disclosed any infrastructure provisions or barter arrangements for the fiscal years 2018, 2019, and 2020 and that the prevailing understanding is that these arrangements are not applicable within the extractive sector in Suriname.</p> <p>While the Inception Report for EITI Suriname acknowledges that the MSG had initially agreed to include and disclose information on transportation revenues for both extractive companies and government agencies, the 2018-2020 EITI Report affirms that no reporting entities provided information on such arrangements during the specified fiscal years. The Independent Administrator’s view is that transportation revenues are not applicable to the extractive sector in Suriname.</p>
<p><b>Level of disaggregation (Requirement #4.7)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.7 is partly met during the period under review. The objective of ensuring that the public can assess the extent to which government can monitor its revenue receipts has not yet been fully met, due to the lack of disaggregated financial data of the mining sector by revenue streams and company. There is a lack of progress in MSG discussions around the definition of a project and substantially interconnected agreements.</p> <p>The financial data of the oil and gas companies presented in the 2018-2020 EITI Report is disaggregated by individual companies, government entities and revenue streams. In mining, Suriname practiced flexible reporting as a result of the COVID-19 pandemic with unilateral disclosure of mining company revenues by government entities. However, it does not appear that this data was disaggregated by company and revenue stream in the 2018-2020 EITI Report. While it is the Secretariat’s understanding that all mining revenues are reported at the level of the mining agreements, effectively denoting project-level reporting, documentation and consultations confirmed that there is no definition of project level reporting adopted by the MSG or discussions concerning a project definition, substantially interconnected agreements, or project-specific reporting.</p> <p>Government stakeholders consulted expressed that revenue streams within the mining and oil and gas sectors are levied based on mining agreements and Production Sharing Contracts, which is de facto project-level reporting. Government stakeholders stated that they do not receive such disaggregated information from companies.</p>

<p><b>Data timeliness (Requirement #4.8)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.8 is partly met, which is a regression since the previous Validation. Although the MSG in Suriname concludes that this Requirement has been mostly met, the Secretariat’s view is that several delays in publishing EITI data have not contributed to fulfilling the objective of this Requirement, which is to ensure that public disclosures of company payments and government revenues from oil, gas, and mining are timely enough to be relevant for informing public debate and policymaking.</p> <p>Suriname released the 2018-2020 EITI Report in September 2023, making three years of EITI data accessible to the public. However, the EITI Standard under Requirement 4.8 requires the disclosure of data no older than the second-to-last complete accounting period. Suriname initially missed the original publication date in 2020 for publishing data of the 2018 fiscal year. After 2021, delays in government procurement processes, challenges posed by the COVID-19 pandemic, and political elections led Suriname to request four extensions for producing the EITI Report. More recently, delays in the data collection process from relevant stakeholders further delayed the possibility of publishing the Report in early 2023.</p>
<p><b>Data quality and assurance (Requirement #4.9)</b></p> <p><i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.9 is partly met, which is a regression since the previous Validation. While the publication of the 2018-2020 EITI Report is considered by stakeholders as a significant achievement in recent efforts by the MSG in Suriname, there are still concerns regarding the data quality and the mechanisms ensuring the reliability of disclosures of company payments and government revenues. Therefore, the objective of the EITI to contribute to strengthening routine government and company audit and assurance systems and practices and ensure that stakeholders can have confidence in the reliability of the financial data on payments and revenues is only partly met.</p> <p>The 2018-2020 EITI Report offers an overview of the fiscal and regulatory frameworks applicable to the extractive industries and government entities in Suriname. Legislative frameworks, such as the Law on Financial Statements and the Financial Statements Act, outline the obligations of large and medium-sized companies, public interest entities, and state-owned enterprises. Despite these legal provisions, there are gaps in ensuring the reliability of the disclosed information.</p> <p>The Terms of Reference for the 2018-2020 EITI Report were agreed upon between the MSG and the Independent Administrator, aligning with the standard ToRs endorsed by the EITI Board. Stakeholder consultations confirmed that the Independent Administrator held several meetings with the MSG and relevant government officials during the scoping phase and the construction of the EITI Report.</p> <p>While the ToRs align with the agreed procedures without non-trivial deviations, consultations confirmed that some the implementation of quality assurances during the data collection stage were not completed, raising concerns about the reliability of the disclosed information. Concerning reporting government agencies, the Ministry of Finance and Planning submitted signed reporting templates; although these lacked the MSG’s agreed quality assurance procedure, a certification from the Supreme Audit Institution of Suriname. In the case of reporting companies, two extractive companies submitted unsigned reporting templates, four reporting companies submitted templates without their audited financial statements and none of the reporting templates submitted by extractive</p>

	<p>companies were certified by an Independent Auditor. All these quality assurances were originally agreed upon by the MSG in the quality assurance procedures and could represent deviations from the standard procedures described in Requirement 4.9. b).</p> <p>Grassalco, the mining SOE subsidiary of Staatsolie, was excluded from the reporting scope based on the assumption that its information was fully disclosed through Staatsolie. However, Staatsolie’s aggregated figures provide limited insight into Grassalco’s data, and there are no audited financial statements for Grassalco. Although the MSG decided to follow a flexible approach with unilateral government disclosures for the mining sector, there is no evidence about relevant MSG discussions or mechanisms implemented for quality assurance of the information of the mining sector. The absence of references to quality assurance mechanisms raised concerns between stakeholders consulted.</p> <p>Consultations and documentation confirm that some of the quality mechanisms outlined in the agreement between the Independent Administrator and the MSG were not consistently adhered to by all stakeholders. Allegedly, certain stakeholders submitted reporting templates, while the 2018-2020 EITI Report indicates missing submissions by reporting entities. Stakeholders consulted expressed that this lack of consistency has its origin in governance deficiencies within the MSG, as detailed in Requirement 1.1, 1.2, 1.3, and 1.4 of this Validation report. In the opinion of the Independent Administrator, the substantial scope of data collection activities spanning three fiscal years was an additional challenge. Additional concerns were raised during consultations, emphasizing the need for improvements in the Independent Administrator’s data collection process, as well as expressing reservations about the reliability of export data and data related to the medium and Artisanal and Small-Scale mechanised Mining (ASM and SSM) sectors.</p> <p>Due to these inconsistencies in the agreed quality mechanisms, the 2018-2020 EITI Report includes the IA’s assessment of comprehensiveness and data reliability, confirming that, due to challenges such as delays in reporting templates, the IA cannot guarantee the reliability of the disclosed information nor conclude that the financial data submitted by reporting entities underwent audits in accordance with international standards.</p>
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**New corrective actions and recommendations**

- In accordance with Requirement 4.1. a) Suriname should demonstrate progress in addressing the corrective action from the previous Validation by ensuring that all material payments and revenues are comprehensively disclosed by government entities and extractive companies. In addition, Suriname must assess the relevance of disclosing data from the medium scale mining companies. When disclosing this information, Suriname should consider routine government and corporate reporting. To improve the comprehensiveness of information and in accordance with Requirement 4.1. b), Suriname must ensure that all government entities receiving material revenues from oil, gas and mining companies and extractive sector companies making material payments to the government are required to comprehensively disclose these revenues in accordance with the agreed scope and in accordance with level of disaggregation described in Requirement 4.7. Suriname should ensure that its materiality decisions related to selecting companies and revenue streams for reconciliation are followed in practice without significant deviations from the standard procedures. In addressing this Requirement, the MSG might wish to clarify the fiscal obligations and the payments received by the medium and small-scale sector. In addition, Suriname should disclose a description of each revenue flow that could allow

<p>citizens to identify and understand the contribution of the extractive industries to government revenues.</p> <ul style="list-style-type: none"> <li>• In accordance with Requirement 4.7 and to improve the EITI data’s contribution to public debate, Suriname is required to revise its project-level reporting definition for all payments and revenues levied on a per-project basis for EITI reporting.</li> <li>• In accordance with Requirement 4.8, Suriname must improve on the timeliness of EITI data disclosures, by strengthening existing systematic disclosures by companies and government. The MSG is encouraged to revise legal and administrative barriers that could delay the implementation of EITI activities such as the EITI Report.</li> <li>• In accordance with Requirement 4.9.a, Suriname is required to address the gaps described in the assessment made by the Independent Administrator and secure that payments and revenues are subject to credible, independent audit, applying international auditing standards. In fulfilling this Requirement, Suriname is encouraged to involve the high auditing agency in this process. To improve the reliability of information and in accordance with requirement 4.9.b., the MSG and the Independent Administrator should guarantee that the auditing and assurance procedures in companies and government entities participating in the EITI reporting process are credible. The Independent Administrator team should exercise professional judgement and apply appropriate international procedures to determine the extent to which reliance can be placed on the existing controls and audit frameworks. The MSG is required to apply the standard procedure agreed with the Independent Administrator without any material deviations.</li> </ul>
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## Revenue management (Requirements 5.1, 5.3)

### Overview of progress in the module

Most extractive revenues are recorded in the national budget, with some revenues being directly allocated to a government-managed environmental fund. Likewise, a sovereign wealth fund, the Suriname Savings and Stabilisation Fund, will begin to receive extractive revenues in the coming years. There are opportunities to disclose more information about expected revenues from mining and oil and gas and how these revenues will influence extra-budgetary funds financed with extractive sector revenues.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Distribution of extractive industry revenues (Requirement #5.1)</b></p> <p><i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Suriname has mostly met Requirement 5.1, which is a regression from the previous assessment when this requirement was assessed as having made satisfactory progress.</p> <p>The objective of this requirement is to ensure the traceability of extractive revenues to the national budget and ensure the same level of transparency and accountability for extractive revenues that are not recorded in the national</p>



	<p>budget. The Secretariat's assessment is that the objective is mostly fulfilled given the lack of public documentation, either through EITI reporting or government websites, that indicate to the public which extractive revenues are recorded in the national budget and which are not. Financial statements are not available for all extra-budgetary entities that receive extractive funds. Consulted stakeholders from industry and government confirmed that there are some extractive revenues that are not recorded in the national budget, such as those that will eventually flow to the Suriname Savings and Stabilisation Fund (SSF) and those recorded in the SEMiF fund. These stakeholders agreed with the Secretariat's assessment that there should be more public clarity around which revenue flows are recorded in the national budget and which are not.</p> <p>Increased visibility around SEMiF's financial relationship with the Government of Suriname would help the public to understand how the government is using in-kind gold and silver royalty payments in the form of mandatory environmental payments. Three out of five board members of SEMiF are government representatives (one from government and two from Grassalco) and SEMiF's 2020 financial statements show ongoing repayments from the Government of Suriname to SEMiF for a gold loan of 8,000 troy ounces. There is no additional information provided as to the terms or tenor of this loan or when this loan was initiated.</p> <p>EITI reporting confirms that most extractive revenues are recorded in the national budget and provides a figure illustrating which revenues flow to particular government entities. The 2018-2020 EITI Report, however, does not provide a clear opinion on whether revenues accruing to the Suriname Savings and Stabilisation Fund and SEMiF are first recorded in the national budget before being distributed to these funds. Consulted government representatives were unsure whether revenues held in the SSF were first recorded in the national budget with the majority of those consulted considering that these funds were outside of the national budget. In practice, it does not appear that there have been any transfers to the SSF, with the first transfer <a href="#">meant to occur</a> in 2028. Documentation indicates that there should be annual audited financial statements of the SSF, but it is not clear where these can be found. Given that there have not yet been transfers to this fund, the lack of financial statements does not represent a gap in reporting. In its response to the draft assessment, the MSG noted that increased involvement by government entities not previously a part of the MSG would improve clarity around these financial relationships.</p> <p>When asked about the financial relationship between SEMiF and the national budget, industry and government stakeholders both confirmed that revenues accruing to SEMiF are not first recorded in the national budget. SEMiF's <a href="#">website</a> contains annual financial reports that provide the public with a clear understanding of the funds deposited in this extra-budgetary fund.</p> <p>Staatsolie and Grassalco are state-owned enterprises (SOE) operating in the extractive sector and can retain earnings (see Requirement 2.6), according to consulted government stakeholders. For Staatsolie, annual financial reports provide clear documentation of the retention and use of these retained earnings. Grassalco, on the other hand, lacks publicly available financial statements and it is not clear how the SOE allocates these retained earnings, although government representatives indicated that Grassalco is in the process of publishing financial statements that will shed light on how these retained earnings are used.</p>
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	<p>The MSG's responses in the Transparency template indicate that there are extractive revenues that are off budget but does not provide financial reports supporting this assertion and there does not appear to be a plan in place to address this weakness. The MoFP's Financial Note 2021 confirms that Suriname adheres to the IMF Government Finance and Statistics Manual when it comes to revenue classification.</p>
<p><b>Revenue management and expenditures (Requirement #5.3)</b></p> <p><i>Not assessed</i></p>	<p>The International Secretariat's assessment is that Requirement 5.3 remains not assessed, given that several encouraged aspects of this requirement remain to be addressed. The Secretariat notes that part of the strategic recommendation from the prior assessment has been taken into account as the 2018-2020 EITI Report describes the budget audit process.</p> <p>The objective of this requirement is to strengthen public oversight of the management of extractive revenues, the use of extractives revenues to fund specific public expenditures and the assumptions underlying the budget process. The Secretariat's assessment is that there is potential for the MSG to engage in increasing public understanding about projected revenues and plans for their management and that due to this, the objective has only been partially fulfilled.</p> <p>Stakeholder consultations with small and medium-sized mining companies revealed that there are inconsistencies in the royalty rates charged to mining companies at gold buying houses. These stakeholders raised doubts as to whether these gold buying houses supplied accurate statistics to the Central Bank on royalties collected from small and medium-sized mining companies. In turn, the MoFP does not have accurate data on gold production by artisanal and informal miners. Stakeholders added that gold buying houses did not provide adequate receipt of payment to gold producers and that this caused issues in proving to government officials that these companies were making proper royalty payments to government.</p> <p>The Secretariat is not aware of any earmarking of revenues to specific geographic areas or programmes. Budget and audit processes are described in the 2018-2020 EITI Report and the Transparency template includes links to the 2020 budget report and accompanying documents, such as the government's annual fiscal plan. Audit processes are described via EITI reporting. The disclosure of budget and audit information represents clear improvement when compared to the previous assessment. The government's annual fiscal plan provides general information on international commodity price forecasts, but it is not clear how these forecasts will affect domestic production and revenue allocation. Considering uncertainties related to future mineral and petroleum revenues and the implementation of the Suriname Savings and Stabilisation Fund to mitigate these uncertainties, the MSG could provide more information regarding production and commodity price assumptions and revenue sustainability, resource dependence and revenue forecasting.</p>
<b>New corrective actions and recommendations</b>	
<ul style="list-style-type: none"> <li>• In accordance with Requirement 5.1, Suriname should provide a clear explanation as to which extractive revenues are recorded in the national budget and which are not. These explanations should be published on the Central Bank or MoFP websites with EITI Reports used to document and reference where this information is disclosed systematically. For extractive revenues that are retained by SOEs or allocated outside of the national budget, Suriname should ensure that</li> </ul>	

there are financial reports associated with these SOEs and funds that publicly indicate how these revenues are allocated.

- To strengthen implementation of Requirement 5.3, the government is encouraged to disclose mineral and petroleum revenue forecasts and the assumptions underlying different scenarios. The MSG is encouraged to publicise information related to revenue projections and plans for their management to improve public comprehension. The MSG is also encouraged to engage in overseeing the management of the Suriname Savings and Stabilisation Fund as the fund begins to receive extractive revenue allocations.

## Subnational contribution (Requirements 4.6, 5.2, 6.1)

### Overview of progress in the module

The subnational contributions of the extractive industries are of high interest to stakeholders in Suriname and public disclosure of mandatory social expenditures has improved since the previous Validation. Further progress can be made in the disaggregation of mandatory social expenditures in mining and oil and gas while a broader assessment is needed to determine whether small and medium-scale mining companies are required to make mandatory social and environmental expenditures. Mandatory environmental payments in the mining sector are made to SEMiF, which is an extra-budgetary entity. While SEMiF's financial statements are publicly available, further clarity is needed on potential loans made from SEMiF to the government.

### Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p><b>Subnational payments (Requirement #4.6)</b></p> <p><i>Not applicable</i></p>	<p>The International Secretariat's assessment is that Requirement 4.6 is not applicable, as in the previous Validation. The IA highlighted discussions with relevant government agencies in the scoping phase of preparing the 2018-2020 EITI Report to arrive at the conclusion of 'not applicable'.</p> <p>Figure 12 in the 2018-2020 EITI Report provides a visualization of revenue flows associated with the extractive sector that confirms that all extractive revenues flow to the central government and that there are no direct payments to local governments from extractive companies. The Secretariat agrees with the IA that Requirement 4.6 is not applicable in the period under review.</p>
<p><b>Subnational transfers (Requirement #5.2)</b></p> <p><i>Not applicable</i></p>	<p>The International Secretariat's assessment is that Requirement 5.2 is not applicable, as in the previous Validation. While there was not explicit confirmation of non-applicability on the part of the IA or government via the 2018-2020 EITI Report consultations with the IA and government representatives confirmed that all government revenues are centrally collected and there is no fiscal devolution to provincial governments.</p>

	<p>The IA lists the Suriname Savings and Stabilisation Fund (SSF) (SB 2017-59) in this section of the 2018-2020 EITI Report, but it is the Secretariat’s understanding that this fund does not serve a role when it comes to subnational transfers. Rather, the SSF is a <a href="#">sovereign wealth fund</a> meant to “sustain government spending in times of depleting non-renewable resources” and to “cushion the impact of volatile international commodity prices on fiscal policy and the economy.” While EITI reporting notes that this fund has been operational since 2018, government stakeholders indicated that the SSF has not yet received any funding from surplus mineral revenues.</p>
<p><b>Social and environmental expenditures (Requirement #6.1)</b>  <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 6.1 is mostly met. The objective of this requirement is to enable public understanding of extractive companies’ social and environmental contributions and provide a basis for assessing extractive companies’ compliance with their legal and contractual obligations to undertake social and environmental expenditures. The Secretariat considers that Suriname has mostly fulfilled the objective given a lack of fully disaggregated mandatory social expenditures in the oil and gas and mining sectors and detailed information on mandatory environmental payments to government in the mining sector.</p> <p>The 2018-2020 EITI Report includes some information about mandatory and voluntary social expenditures and notes that there was no materiality threshold set for mandatory social expenditures.</p> <p>In the oil and gas sector, companies are mandated to make social expenditures as outlined in their production-sharing contracts (PSC). The mandatory social expenditures of three oil and gas companies (including the SOE, Staatsolie) are disclosed in the 2018-2020 EITI Report and expenditure data for all oil and gas companies can be found in Staatsolie’s Social Responsibility Project <a href="#">publications</a> by oil block. The name and function of some third-party beneficiaries are noted in these publications, but this information does not appear to be comprehensive of contributions to all oil blocks. Consulted stakeholders explained that the Staatsolie Hydrocarbon Institute (SHI) is responsible for managing mandatory social expenditures spelled out in PSCs. It appears that Staatsolie also <a href="#">undertakes</a> voluntary social expenditures and payments, though these are not detailed in the 2018-2020 EITI Report. While the Social Responsibility Project publications provide narrative accounts of projects undertaken by oil and gas companies, expenditure data is not provided per social project, but rather by oil block. If social expenditures were made in-kind, the deemed value of the in-kind transaction is not known, although it is the Secretariat’s understanding that all mandatory social expenditures were made in cash.</p> <p>In the mining sector, the 2018-2020 EITI Report indicates that there are mandatory and voluntary social expenditures made by Rosebel Gold Mines (RGM) and Newmont Suriname (NS). However, mining industry stakeholders consulted clarified that all social expenditures carried out by RGM are voluntary in nature and are determined through RGM’s corporate social responsibility programs and cooperation agreements signed with local communities. Concerning Newmont’s mandatory social expenditures, as defined by the mineral agreement, the 2018-2020 EITI Report does not disclose these transactions nor point to where this data can be found either on government websites or through NS publications. It is not clear whether these payments are made in cash or in-kind, and the beneficiaries of these social expenditures are not disclosed, where these beneficiaries are third parties. Through the</p>

	<p>Newmont-Pamaka cooperation agreement, NS makes voluntary social payments to a community development fund, which then funds local projects. The 2018-2020 EITI Report indicates that a similar fund is being discussed with the Kawina community that is located near the Merian gold mine. During consultations, mining industry representatives noted that Newmont Suriname also makes voluntary contributions to a community investment fund. An additional community development fund, the AML Gold Fund, is highlighted in the 2018-2020 EITI Report but there is no additional information given about this fund. There is no information provided on potential mandatory or voluntary social expenditures made by small and medium-scale mining companies, although voluntary social expenditures were included in prior EITI reports by some small-scale mining companies.</p> <p>The 2018-2020 EITI Report does not comment on the existence of mandatory environmental payments in the oil and gas sector, and it does not appear that there are mandatory environmental payments to government in this sector, though there are mandatory environmental expenditures. Staatsolie's Social Responsibility Project <a href="#">publications</a> note some environmental projects that are carried out using the monetary contributions stipulated by oil and gas companies' production-sharing contracts but it appears that these projects are undertaken between the IOCs and third-party beneficiaries. Therefore, while detailed information on these mandatory environmental projects is incomplete, it is not a material gap in the assessment of Requirement 6.1.</p> <p>In the mining sector, RGM's mineral agreement mandates that 0.25% of monthly production of gold and silver is paid in-kind to the Suriname Environmental and Mining Foundation (SEMiF), which funds environmental projects, among other social endeavours. The board of SEMiF consists of five members (one from government, two from Grassalco and two from RGM). Given that Grassalco is a state-owned enterprise that is 100% owned by the Surinamese government, decision-making power on how SEMiF funds should be spent effectively lies in the hands of government. Therefore, SEMiF contributions are considered to be mandatory environmental payments to government. During consultations, government representatives explained that SEMiF funds were not recorded in the national budget and that SEMiF monetizes in-kind revenues on commercial terms. While SEMiF has a recently updated <a href="#">website</a>, it is not clear whether information on sales of in-kind revenues is publicly accessible, although SEMiF's financial statements are publicly available. These financial statements provide project-level data and a narrative description of projects financed in the period under review. Mining industry stakeholders confirmed that Newmont Suriname is not required to make in-kind payments to government via the SEMiF fund and that there are no other mandatory environmental payments required of the company. It is not clear if small and medium-scale mining companies are required to make mandatory environmental payments as defined by law or mining license, although it is the Secretariat's understanding that they are not required to make such payments. Materiality decisions around what constitutes a material environmental expenditure are not clearly stated in EITI reporting or elsewhere. In its response to the draft assessment, the MSG noted that NIMOS will be more involved in the EITI reporting process to improve transparency around social and environmental expenditures.</p>
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	It does not appear that the MSG has agreed to a procedure to address data quality and assurance of information on social and environmental expenditures, in accordance with Requirement 4.9.
<b>New corrective actions and recommendations</b>	
<ul style="list-style-type: none"><li>• In accordance with Requirement 6.1, Suriname should disclose whether any mandatory social expenditures by mining companies are undertaken in cash or in kind and disclose beneficiaries, when those are not government entities. The MSG should review whether small and medium-scale mining companies are obliged to undertake mandatory and voluntary social expenditures. Mandatory oil and gas social expenditures should be disaggregated by payment type, between cash or in-kind and whether they are made to non-government beneficiaries. Suriname EITI should ensure that EITI reporting clearly states materiality decisions concerning mandatory environmental payments to government. The MSG should agree on a procedure to address data quality and assurance of information on social and environmental expenditures, in accordance with Requirement 4.9.</li></ul>	



## Background

### Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI webpage for Suriname.

### History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI webpage for Suriname.

### Explanation of the Validation process

An overview of the Validation process is available on the EITI website.<sup>3</sup> The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Esteban Manteca and Francisco Paris, while the Validation team was comprised of Olesia Tolochko, Emmanuel Burgoa and Riley Zecca. The internal review for quality assurance was conducted by Francisco Paris, Joanne Jones, Christina Berger and Alex Gordy.

### Confidentiality

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page [here](#).

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency. This draft report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board takes a decision on the matter.

### Timeline of Validation

The Validation of Suriname commenced on 1 October 2023. A public call for stakeholder views was issued on 1 July 2023. Stakeholder consultations were held virtually on 20 November 2023 to 13 December 2023. The draft Validation report was finalised on **DATE**. Following comments from the MSG expected on **DATE**, the Validation report will be finalised for consideration by the EITI Board.

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<sup>3</sup> See <https://eiti.org/validation>

## Resources

- Validation data collection file – [Stakeholder engagement](#)
- Validation data collection file – [Transparency](#)
- Validation data collection file – [Outcomes and impact](#)