SURINAME DEBT MANAGEMENT OFFICE

Suriname Debt Restructuring process in 2020-2025

RECOVERING FROM A DEBT CRISIS

Paramaribo, June 2025

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1. Foreword

When the newly elected government of Suriname came into office in July 2020, the country was in an economic, financial and debt crisis with a high public debt-to-GDP ratio of about 146 percent. The COVID-19 pandemic in 2020-2021 had made the already fragile economic situation worse and the government entered into an IMF Extended Fund Facility (EFF) program at the end of 2021 to reform the economy, more specifically the fiscal and monetary policy and restructure the unsustainable debt of the government.

In 2020, assistance was sought from the international financial advisory firm Lazard Frères and the law firm White & Case LLP to restructure the two international bonds due in 2023 and 2026, respectively in an aggregate amount of USD 675 million (the "Eurobonds"), which the government was no longer able to service on time. These advisors were also instrumental at the whole external debt restructuring process. The Government sought to address its debt issues in a comprehensive manner, aiming to renegotiate terms with all lenders to ensure equitable treatment of all creditors.
On the domestic debt, the Suriname Debt Management Office together with the Ministry of Finance & Planning and local creditors were in past years, working on solutions how to address domestic arrears through rolled over T-bills and restructuring arrangement of other debt items.

The Government embarked on an ambitious program of reforms and requested an IMF-supported program. As part of the IMF-EFF program, specific parameters were established for restructuring Suriname's external bilateral and commercial debt to address the country's unsustainable debt situation and ensure that debt became serviceable in the medium to long term. Without debt restructuring, Suriname would have faced insurmountable debt obligations that would have derailed any efforts at stabilizing and growing the economy. The IMF would provide budget and Balance of Payment support of SDR 472.8 million (USD 688 million) and the prospects of additional budget support funds from other International Financing Institutions (IFI's) like International American Development Bank (IADB), the World Bank, the Caribbean Development Bank (CBD) would also be available to finance the ambitious economic reform program of the country.
At the beginning of the program, the Debt Sustainability Analysis (DSA) of the IMF indicated that Suriname should have a debt-to-GDP ratio under the 60 percent at the earliest by 2035. Within the initial macro-fiscal and DSA framework, the prospects of offshore oil production and the impact that it will have on the economy as a whole, were not taken into consideration.

Over the past four years, significant strides have been made in capacity building within the SDMO to transform the organization into a more professional and effective debt management institution. Looking ahead, SDMO, in collaboration with the Ministry of Finance & Planning is well positioned to develop prudent and integrated fiscal and debt management policies. These efforts will be critical in fostering long-term fiscal sustainability.

This publication aims to inform the general public about the whole process of debt restructuring undertaken since 2020, providing a clear and transparent overview of the steps, strategies and outcomes achieved during this pivotal period.

Paramaribo, June 30, 2025

Ms. drs. Malty Dwarkasing
Administrator General of the Suriname Debt Management Office

2. Executive Summary

Addressing Suriname's Economic, Financial, and Debt Crisis

Suriname's economic, financial and debt crisis in 2020 was a result of external shocks and lack of adaptive and coordinated government policies to address these shocks between 2013 and 2020. The central government debt increased from 28 percent to 121 of GDP in these years, due to poor fiscal management and mounting deficits. The public debt to GDP ratio based on IMF figures even reached 146 percent at the end of 2020.
The central government debt peaked at USD 3.9 billion in July 2020 and declined to USD 3.3. billion, due to the exchange rate depreciation at the end of that year.

The path to recovery: an ambitious reform program supported by the IMF

Faced with this challenging situation, the government embarked on an ambitious reform program with support of an Extended Fund Facility from the IMF.
The reform program was designed to:

i. Restore fiscal sustainability and strengthen fiscal management,
ii. Bring government debt to sustainable levels,
iii. Improve social protections for Suriname's most vulnerable,
iv. Overhaul the monetary policy framework with market-determined exchange rates; and
v. Upgrade bank oversight.

The debt restructuring process formed a core component of the reform effort.
External debt restructuring process included all bilateral and commercial debt, with the international bonds (locally called Oppenheimer bonds) – Suriname's largest commercial debt – posing significant challenges.
From the start, authorities adhered to the following three foundational principles:

(i) fair and equitable treatment for all creditors;
(ii) good faith and constructive dialogue; and
(iii) sustainable debt solution grounded in the IMF's Debt Sustainability Framework.

The debt restructuring process was a long and cumbersome process. In 2025, the whole restructuring process will be completed, with the finalization of bilateral agreements on phase II restructuring with China and two Paris Club creditors. The process with all the commercial creditors and India has been finalized and thus the debt service payments have resumed. Debt service payment also resumed after phase I restructuring with the bilateral creditors, that was finalized last year.

Addressing Domestic Debt and Banking Sector Challenges.

The domestic debt restructuring process began in 2021, with the Central Bank of Suriname being the biggest creditor. In 2023 the "gold loan", a hidden debt, was added to the debt figures. Supplier debt that was not part of the domestic debt figures in the past, officially became a debt item after the adjustment of the National Debt Act in 2023.
As part of the reform program, the Central Bank of Suriname underwent recapitalization, that came effective in 2025 and, was a major contributor to the debt increase in 2025.
Settlements of arrears on Treasury-bills, on design-build-finance infrastructure projects and debt restructuring with domestic banks was finalized in 2024, ensuring that domestic creditors played a meaningful role in the broader stabilization effort.

Economic progress and Broader Outcomes of the Reform Program

The reform program with the IMF, concluded at the end of March 2025, broadly achieved significant objectives. Despite a challenging socio-political environment, the government implemented difficult but necessary reforms with tangible results:

- *Economic stability and growth*: between 2021 and2024, when most of the reforms were implemented, the economy experienced positive average growth, a marginal government primary surplus and considerable reductions in the average overall deficit and government gross financing needs.
- *Inflation control:* inflation, though still elevated, declined significantly during the period from 55 percent at end-2022 to 10 percent by the end of 2024.
- *Debt sustainability:* At the end of 2024 central government debt-to-GDP ratio went down by almost 38 percentage point to 83.1 percent compared to the end-2020 levels. By April 2025 recapitalization of the Central Bank, with the issuance of government bonds, pushed debt higher to USD 3.8 billion and the central government debt-to-GDP ratio to 84.3 percent respectively.

The debt restructuring process, significantly adjusted the central government's debt service profile, providing much-needed relief during years 2022-2024 of about USD 582 million. Additionally, it improved cost and certain risk indicators on central government's debt portfolio.

Offshore Oil and Future Economic Potential

A defining moment arrived in October 2024 with TotalEnergies's Final Investment Decision (FID) for offshore oil extraction at Block 58. According to the Debt Sustainability Analysis (DSA), the inclusion of offshore oil revenues from 2028 is projected to improve economic indicators dramatically, with the debt-to-GDP ratio expected to decline to 32 percent by 2029. Despite the optimistic medium-term outlook, the economic situation is still very challenging for the period 2025-2027 and fiscal policy discipline is needed to ensure that a primary surplus is still achieved, the overall government deficit stays contained and concessional financing is attracted to close the fiscal gap.

To manage the future oil wealth properly, the country needs a development vision, proper policy with good fiscal rules, a well-managed Savings and Stabilization Fund and good governance through strong public and private sector institutions.

SDMO Strategic Plan

Under the strategic plan 2023-2026, the Debt Management Office underwent significant transformation to become a more effective debt management institution. Capacity-building efforts with the help of the international community has been effective. A lot of progress has been made, though institutional challenges require constant attention.

Conclusion

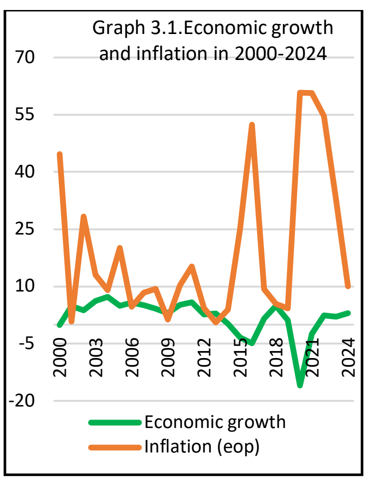
Suriname's reform journey demonstrates resilience and determination in overcoming one of the most severe financial crises in our country's history. With debt sustainability restored, prudent fiscal policies implemented, and the future oil economy promising transformative wealth. Suriname is on a course to revive its economy and enable sustainable growth. Continued vigilance and strong institutions will be critical for navigating the challenges of the post-crisis landscape and ensuring that future oil wealth is utilized responsibly for the benefits of all Surinamese citizens.

3. The Unsustainable Central Government Debt in 2020

At the end of July 2020, the total central government debt of Suriname peaked at its highest point of USD 3.9 billion. The debt situation had been degrading for several years, which led to an economic-financial and debt crisis that was intensified by the COVID-pandemic in 2020.

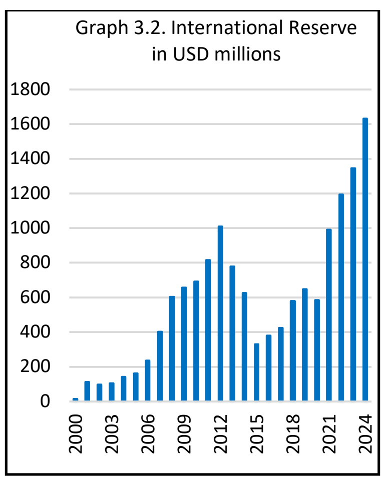
The decrease of international commodity prices in 2013-2016 had great impact on the Surinamese economy, which relies heavily on commodity exports. The mineral sector, with the commodities alumina, gold and oil, is the major export earning sector of the country. In the years 2006 until 2020, mineral exports accounted on average for 79 percent of total export earning of goods and service. The share of exports earning from the mineral sector in this period was the lowest in 2015 at 70 percent. In that year the bauxite industry which was one of the most important industries for Suriname since World War II, shut down permanently. Since 2008, gold exports became the most important export earning commodity of the country, taking the place of the bauxite sector in the past. The average prices of the major export products namely crude oil and gold went down with approximately 59 and 25 percent in 2016 compared to 2012.

The lack of coordination and adaptation to these events in government policies, led to significant government deficits, a major exchange rate depreciation, sluggish economic growth and recession in 2015-2016, with the economy shrinking by around 3.4 and 4.9 percent in respective years (graph 3.1).
After the recession, the economy somewhat bounced back with growth figures of 2 percent in 2017-2019, but went back in severe recession when the COVID pandemic broke out in 2020. The economy contracted by no less than 16 percent in that year.



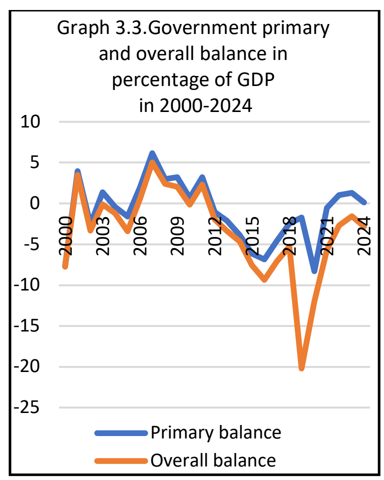
Graph 3.1.Economic growth and inflation in 2000-2024

Source: IMF WEO April 2025
eop = end of period



Graph 3.2. International Reserve in USD millions

Source: Central Bank of Suriname

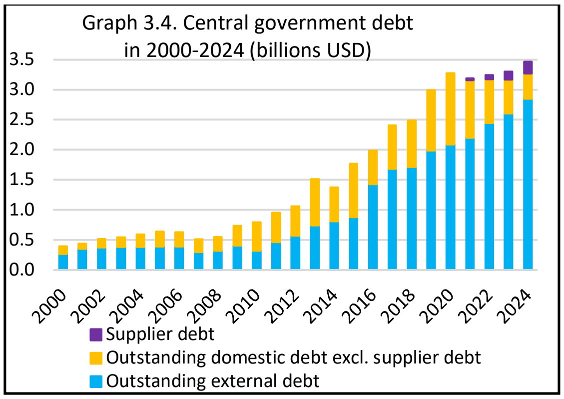


Graph 3.3.Government primary and overall balance in percentage of GDP in 2000-2024

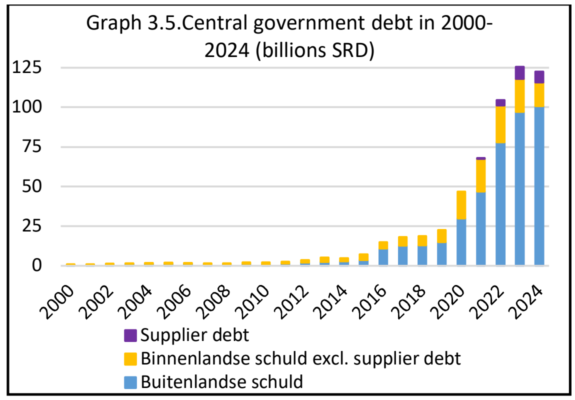
Source: IMF WEO April 2025

Inflation was very high in this period and peaked at 52 percent in 2016 and at 61 percent in both 2020-2021 (graph 3.1). Since then, the country is still recovering from the crisis, by bringing inflation down to 10.1 percent in 2024.
International reserve went down due to falling commodity prices in 2013-2016, from more than USD 1 billion in 2012 to USD 381 million in 2016. Afterwards international reserves started growing again to about USD 1.6 billion at the end 2024, especially due to the implementation of the IMF-Extended Fund Facility program since 2022 with budget- and balance of payment support (graph 3.2).

Government finances were also hugely affected by the economic recession, with major decreasing revenues in the reference period, while expenditures increased significantly. Most expenditure went to subsidies & contributions and wages & salaries, while quite an amount of supplier debt on purchased goods and services by the government, were build up in those years. Due to this trend, the overall government deficit increased from 2.0 percent of GDP in 2012 to 9.2 percent in 2016 and again to 20.2 percent in 2019.
The newly elected government of May 2020 managed to bring down the overall deficit to12 percent of GDP in that year (graph 3.3). At the end of 2024 the overall deficit is estimated at 2.8 percent of GDP.



Source: SDMO



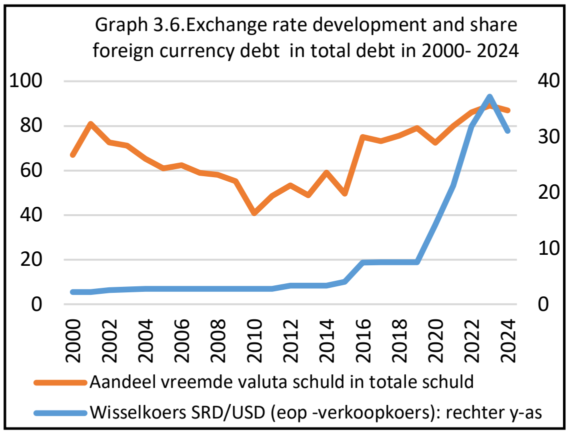
Source: SDMO

Because of the huge government deficits, central government debt went up significantly from USD 1 billion in 2012 to USD 3.9 billion by the end of July 2020 and then went down to USD 3.3 billion at the end of 2020 (graph 3.4). The government debt more than doubled – it increased by 240 percent - at the end of 2020, compared to the end of 2012.
In terms of the local currency, the central government debt went from SRD 3.6 billion in 2012 to SRD 46.8 billion at the end of 2020 (graph 3.5). This is an increase of 1200 percent during this period. At the end of 2024 is the outstanding central government debt USD 3.5 billion and in the local currency SRD 122.9 billion.

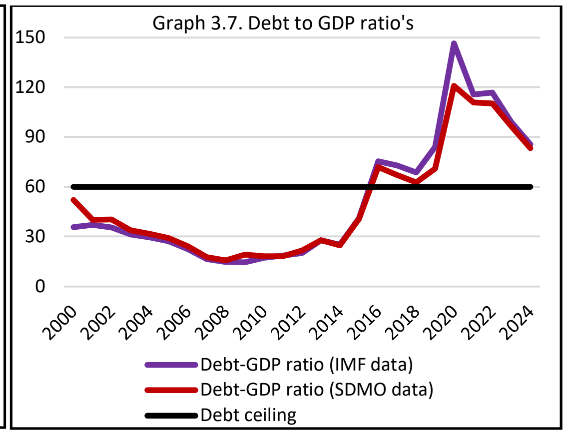
A major source of finance for the government deficits during this period, besides foreign borrowing from the traditional multilateral and bilateral creditors, was commercial international resources. In 2016, the government of Suriname accessed the international capital market for the first time, by issuing a Eurobond through Oppenheimer financial institution of USD 550 million at an interest rate of 9.25 percent, a maturity of 10 years with a bullet payment at the end of maturity. In 2019, international notes of USD 125 million were again issued at an interest rate of 9.875 percent, a penalty rate of 3 percent, a maturity of 4 years and grace period of 1 year.

The government also borrowed heavily domestically, mostly from the Central Bank of Suriname, but also from local banks, pension funds and from local companies especially for build and design projects to do infrastructural works. Beside loans, domestic borrowing was also in the form of government treasury paper in local and foreign currency in this period. The issuance of treasury paper was not done through an auction system - which is not in place yet- but through over the counter trading. In 2016-2020 a total amount of T-bills and T-notes that were issued according to currency composition was SRD 2.1 billion, USD 57.6 million and Euro 9.9 million.

Because most of local companies also borrowed from the banks to pre-finance the infrastructural works and the inability of the government to pay these companies but also the banking sector on time, this contributed to the high non-performing loans at the banking sector during the crisis. The economic, financial and debt crisis led to many vulnerabilities of the banking – and financial sector as a whole.



Source: SDMO, Central Bank of Suriname



Source: SDMO, IMF WEO April 2025

The increase of central government domestic debt, also significantly contributed to the increase in currency circulation, which in turn exerted substantial pressure on the exchange rate of the Surinamese dollar (SRD) against foreign currencies such as the USD and the Euro. As a result, the government, lacking foreign exchange reserves, found itself unable to defend the fixed exchange rate system and had to devaluate the local currency several times. In June 2021 the government made a pivotal decision to transition from a fixed exchange rate system to flexible exchange rate regime.

The SRD depreciated at the end of 2020 compared to the end of 2012 with 327 percent against the USD. The depreciation rate at the end of 2024 compared to the end of 2020 was about 147 percent. The huge depreciation of the SRD against the USD, but also the significant increase of the share of foreign currency debt in total debt from 53 percent in 2012 to 87 percent in 2024, resulted in the major increase of the debt stock in local currency in recent years (graphs 3.5 and 3.6).

The fragile macroeconomic stability, high overall deficits and national debt, weak institutions, but also the many adjustments to the National Debt Act in the past years to accommodate more debt are the causes of the country's deteriorating debt situation and creditworthiness.
In graph 3.7 we can see that the debt-to-GDP ratio was since 2016 above the debt ceiling of 60 percent, which is stipulated in the National Debt Act 2002 of the country. According to the IMF the public debt-to-GDP ratio at the end of 2020 amounted to 146 percent. SDMO calculated the central government debt-to-GDP ratio for the end of 2020 at 121 percent. The difference between the two calculations is the following:

- The IMF included in their public debt figure, the debt of the Central Bank of Suriname to the IMF at the end of 2020.
- They also had an estimate of the supplier debt of the government in their data, which was also not included in the debt figures of SDMO[1].

[1] SDMO included the government supplier's debt since the end 2021 in the domestic debt figures. In the last adjustment of the National Debt Act of March 16, 2023 supplier debt was specifically added as a domestic debt

- The IMF used a calculated market exchange rate for the SRD against the USD at the end of 2020, to adjust the debt data of SDMO. SDMO has always used the Central Bank of Suriname published end of period exchange rate, as the National Debt Act stipulated. At the end of 2020 the market exchange rate was higher than the official rate of the Central Bank of Suriname.

When the new government came into power after the elections on the 25th of May 2020, it was clear that the government was not able to service its total external and domestic debt on time. Payments on the international capital market instruments were missed in the second half of 2020, which led to the Restricted Default (RD) foreign currency credit rating for the country by Fitch in that year.

In September 2020, through a competitive bidding process, the government of Suriname attracted the international financial advisory firm Lazard Frères and the law firm White & Case LLP in the second half of 2020 to help Suriname renegotiate payment terms one its debt with external commercial and bilateral creditors. Suriname stopped paying those external creditors in the second half of 2020, together with most of the domestic creditors. At the end of 2020 the total arears on the external central government debt portfolio amounted to USD 72.3 million and on the domestic debt portfolio to USD 65.1 million.

After negotiations with the IMF, Suriname entered into an IMF Extended Fund Facility (EFF) program on December 22, 2021. The negotiations with the IMF to enter into the program took about 1 and a half year before the program was approved by the IMF board and signed by both parties. The restructuring program of government debt is a major part of this program to restore debt sustainability.
With the execution of the government economic reform program and debt restructuring, the debt to GDP ratio went down to approximately 83 percent by the end of 2024.

item. In 2023 SDMO adjusted their historical domestic debt figures from the end of 2021 with this debt item. Supplier debt are non- paid bills for received goods and service by the government. These debt figures are received from the Treasury department of the Ministry of Finance & Planning.

4. The IMF-EFF Program Signed in December 2021

On 29 April 2021, a Staff-Level Agreement (SLA) was reached with the IMF team on a 36-months program under the Extended Fund Facility (EFF). On December 22, 2021 the Executive Board of the International Monetary Fund approved this arrangement under the Extended Fund Facility (EFF) for Suriname in an amount equivalent to SDR 472.8 million (about USD 673 million).

The goal of the program and financial arrangement was to support the homegrown economic recovery plan of the country to restore:

- fiscal sustainability by increasing central government primary balance of 14 percent of GDP in 2021-2024 and fiscal management through discretionary fiscal consolidation;
- bring down the public debt to sustainable levels;
- protect the vulnerable population by improve the social safety net;
- upgrade monetary policy framework and adopt a flexible, market-determined exchange rate;
- improve and stabilize financial system (including where needed, through recapitalization) and develop more effective bank oversight;
- tackle corruption and enhance Suriname's AML/CFT[2] framework and strengthen institutions and improve governance.

The program was also presented and discussed in Parlement. When the program started in 2022 and after the first successful quarterly review in March, there was a delay of one year because targets were not met. In June 2023 the program was back on track with a second review. The program was then extended until March 2025 with a total amount of funds of SDR 430.7 (about USD 562.5 million) to be allocated to Suriname in the form of budget and balance of payment support.
Other IFI's like the inter-American Development Bank (IADB), the Caribbean Development Bank (CDB) and the World Bank would also provide budget support funds to finance the reform program.

The central government debt that became unsustainable due to the high fiscal imbalances and large depreciation of the exchange rate, needed primary government surpluses to stabilize the debt. The three goals set in the program to restore debt sustainability were:

- bring the debt-to-GDP ratio below 60 percent by 2035;
- bring the gross financing need[3] on average to 9 percent of GDP in 2023-2035;
- make sure that the expenditures of the government are fully covered in 2022-2024, in the period of the program.

In order to achieve fiscal and debt sustainability, debt relief in the form of debt restructuring was needed from all external bilateral and commercial creditors. The complete debt restructuring parameters were also designed within the program.
When dealing with the restructuring of the two types of external creditor, Comparability of Treatment (CoT) had to be applied. Although there is no clear definition of Comparability of Treatment, the concept used by the Paris Club over the years is a specific clause in their debt

[2] AML/CFT: Anti Money Laundering/Combating the Financing of Terrorism
[3] Gross financing needs can be defined as the funds needed to finance the government's primary deficit plus interests and principal repayment on the debt in a certain period.

treatment agreements, where it is stated that the debtor will not grant more favorable treatment to other creditors, similarly to a Most-Favored-Nation clause.

In the Global Sovereign Debt Roundtable[4] (GSDR) progress report of April 2024 regarding the common understanding on Comparability of Treatment (CoT), it is mentioned that assessing CoT is still a critical issue, and further clarification is needed. Debt restructuring for countries outside the G20 Common Framework[5] like Suriname, when assessing and enforcing these mechanisms, they use NPV calculations based sometimes on two or more discount rates to ensure some sensitivity analysis. The debt reduction assessed in net present value terms (NPV), using a "New NPV/Old NPV" formula and the discount rate, is useful to compare the restructuring terms between the different creditors.

For the bilateral external creditors, which are Paris Club creditors, China and India, once the restructuring agreement was reached, the government of Suriname would pay (part of) the arears at the end of 2021, during the program because the arrears are seen as a form of financing contribution to the program.
The commercial external creditors for Suriname with whom a debt restructuring agreement was needed were: bondholders, ABN-AMRO, Israel Discount Bank, the Industrial and Commercial Bank of China, Credit Suisse.

Regarding the central government domestic debt, little would be gained by restructuring the debt of these creditors, since the Central Bank of Suriname (CBvS), but also some local banks who had lent money to the government were undercapitalized. Therefore, any restructuring of the domestic debt would further lead to the instability of the financial sector. Because of the buildup of major arrears, restructuring arrangements to settle arrears on this debt where finalize in the period 2021-2024. Within the whole debt restructuring segment of the reform program of Suriname, restructuring agreements with about 12 external and 11 domestic creditors was needed.

Regarding public sector debt[6], the program forbid:

- any form of government guarantees to debt contracted by other parties like State Owned Enterprises (SOE's);
- new public debt (government or SOE's) that is collaterized by natural resources;
- Central Bank of Suriname (CBvS) can't issue foreign currency (FX)-linked or FX-denominated debt.

[4] GSDR is brings together debtor countries and creditors with the objective to build greater common understanding among key stakeholders on debt sustainability and debt restructuring challenges, and ways to address them. The roundtable is co-chaired by the IMF, World Bank and G20 Presidency and comprises official bilateral creditors (both traditional creditor members of the Paris Club and new creditors), private creditors and borrowing countries.
[5] The G20 Common Framework is a debt treatment mechanism that helps low-income countries restructure their debt. The framework was established in November 2020 to strengthen the international debt architecture.
[6] This includes beside the central government debt, also the debt of the Central Bank of Suriname and SOE's.

5. External Debt Restructuring Outcome

In September 2020 when the Suriname government hired its financial and legal advisors Lazard and White & Case, the debt negations with the external bilateral and commercial creditors of the country started. Negotiating was done in good faith, sharing relevant non-confidential information and allowing input on restructuring strategies of the creditors.

A long process of debt reconciliation line by line with all creditors was undertaken. The Republic and each creditor compared and verified the amounts owed under the contracts to ensure accuracy and mutual agreements between the parties on the amounts due.
Major results on the negotiations were achieved in 2022, 2023 and 2024. The remaining outstanding restructuring agreements will be finalized in 2025.

Table 1. Total outstanding external debt cash base by creditor at the end of 2021-2024 (millions USD)

Creditor	2021		2022		2023		2024	
	Total debt	of which arrear	Total debt	of which arrear	Total debt	of which arrear	Total debt	of which arrear
Multilateral Creditors	**693.1**	**0.0**	**918.6**	**0.6**	**1,229.1**	**0.0**	**1,521.7**	**0.0**
EIB	1.2	0.0	0.9	0.0	0.5	0.0	0.2	0.0
IADB	506.7	0.0	691.3	0.0	847.1	0.0	1,006.8	0.0
ISDB	29.6	0.0	26.5	0.6	40.5	0.0	54.9	0.0
CDB	68.4	0.0	92.4	0.0	115.9	0.0	109.5	0.0
OPEC	27.5	0.0	30.2	0.0	30.1	0.0	27.9	0.0
World Bank	4.6	0.0	5.7	0.0	19.6	0.0	29.0	0.0
IMF	55.1	0.0	71.7	0.0	175.4	0.0	289.0	0.0
Caricom Development Fund	0.0	0.0	0.0	0.0	0.0	0.0	4.5	0.0
Bilateral Creditors:	**569.6**	**68.8**	**553.8**	**96.6**	**549.0**	**125.3**	**514.1**	**0.0**
France	35.3	8.0	30.4	0.0	31.6	0.0	26.9	0.0
China	496.3	53.5	485.5	84.0	482.7	125.1	455.5	0.0
India	38.0	7.2	38.9	12.6	34.8	0.2	31.7	0.0
Commercial Creditors:	**936.1**	**204.3**	**970.8**	**287.7**	**825.1**	**65.7**	**811.1**	**5.7**
Euro bond (Oppenheimer)	776.8	153.4	818.0	230.4	659.9	0.0	673.4	0.0
ING Bank N.V.	13.3	4.2	10.8	0.0	11.2	0.0	9.0	0.0
Israël Discount Bank	18.6	4.6	18.3	6.4	19.9	8.7	16.5	0.0
Banca Monte dei Paschi di Siena	35.4	7.3	31.0	7.4	32.8	0.0	28.1	0.0
ABN-AMRO Bank N.V.	20.5	18.1	20.1	20.1	20.9	20.9	16.6	0.0
Credit Suisse	12.3	0.9	11.7	0.6	12.3	3.3	11.7	5.7
China Industrial and Commercial Bank	59.3	15.8	60.9	22.8	65.5	32.8	53.1	0.0
KBC-bank	0.0	0.0	0.0	0.0	2.6	0.0	2.7	0.0
Total outstanding debt	**2,198.8**	**273.1**	**2,443.3**	**384.9**	**2,603.2**	**191.0**	**2,846.9**	**5.7**

Source: SDMO

In table 1 in which the external debt of each creditor is presented with the outstanding arrears for 2021-2024, we can clearly see that the debt grew from USD 2.2 billion in 2021 to USD 2.8 billion in 2024. The debt grew during these years due to disbursements on old and new loans, mostly budget support funds from the IMF-EFF program.

At the end of 2024, only one creditor Credit Suisse had debt in arrears, because the restructuring process with that creditor was finalized in April 2025.
When the restructuring process with each creditor is finalized, arrears are not recorded anymore because payments as agreed, are resumed.

A. Bilateral restructuring agreements

1. Paris Club creditors: France, Italy, Netherlands, Israel and Sweden

Suriname and the Paris Club reached a debt restructuring umbrella agreement in June 2022. The agreement with the Paris Club established a two-step debt treatment, applying the flows and stock approaches in successive phases.

- <u>Phase I</u>: the restructuring of flows (arrears until the end of 2021 and the debt service payment during program period 2022-2024)
    - The umbrella agreement was signed on June 22, 2022. The total amount of debt restructured here was EUR 51 million.
    - Bilateral agreements with France, the Netherlands, Italy and Israel were signed in 2022 and in 2023.
    - It was not necessary to sign a bilateral agreement with Sweden since it in the Umbrella agreement it was stipulated that debt of SDR 1 million and below will not be restructured and the original agreement will apply regarding repayment[7].

- <u>Phase II</u>: the restructuring of stock (the debt amounts as of January 1, 2025)
    - The umbrella agreement was signed on October 8, 2024. The total amount of debt restructured here was EUR 38 million.
    - The bilateral agreements with Italy and Israel were not finalized as of June 30, 2025.

<table>
<tr><th colspan="2">Table 2. Debt restructuring terms based on umbrella agreement with Paris Club creditors</th></tr>
<tr><th>Creditor</th><th>Restructuring Terms</th></tr>
<tr><td rowspan="2">Paris Club</td><td><u>Phase I Scope</u>: Arrears as of end 2021, debt service (principal +interests) due from 2022 to 2024
(i) 60% of arrears are repaid in 2022 (the year of the agreement), the remaining 40% are repaid in 2024
(ii) Flow:
– NODA claims last repayment in 2036
– ODA claims last repayment in 2041
Interest Rates: between 0.5 – 2% during 2022-2024</td></tr>
<tr><td><u>Phase II Scope</u>: Stock due after 2024
• NODA claims: last repayment in 2036
• ODA claims: last repayment in 2041
• Interest Rates: between 0.5-4% during maturity
Not all the bilateral agreements are finalized on the second phase restructuring</td></tr>
</table>

Source: SDMO

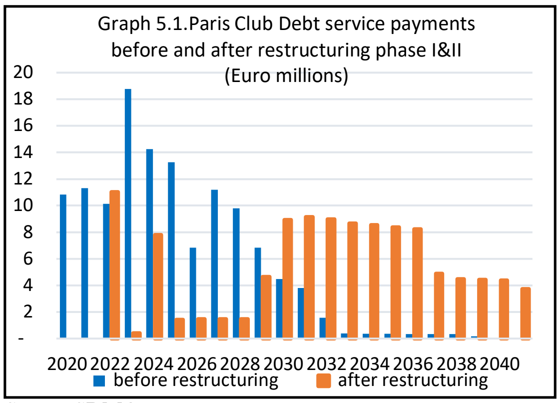
The restructured debt concerns official debt (Official Development Assistance – ODA) and commercial debt with a state guarantee (Non-Official Development Assistance – NODA).

[7] The NODA debt of Credit Suisse was EUR 725,143.23, below the amount of SDR 1 million (EUR 1 million).

The NODA were:

- ING Bank N.V (1 loan) - Netherlands
- Israel Discount Bank (2 loans) - Israel
- Banca Monte dei Paschi di Siena (2 loans) - Italy
- Credit Suisse (1 loan) – Sweden

Graph 5.1 presents the debt service before and after the restructuring of Suriname's total debt owed to the Paris Club creditors.



Source:SDMO

The ODA debt (5 loans) from France was debt attracted in the period 2001 – 2019, for a total amount of Euro 59,5 million with financial terms of maturities and grace periods on average of respectively 18 years and 6 years. Three loans had a fixed interest rates of 2,2 – 2,5 percent and two loans a variable interest rate. Most of these loans were used for infrastructure and healthcare sectors

The NODA debt from Italy, Netherlands, Israel and Sweden were attracted in the period 2004 – 2019.The total amount was EUR 145 million and allocated to the infrastructural works such as, road & bridges. The financial terms of maturities and grace period on average of respectively 10 years and 2.5 years and 6 months Euribor interest rate plus a margin of 2.8 percent.

The Agreed Minutes of the second phase of the debt treatment include a claw back clause, stipulating that upon activation of payments to bondholders under the VRI, the government of Suriname will review the terms of the second phase. The clause states "*The terms of any such adjustment shall be assessed as compatible with the country's debt repayment capacity at the time and with Debt Sustainability Analysis objectives set by the IMF in the context of EFF program approved on 22 December 2021 to Suriname, and are expressed through an acceleration of the repayment schedules and through adjustment to the relevant interest rates*"[8]

2. **India**

Bilateral debt to India was owned to India EXIM bank in the form of 7 credit line loans and 2 buyers credit loans.[9] Regarding the credit-lines the restructuring agreement was signed on March 15, 2023 and the agreement for the restructuring of the buyers' credit was signed on June 2, 2023. The total amount of the debt as of December 31, 2021 was USD 38 million of which USD 7.2 million was in arrears.

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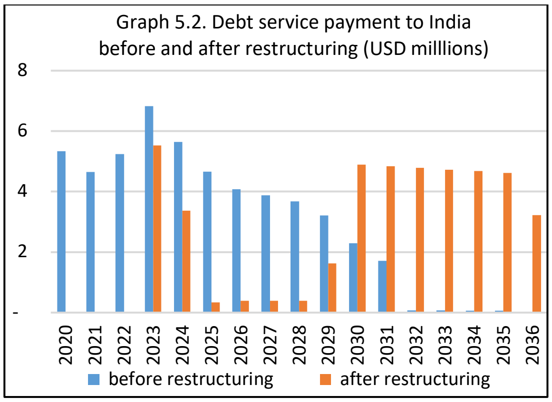
[8]Amendment to the agreed minutes on the consolidated of the debt pf the republic of Suriname of 22 June 2022 regarding the second phase of the treatment, signed on 8 October 2024, page 6.

[9] The difference between the Line of Credit (LOC) and Buyer's Credit is in the mechanisms through which funds are channeled. LOCs are direct loans from Exim Bank, while Buyer's Credit insures lending through a government-backed insurance trust.

The credit-lines were attracted in the period 2004 –2018 and were allocated to infrastructure and defense sectors. Maturities and interest rates were on average respectively 18 years with a grace period of 5 years and 6 months Libor plus margin of 0.5 percent.
Buyer's credits were attracted in de period 2017 –2019 with a 6 months Libor interest rate plus margin of 1.5 percent. These funds were allocated to water supply.

Table 3. Debt restructuring with India	
Creditor	**Restructuring Term**
India Exim	Same terms as the Paris Club, except the payment of arrears is as follow 60% of arrears are repaid in 2023 (the year of the agreement) including fees, the remaining 40% are repaid in 2024. The total debt was completely restructured during one negotiation period.

Source: SDMO



Source: SDMO

Loans signed before the debt restructuring process began, but not yet disbursed, were canceled after the other loans with arrears were restructured. The loans that were cancelled where credit line loans of a total amount of USD 29,5 million for the agriculture and energy sectors.
In the graph 5.2 the debt service before and after restructuring of total debt to India is presented.

3. China

Bilateral debt to China is owned to the China Exim Bank. In this regard the bilateral loans can be divided in:

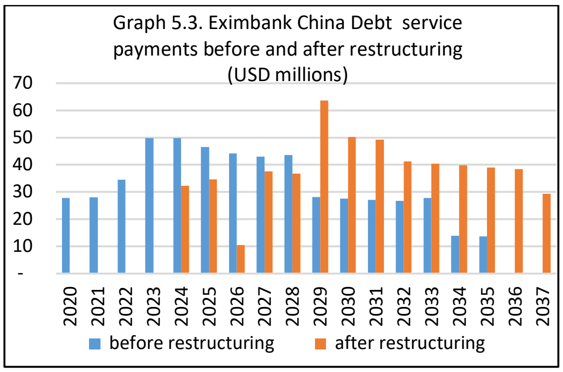
- Buyers Credit (BC)
- Preferential Buyers Credit (PBC)
- Government Concessional Loans (GCLs)

Table 4. Debt restructuring with China	
Creditor	**Restructuring Terms**
Exim Bank of China	• Phase I Scope and Phase II Scope are very much in line with Paris Club restructuring. • The terms of China EXIM Phase I restructuring agreements were signed on November 13th regarding the Buyers Credit (BC) and Preferential Buyers Credit (PBC) and December 16th 2024 regarding the Government Concessional Loans (GCLs). • The terms of China EXIM Phase II restructuring agreements are not yet signed, although on the technical level the negotiations are finalized. • Interest rates and extension of the maturities are not presented due to non-disclosure clauses in restructuring agreements.

Source: SDMO

The total amount of the debt as of December 31, 2021 was USD 496,3 million of which USD 53,5 million was in arrears.
In the period 2004-2019 Suriname attracted 7 loans from the Eximbank of China. The buyers' credit with an interest rate of 4.65 and 5.52 percent and a maturity of 20 years was used for infrastructural projects.

The preferential buyer's credit was a loan for investments on behalf of the state own telecommunication company Telesur. Investments in Suriname National Broadband Network were financed with this loan, with an interest rate of 3 percent and maturity 15 years.
Concessional loans were attracted in RMB and USD allocated to infrastructural and housing projects with an interest rate of 2 percent and a maturity of 19 - 20 years.



Source: SDMO

In graph 5.3 the debt service relief received from the Exim Bank of China, through the debt restructuring is clearly presented.

In the years 2004-2009 some interest free loans from the China Development Bank were received by the government of Suriname for economic and technical cooperation. As of January 1, 2022 the total amount of official debt[10] based on these loans were RMB 320 million. The government of the Peoples Republic of China has agreed to forgive the total amount of this debt. Administrative procedures still need to be finalized.
Since January 1, 2022 these loans were taken out of the external debt portfolio of the government of Suriname and were not part of the restructuring process.

B. Commercial restructuring agreements

1. **Eurobond treatment (Oppenheimer bonds)**

In 2016, the government of Suriname went for the first time to the international capital market, issuing a bond of USD 550 million through Oppenheimer & Co Inc. financial institution. The maturity of the bond was 10 years and an interest rate of 9.25 percent. In 2019, a second bond through Oppenheimer was issued in a total principal amount of USD 125 million, with a 4-year maturity and at 9.875 percent interest rate, with an added penalty rate of 3.00 percent in case of a default.

The proceeds of the 2016 bond were used for an on-lend loan to the State oil company, the repayment of other debt and for current expenditures of the government. The 2019 bond was

[10] According to the National debt Act of Suriname, a loan or instruments is official debt, if the loan agreements are registered by the Supreme Audit Institution of Suriname; the "Rekenkamer".

used to settle arrear payments to ALCOA in order take over the Afobaka hydro plant at the end of that year.

Debt restructuring negotiations typically take place amid great uncertainty, and disagreements surrounding the debtor country's economic prospects are common.
To minimize those, Suriname focused on continuous consultation with bondholders, and other stakeholders, alongside a strong commitment to fiscal consolidation anchored by an IMF program.

Bondholders - organized into a Creditor Committee - recognized this best practice approach, and consented to postponing upcoming payments under the Eurobonds in November 2020 and April 2021, giving the government enough time to conclude a Staff-Level Agreement with the IMF. But to achieve debt sustainability, Suriname required important debt relief from private and official creditors.

On June 2, 2021, the Minister of Finance and Planning jointly with the Minister of Foreign Affairs, International Business and International Cooperation, presented publicly to the international community, principles and preliminary elements of the debt restructuring:

- The Republic was committed to repay its debt obligations as much as its economic and social situation allows.
- There have been significant oil discoveries in Suriname. While they may have a transformative potential for the country, they remained uncertain and were consequently not been incorporated in the IMF macro-fiscal framework.
- Accordingly, the Republic believed that the best way to take into consideration the potentially transformative impact of oil discoveries in Suriname for the repayment of its debt, is through a contingent value recovery instrument ("**VRI**"), linking the payment under the instrument to the generation of sufficient oil revenues from Block 58.

The unusually high concentration of the Eurobonds among a small group of bondholders - where five bondholders controlled 75 percent of the bonds - granted these bondholders substantial leverage in negotiations, reinforced by the prospect of future oil revenues.

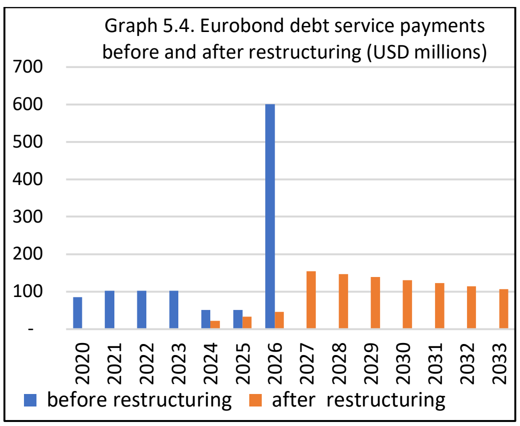
Both bonds were consolidated and the negotiation process with the bondholders took almost three and a half years. The total amount of the debt when the bond was restructured amounted to USD 912 million. On December 6, 2023, this Eurobond was restructured in an instrument of USD 660 million with a nominal haircut of 30 percent of USD 252 million.

The interest rate was set at 7.95 percent and structured to minimize cash payments in the short term:

- 2024-2026: a cash coupon of 4.95 percent, plus a capitalized coupon of 3 percent;
- 2026-2033: a cash coupon of 7.95 percent.

Table 5. Debt restructuring with Eurobond Creditor Committee		
Creditor	**Restructuring Term**	
Bondholders	The two old Bonds are restructured into two new instruments: a (i) **New Bond** and (ii) a **Value Recovery Instrument (VRI) in the form of oil-linked securities.**	
	New Bond: • Nominal Amount: USD 660 million (~30% haircut of total Eurobond claims) • Principal amortization in equal installments between 2027 and 2033 • Interest Rate: 7.95% (of which 3% is capitalized between 2024 and 2026)	**Value-Recovery Instrument:** • Payments are made only if Suriname receives royalties from Block 58 in an amount that exceeds USD 100 million. • The VRI will allocate to holders, once the USD 100 million floor is reached, 30% of the royalties of Block 58 • Initial notional amount of VRI: USD 315 million • Accrual rate: 9% per year • Cap in the total payment amount of USD 787 million: no payment will be made after 2050 or once the cap (2,5x initial nominal amount) is reached.

Source: SDMO



Source: SDMO

In table 5, the terms of both the restructured bond and the VRI are presented. The restructured bond provides significant debt service relief during the implementation period of the IMF-EFF program, as can be seen in graph 5.4.

The VRI was designed to bridge the commercial gaps between the negotiating parties, which were the result of different expectations about the debtor country's economic prospects and repayment capacity. The VRI was instrumental to bridge the gap between the parties particularly because the IMF macro-fiscal framework – used to calibrate the terms of the new restructured bond – did not take into account future oil revenues.

Pursuant to the terms of the VRI, bondholders would be fully compensated for the losses they incurred in the restructuring by accepting a nominal haircut, if offshore oil revenues materialize for the government and a sufficient amount of oil royalty revenues is generated.
The terms of the VRI were carefully designed such that the vast majority of oil-related revenues from Block 58 go to the government of Suriname, with only 30% of the revenues from royalties only paid to holders of the VRI.

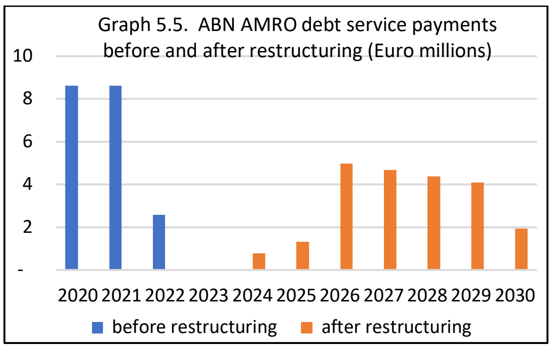
2. ABN-AMRO

Before the Eurobonds were restructured, the other commercial creditors were also given the opportunity to participate in the restructuring and receive the same treatment and new securities as the holders of the Eurobonds, but they did not respond to this opportunity.
With the ABN-AMRO bank the Government of Suriname signed two loans of the amount of Euro 39.2 million in 2016 for the construction of dams in the coastal area. The financial terms of these loans were a maturity of 6.5 years, with a grace period of 1.5 years and an interest rate of Euribor 6 months plus 2.5 percent.

Table 6. Debt restructuring with ABN-AMRO

Creditor	Restructuring Term
ABN-AMRO	• Nominal Haircut: between 25- 30% • Last repayment in 2030 • Semi-annual coupon: 7.95%

Source: SDMO



Source: SDMO

The restructured loan agreement was signed on March 26, 2024. By then the remaining amount of the debt of Euro 16 million and was completely in arrears.
In table 6 the restructuring terms are presented and in graph 5.5 the effect it had the debt service payment in the future.

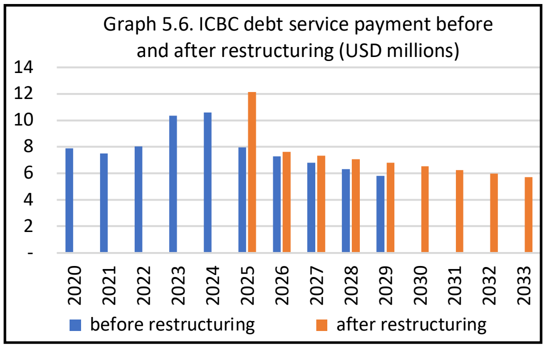
3. Industrial & Commercial Bank of China (ICBC)

In 2015 a loan for the amount of USD 65.3 million was signed with the Industrial &Commercial Bank of China. The allocation of the loan was for the engineering, design and construction of 70 km roads project in the country. The maturity of this loan was 14,5 years with a grace period of 2.5 years. The interest rate on this loan was the LIBOR 6 months plus 3 percent. This loan was restructured on November 22, 2024 according to the terms in table 7. The restructured terms are more in line with those of the bilateral creditors.

Table 7. Debt restructuring with ICBC

Creditor	Restructuring Term
ICBC	• Arrears (as of end-2021)**:** 40% of arrears are repaid in 2024, the remaining 60% are repaid in 2025 • Principal outstanding (excl. arrears)**:** last repayment in 2033 • Interest rate between 1.5 -5 %.

Source: SDMO



Source: SDMO

The total amount of the debt that was restructured was USD 59.5 million.
In graph 5.6 the debt service projections before and after restructuring is presented.

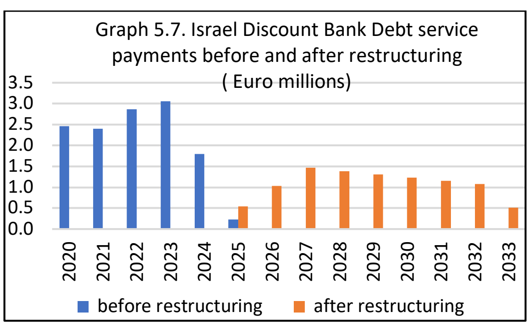
4. Israel Discount Bank

With the Israel Discount Bank four (4) commercial loans were negotiated and restructured on 16th December 2024. The total amount of these loans at the time of restructuring amounted to Euro 10.1 million.
These loans were attracted in the period 2016 to 2019 for a total amount of Euro 9,6 million, with a maturity and grace period of 5 years and 1 year respectively. The interest rate was EURIBOR 6 months plus a margin of 2.1 - 4.85 percent. The allocation of these loans was for the construction of certain dormitories, other facilities in the area and also the construction of the Auditorium of the Anton De Kom University.

Table 8. Debt restructuring with Israel Discount Bank

Creditor	Restructuring Term
Israël Discount Bank	• Nominal Haircut: between 25- 30% • Last repayment in 2033 • Semi-annual coupon: 7.95%

Source: SDMO



Source: SDMO

The terms of restructuring are presented in table 8 and the debt service profile before and after restructuring in graph 5.7.
In this graph there is clearly a better spread of the debt service payment after restructuring to release the pressure of debt payments on the government budget during the implementation of the economic reform program.

5. Credit Suisse

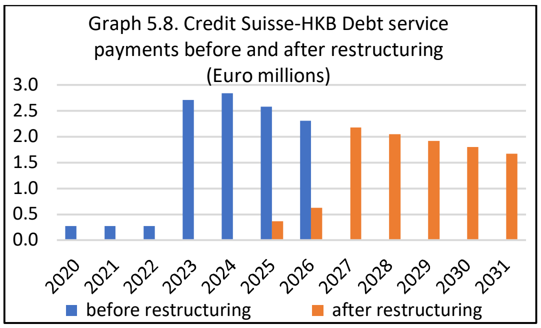
The only commercial loan with Credit Suisse that needed to be restructured was signed in 2019 and the debt amount at the time of the restructuring was Euro 8,9 million. The original amount of the debt was Euro 11,1 million, with an interest rate of Euribor 6 months plus 3 percent and a maturity of 7.5 years with 3.5 years grace period.

The loan was to be used for the implementation of an agro-industrial park in Suriname, which comprises a dairy farm, poultry farm, a vegetable farm and irrigated field crops.

Table 9. Debt restructuring with Credit Suisse

Creditor	Restructuring Term
Credit Suisse/UBS/ Hakrinbank NV	• Nominal Haircut: between 25- 30% • Last repayment in 2033 • Semi-annual coupon: 7.95%

Source: SDMO



Source: SDMO

During the negotiations, Credit Suisse was taken over by the UBS bank in 2023. The loan was therefore transfer to UBS. In order to solve this restructured loan as soon as possible, UBS wanted to sell this debt to another creditor.

On February 28, 2025, the debt was sold to the local creditor the Hakrinbank N.V. Afterwards the debt was restructured on the financial terms presented in table 9.
This loan therefore became a domestic debt on April 29th 2025, when the agreement was signed by both parties. The debt service profile before and after restructuring is presented in graph 5.8.

6. Domestic Debt Restructuring Outcome

Even before 2020, domestic debt was not serviced on time, especially to the Central Bank of Suriname, the largest domestic creditor of the government. Arrears started to build up on most domestic debt items after 2020. The Suriname Debt Management Office together with the Ministry of Finance & Planning and local creditors started to work on solutions on how to address domestic arrears in the past years. Some of the solutions were to roll over T-bills and T-notes and other restructuring arrangements of the rest of the debt categories in arrears.

Table 10. Total outstanding domestic debt cash base by debt instrument at the end of 2021-2024 (SRD million)

Debt instrument	2021		2022		2023		2024	
	Total Debt	of which arrears	Total Debt	of which arrears	Total Debt	of which arrears	Total Debt	of which arrears
Treasury paper and Central Bank advances:								
Promissory notes	1,014.6	615.7	1,197.1	1,019.7	439.8	354.8	61.3	61.3
Treasury bills	2,576.4	222.8	2,885.9	532.3	2,655.8	532.3	810.1	63.6
Advances from Central Bank	1,665.7	1,415.7	1,688.2	1688.2	-	-	-	-
Loans:								
CBvS consolidated debt	9,386.9	1,058.4	9,561.6	1,527.1	9,291.5	-	8,778.1	-
Short-term loans from commercial banks	4.9	0.3	-	-	-	-	314.6	-
Long-term loans from commercial banks	2,742.2	814.7	3,254.2	517.3	2,599.8	957.4	1,355.8	5.5
Long-term loans from private sector	708.2	-	1,059.2	-	1,855.6	-	587.8	-
Other debt items:								
Design-build-finance infrastructure projects	2,337.0	0.8	3,607.4	23.8	4,079.4	99.6	2,853.0	134.2
Supplier Debt (other accounts payable)	588.1	-	2,032.0	23.0	3,966.1	118.0	6,936.9	190.0
Total Outstanding Debt in SRD millions	**21,024.0**	**4,161.1**	**25,285.6**	**5,344.8**	**24,888.0**	**1,979.3**	**21,697.7**	**321.9**
Total Outstanding Debt in USD millions	**987.2**	**195.4**	**793.8**	**167.8**	**669.0**	**53.2**	**613.7**	**9.1**
Exchange rate USD/SRD (eop)	21.3		31.9		37.2		35.4	

Source: SDMO

Table 10 provides an overview of the outstanding domestic debt for the period 2021-2024. The last adjustment of the National Debt Act took place om March 16, 2023. Regarding the domestic debt figures, supplier debt or other accounts payables, which are non-paid receipts by the government to suppliers of goods and services, became an additional debt item of the central government debt. In the past, this item was not part of the domestic debt figures.

SDMO receive the amount of this debt items, starting at the end of 2021, on a monthly base from the Treasury Department as part of the domestic debt statistics.
The domestic debt (in USD equivalent) declined from USD 987.2 million at the end of 2021 to USD 613.7 million at the of 2024. The domestic arrears declined by 95 percent in this period. Domestic debt denominated in the local currency in this period increased by almost 30 percent due to the depreciation of the SRD of 66 percent against the USD.

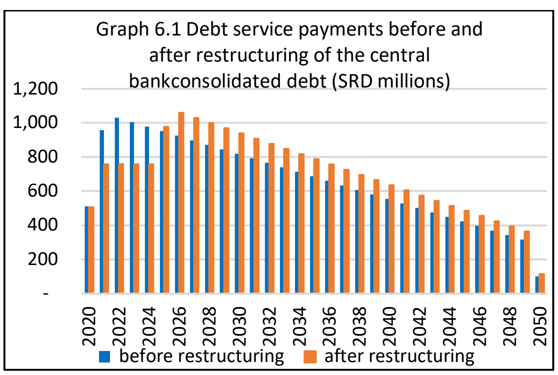
1. **Central Bank of Suriname**

The largest domestic creditor of the government of Suriname is the Central Bank of Suriname (CBvS). At the end of 2021, the share of CBvS debt in domestic debt and in the total debt was 52 percent and 16 percent respectively.

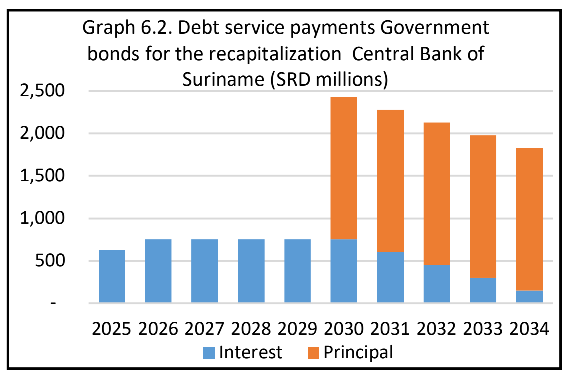
The legacy debt to Central Bank of the government of 2020 comprised of the following debt items:

- Past advances based on article 21 of the Bank Act[11] of SRD 648.8 million.
- The consolidated long-term debt of SRD 8.5 billion of 2019. Payments on this debt were made through royalties receive from Grassalco, a local mining company, that are deposit at the Central Bank during the year.
- The new government took additional advances in 2020 to finance the COVID pandemic expenditures of a total amount of SRD 650 million.

All the advances including interest arrears of a total amount of SRD 1,298.8 million were paid off in the last quarter of 2023.
The consolidated long-term debt was restructured in July 2023. The interest rate of 9 percent and maturity of 31 years was kept the same. The interest arrears at the time of restructuring were scheduled to be completely be paid in 2024 with an additional quarter in 2025 to settle interest payment. In graph 6.1. de debt service profile of the restructured consolidated debt is presented before and after restructuring.



Source: SDMO



Source: SDMO

Because of the bad financial position of the Central Bank, restructuring terms was mostly kept the same as the original loan agreement. The government had to recapitalize the Central Bank

[11] According to article 21 of the Bank Act of 1956 with adjustment in 2005 the following is mentioned: “The Bank is obliged, by way of exception to the provisions of Article 18, first paragraph, to provide the State with advances in current account against the collateral of treasury paper, the issue or lending of which is permitted by law, whenever the Minister deems this necessary to temporarily strengthen the State treasury”. The Bank Act was adjusted on April 17, 2023. In article 27 of the last adjustments of the Bank Act, the Central Bank is prohibited to provide any form of monetarily financing to the government.

with a capital injection of SRD 1 billion and the issuance of government bonds worth SRD 8.4 billion in the first quarter of 2025 related to losses incurred in 2020–2021.

Once audits are finalized for the other years, the government will very likely need to recapitalize for more financial losses of the Central Bank. The debt service profile of issuance of 47 bonds with a bullet payment at the end of maturities between 6-10 years and an interest rate of 9 percent is presented in graph 6.2. The recapitalization of the Central Bank was a policy measure which was part of the IMF-EFF program, aimed to strengthen the financial position of the CBvS specifically to support the rehabilitation of the entire financial sector.

2. **Design-build-finance infrastructure projects**

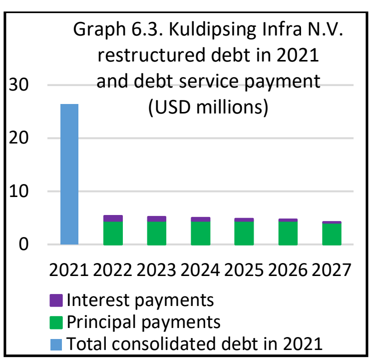
The first domestic debt restructuring occurred in December 2021 and relates to design, build, and finance infrastructural projects. Local contracts would prefinance a certain amount of public works assigned to them, mostly for an interest rate of 5 percent and a certain maturity after the project has been delivered. Each month, part of the production mostly between 0-35 percent, that has been delivered in that month, must be paid immediately to the contractor.

In 2021 during the restructuring of this debt item, there was a discount agreed on the interest rate of about 1.5 percent and the maturity of the consolidated debt was negotiated with each contractor. The consolidated debt of the different contractors, consisted of arrears on monthly payments of part of production that should have been done and/or interest arrears with the cut of date of July 31, 2021 and the prefinance part of the project that was delivered at that time. Payments on these projects are partly done in foreign and partly in local currency.

The local contracts that were involve in the restructuring process in 2021 and total amount of investment projects were:

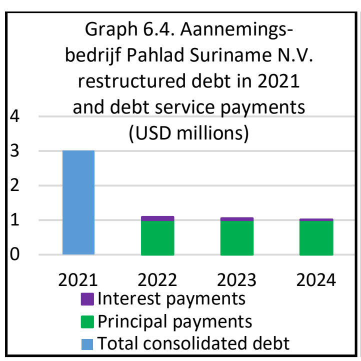
a) Kuldipsing Infra N.V.

They had 3 contracts for a total amount of USD 218.3 million attracted in 2014-2020 for the rehabilitation of roads in Paramaribo and in the districts Wanica and Para. The prefinance amount was USD 97.1 million with a maturity of 4-5 years. The total restructured consolidated amount with this contractor was USD 26.4 million for a maturity of 5- 6 years.



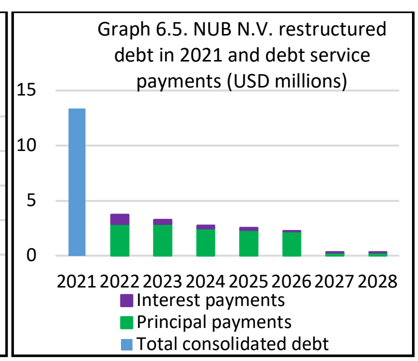
Graph 6.3. Kuldipsing Infra N.V. restructured debt in 2021 and debt service payment (USD millions)

Source: SDMO



Graph 6.4. Aannemings-bedrijf Pahlad Suriname N.V. restructured debt in 2021 and debt service payments (USD millions)

Source: SDMO



Graph 6.5. NUB N.V. restructured debt in 2021 and debt service payments (USD millions)

Source: SDMO

b) Aannemingsbedrijf Pahlad Suriname N.V.

This contractor had 1 contract of USD 13 million attracted in 2019 for the rehabilitation of a certain road in Paramaribo and some in the district of Commewijne. The prefinance amount was USD 5.2 million with maturity of 2 years. The restructured consolidated amount was USD 3 million for a maturity of 3 years.

c) Nationaal Uitvoerings Bedrijf (NUB) N.V

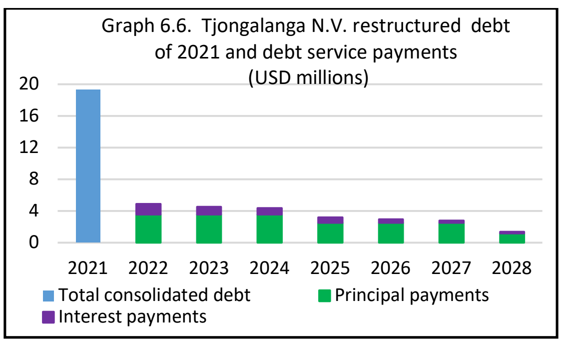
NUB had 6 contracts for a total amount of USD 84.5 million attracted in 2008-2020 to conduct infrastructural projects in the district Coronie. The prefinance amount was USD 61.3 million for maturity of 15 months to 6 years and an interest rate of 5-6 percent. The total consolidated amount that was restructured was USD 13.3 million for a maturity of 2-7 years and interest rates of 3.5-7.5 percent.

d) Tjongalanga N.V

The contractor had 5 contracts for a total amount of USD 59.7 million attracted in 2012-2020 for the rehabilitation of roads in Paramaribo, the coastal area and in the district Marowijne. The prefinance amount was USD 46.8 million for maturity of 5- 6 years and an interest rate of 5-6 percent. The total consolidated amount that was restructured was USD 19.3 million with a maturity of 3 -7 years and an interest rate discount of 3.5 - 4.5 percent.

e) Baitali N.V

The Baitali Group had 6 contracts for a total amount of USD 143.7 million attracted in 2012-2020 for the rehabilitation of roads in Paramaribo and the coastal area. The prefinance amount was USD 107.2 million for a maturity between 5-7 years. The total consolidated amount that was restructured was USD 34.2 million with a maturity of 6-8 years.



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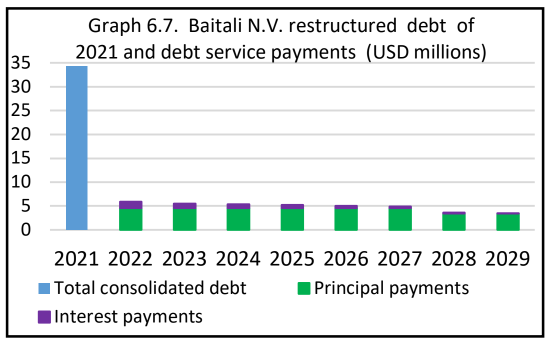


Source: SDMO

In graphs 6.3 to 6.7, the outstanding consolidated restructured debt of each contractor and the debt service payment after restructuring is presented.
The many government arrears to contractors, that borrowed funds from the banking sector, has also contributed to the vulnerabilities in the financial sector, especially to the level of non-performing loans.

The total amount of outstanding debt of design -build- finance infrastructural projects increased from SRD 2.4 billion at the end of 2021 to SRD 4.1 billion in 2023. This growth of almost 75 percent is a result of the production of the public works in these years and the depreciation of the SRD. In 2024 the Finabank took part of the debt of one contractor over, which lead to a decrease of 30 percent of this debt item in that year.

Arrears at the end of the years 2021-2024 are partly late payments and partly technical arrears. The government can pay the debt service to the contractors a month later. Due to the difficult economic situation during the years 2021-2024, the government did not have sufficient revenues, to completely settle all payments on time.

3. Government Treasury paper

Arrears on government paper namely promissory notes and Treasury bills[12]in local and foreign currency already existed in 2021 of a total amount of SRD 838.5 million. This is about 23 percent of the total outstanding debt of SRD 3.6 billion of government paper at the end of 2021. Because of s dire financial situation of the government, domestic arrears started to build up faster than on external debt. At the end of 2022 the arrears grew to about 38 percent of the total outstanding debt of SRD 4.1 billion on government paper.
Since 2020 no new government paper has been issued by the government of Suriname. The holders of T-bills and T-notes were mostly local bank, pension funds and some local companies. Before 2020 some T-bills were issued to individual persons or companies, in the form of payment to their claims on the government.

In the last quarter of 2023, the Ministry of Finance & Planning together with the Suriname debt Management Office started negotiants with the banking sector and other private sector issuers to restructure their debt and the arrears on T-bills and T-notes were also addressed. Payments on this debt item immediately started in this quarter, but some of the T-bills and T-notes were rolled over to be paid in 2024.

Payment settlement on government paper led to a significant decrease of arrears and the outstanding debt to the creditors. At the end of 2024 the outstanding debt of government paper was SRD 871.4 million of which 14 percent was arrears. At this time arrears where mostly on T-bills issued to the Pension Fund Suriname. Payment did not start to this creditor, because of ongoing internal financial audits, also on the value of T-bills and T-notes receive from the government of this creditor. In the months of December 2024 and January 2025, the full debt to this creditor was settled.

4. Commercial Bank loans

Due to the economic crisis, many vulnerabilities existed in the financial sector as a whole and the banking sector specifically. The local banks that lend to the government were De Surinaamshe Bank N.V. (DSB), Hakrinbank, Republic Bank of Suriname, Finabank N.V., Trustbank Amanah, Nationale Trust and Financierings Maatschappij N.V. and a syndicate loan of 5 banks. Credit to the government was given in local currency, USD and Euro's. Most of the times when loans from the banking sector were restructured, only the maturity was extended, while the interest rates remained the same.

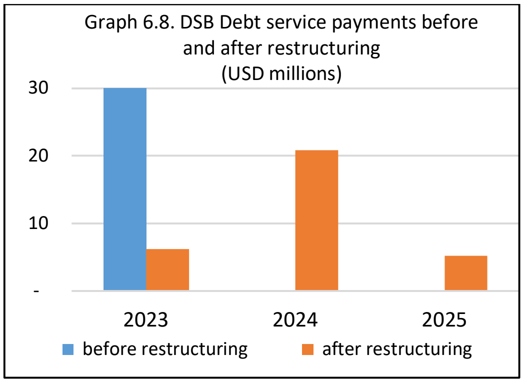
At the end of 2021 total outstanding debt on banking sector credit was SRD 2.7 billion of which approximately 30 percent were arrears.
In 2022 the syndicate loan and the debt to Trustbank Amanah was fully settled. Total outstanding debt went up to SRD 3.3 billion, because of the exchange rate depreciation of approximately 47 percent in that year.

In January 2023 a loan to the DSB bank of USD 31.8 million. was restructured with a haircut of USD 1.8 million and a maturity of 10 months. Because only one payment was made afterwards, the debt was fully in arrears at the end of 2023. The loan was again restructured in

[12] Promissory notes have a maturity of a maximum of 1 year and T-bills have a maturity of more than 1 year up to 5 years.

January 2024. The outstanding debt was USD 29.8 million and the maturity was set at 17 months. In figure 6.4 the last restructured profile of debt service is presented.

Other arrears with Hakrinbank, Finabank and the Nationale Trust and Financierings Maatschappij N.V. were completely settled in 2023. Outstanding credit from the banking sector went down to SRD 2.6 billion. Due to the depreciation of the SRD in that year, total arrears still increased.



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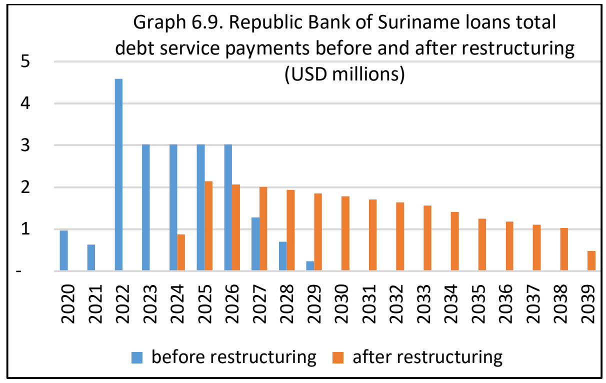


Source: SDMO

In May 2024 the last restructuring with the banking sector namely with the Republic Bank of Suriname took place. This involved three credit facilities with a total amount of SRD 75 million, EUR 3.5 million, and USD 10 million respectively.
These loans had maturities of 18 months to 11 years and interest rates between 6-10 percent.
When the credit was restructured, the maturity was extended to 8 -10 years and the interest rates were now settled at 8-8.5 percent. In graph 6.4 the total debt service profile in USD is presented before and after restructuring.
On these loans there are technical arrears at the end of each month, because monthly interest payments are settled in the first week of the next month with tax deposits of the government at that bank. These are the arrears (SRD 5.5 million) at the end of 2024, when total outstanding credit from the banking sector was SRD 1.7 billion.

5. Gold Loan

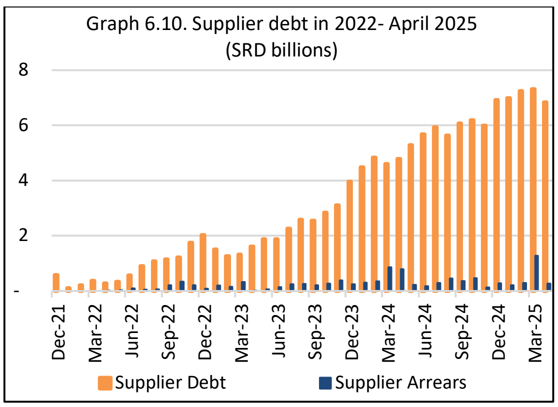
The so-called "gold loan agreement" between the government of Suriname and the Suriname Environmental and Mining Foundation (SEMiF) was contracted in March 2018. The government had borrowed 8.000 troy ounces of gold, transferred it to the Central Bank of Suriname, who provided the value of the gold expressed in local currency to the government for its spending. The debt was interest-free loan with a maturity of one year. Payment had to be done in gold. This debt was not settled in 2019 and the contract was amended in April 2021; the maturity was extended with 5 years until March 2024.

When this debt was contracted in 2028, the agreement was not submitted to the Supreme Audit Institution of Suriname (Rekenkamer) for registration, which meant that it had not a legal base and was therefore not included in the central government debt statistics. In the last quarter of 2022, all relevant documents regarding this agreement were presented to the audit institution and the registration took place on January 13, 2023. Since then, the debt was included in the government outstanding domestic debt figure as one of the private sector loans. The debt was fully settled in March 2024.

6. Supplier debt

A significant amendment in the revised National Debt Act, published on March 16, 2023, is the inclusion of supplier debt or other accounts payable for late payment of goods and services rendered to the government as part of the central government domestic debt figures. The first amount of this debt item was captured for the end of 2021.

The Treasury department of the Ministry of Finance & Planning is responsible for compiling monthly data of this debt item from the IFMIS system. Historical data received from the ministry, are adjusted almost every month and the outstanding amount still need to be screened on double counting in the system.
Although this debt item was not restructured, it was made transparent to be monitored closely and did affect the level of the government domestic debt portfolio during the whole restructuring period.



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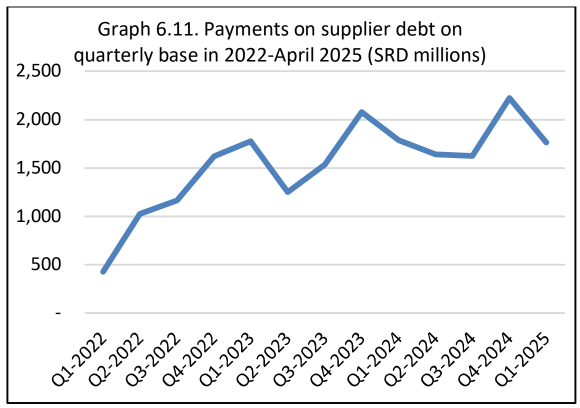


Source: SDMO

In graph 6.10, this debt item is showing an increasing trend in the period 2021-2025, although the arears - which are delay payments for more than 3 months - are on average less than 5 percent in this period. At the end of March 2025, the supplier debt was SRD 6.8 billion.

Under the IMF-EFF program that ended end March 2025, the government need to manage the supplier debt and settle this debt item completely at the end of 2027. Payments made on this debt item in 2022-April 2025 are presented in graph 6.11.

7. Fiscal Impact and DSA after Restructuring

At the end of March 2025, the IMF-EFF program concluded with the disbursement of the final tranche amounting SDR 46.8 million, of which SDR 33.6 million was allocated for budget support to the government of Suriname. In the report of the nineth and final review of the program of April 2025, the executive board of the IMF stated the following on page 1:

"*The objectives of the program have been broadly achieved. The economy is growing, inflation is receding, public debt is declining, the autonomy and governance of the central bank have been strengthened, and investor confidence is returning. The main near-term policy priority is to maintain fiscal discipline in the run-up to the elections while protecting the vulnerable*".

Table 11 presents historical data over 15 years alongside a projected medium-term outlook for selected economic indicators, offering a comprehensive view of past trends and futures expectations.

Table 11. Selected historical and projected macroeconomic indicators

Indicator/period	**2010-2015** actual data	**2016-2020** actual data	**2021-2024** actual data	**2025-2030** projection
Average economic growth (%)	2.2	-2.6	1.8	17.9
Average Gross financing needs (% GDP)	4.4	15.9	10.4	4.9
Average government primary balance (% GDP)[13]	-1.5	-7.9	0.6	2.6
Average government overall balance (% GDP)	-2.6	-10.8	-3.1	-0.9
Central Government debt in billions USD (eop)	1,8	3,3	3,5	2.9
Central Government debt-to-GDP ratio (eop)	40.8	120.8	83.1	28.3
Total debt service payment, excluding supplier debt in USD millions	940.1	1,336.1	1,061.9	2,623.5
Inflation eop (%)	25.1	60.7	10.1	5.0
Average annual inflation (%)	7.0	24.7	37.6	5.7
Exchange rate SRD/USD – selling rate (eop)	4.0	14.3	35.2	n.a.
International Reserve in millions USD (eop)	330.2	585.0	1,632.4	4,790.0

Source: SDMO, IMF, Ministry of Finance &Planning, Central Bank of Suriname, General Bureau of Statistics
eop = end of period n.a – not available

In the period 2016-2020, the economic indicators were very cumbersome with negative average economic growth, huge primary and overall deficits on government accounts and significant government gross financing needs in percentage of GDP.
At the end of 2020, inflation (eop) stood huge at 61 percent, central government debt was USD 3.3 billion and the debt-to-GDP ratio based on figures of SDMO was 121 percent.

When most of the economic reforms were implemented in the years 2021-2024, average economic growth became positive, there was a marginal primary surplus on the government accounts and the average overall deficit and government gross financing need went down significantly.
At the end of 2024, inflation (eop) significantly declined to 10 percent, although average annual inflation was much higher in this period than in the previous one. Because of the overall deficit, central government debt grew with 6 percent to USD 3.5 billion compared to the end of 2020.

[13] The IMF projections in the nineth review on primary balance, overall balance and GFN's for 2025-2027, have been adjusted downwards to reflect the fiscal pressure that still exist in this period. Primary balance in 2025-2027 is set at 0.3-1 percent of GDP and the overall deficit of the government is around 5 percent of GDP.

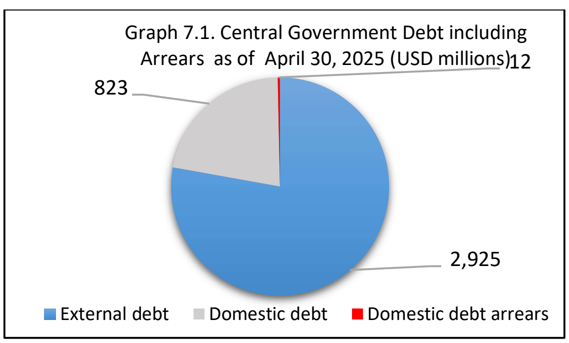
The positive economic growth led to a significant decline of the debt-to-GDP ratio by almost 38 percentage point to 83.1 percent[14] at the end of 2024 compared to 2020.

The Final Investment Decision for block 58 offshore oil by TotalEnergies in October 2024 has really marked a new beginning for the country and has influenced the medium-term outlook tremendously. For the period 2025-2030 economic indicators are expected to improve significantly due to the huge offshore oil production starting in 2028. Economic growth in 2028 and 2029 is projected at 50 percent and 27 percent respectively.
Government finance will also improve with lower gross financing need in percentage of GDP and primary and overall surpluses after 2027. This will bring the central government debt down and will make it possible to pay the must higher debt service burden in this period. International Reserve will also improve significantly.

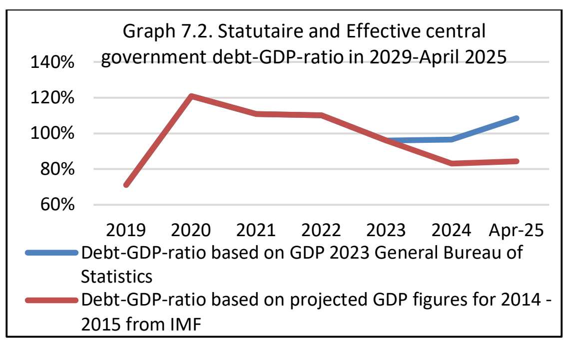
However, the period 2025-2027, will still be a very challenging period. Government revenues are not expected to increase significantly and with the end of the IMF-EFF program and therefore no more access to budget support funds, there will be a lot of pressure on government finances, that needs to be managed well.

Impact IMF-EFF program including debt restructuring on the debt portfolio

In April 2025 the central government debt grew with approximately 9 percent compared to the end of 2024, to USD 3.8 billion. The effective debt-to-GDP ratio at the end of April this year, based on the GDP projection for 2025, is 84.3 percent (graph 7.2). The significant growth in just four months is the result of the recapitalization of the Central Bank of Suriname through the issuance of government bonds of SRD 8.4 billion, equivalent to approximately USD 228 million at the end of April 2025.



Source: SDMO

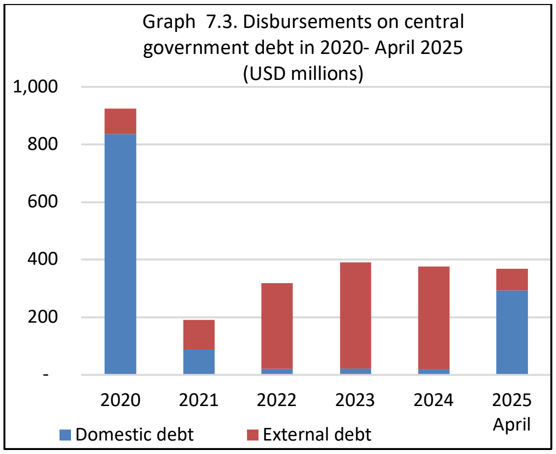


Source: SDMO

At the end of April 2025 domestic arrears of USD 12 million occurred. These arrears include technical arrears on design-build-finance infrastructure works[15], technical arrears on credit to the banking sector, but most of the arrears, about USD 7 million were owned to the Central Bank of Suriname. These were mostly interest arrears on the government bonds issued this year for the recapitalization. The IMF program provided the government with the necessary funds to finance the difficult reform program in the past.

[14] The debt to GDP ratio here are based on the actual debt figure and an estimated GDP figure for 2024. This calculation gives a better impression of the pressure of the debt on total domestic income of the economy. In the National Debt Act, debt ceiling of 60 percent is also based on the debt to GDP ratio, but the GDP figure that must be used to calculate the ratio for the current debt stock, is the last GDP figure published by the General Bureau of Statistics. The last GDP figure published by the statistical bureau relates to 2023.
[15] Debt service payments due in March, where carried over in April and paid in May 2025.

When the program ended in March 2025, with no more funding to be expected in the rest of the year, low government revenues in the first quarter of 2025 and important government expenditures also due to the elections of May, liquidly constrains for the government occurred and not all debt payments could be serviced on time.



Graph 7.3. Disbursements on central government debt in 2020- April 2025 (USD millions)

Source: SDMO

Disbursement during the IMF-EFF program in 2021-2024 were between the USD 100-400 million annually, mostly from external budget support loans (graph 7.3). This can also be observed in the table 12 where the new loans attracted in 2021-April 2025 are presented. Budget support loans are fully disbursed, immediately after the loan agreement has become effective. The total amount of budget support that was received between 2021- March 2025 was about USD 842 million, of which IADB delivered USD 500 million.

Table 12. New loans signed in 2021 until April 2025 (USD millions)

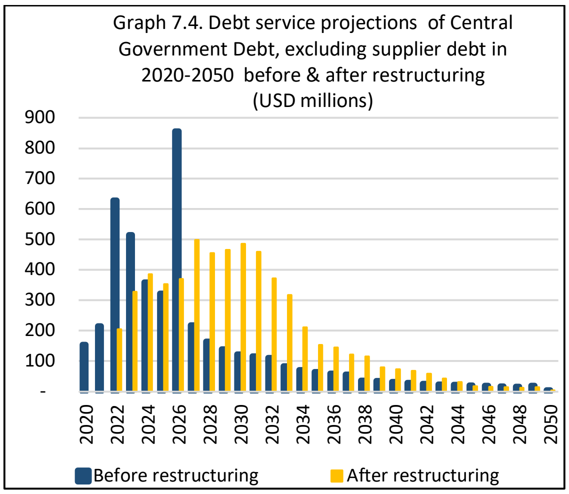
Creditors	**Loan allocation by sector**	**2021**	**2022**	**2023**	**2024**	**April 2025**
IADB	Budget support		200.0	150.0	150.0	
IMF	IMF-EFF program	55.1	20.0	102.1	120.1	44.6
Total Budget Support		**55.1**	**220.0**	**252.1**	**270.1**	**44.6**
IADB	Education		40.0		40.0	
	Water		25.0			
	Bio economy				55.0	
	Environment				30.0	
	Infrastructure				30.0	25.0
	Governance			50.0		
	Population census			20.0		
	Social support		30.0		40.0	
IsDB	Energy				47.7	
Caricom Development Fund	Energy				10.1	
KBC-Bank	Water & energy		3.5			
World Bank IDA	Environment					22.2
Saudi Fund for Development	Energy					20.0
Total Program Loans		**0.0**	**98.5**	**70.0**	**252.8**	**67.2**
Total External loans		**55.1**	**318.4**	**322.1**	**522.9**	**111.8**
CBvS	Governance	11.7				228.4
Trustbank Amanah	Real Estate			1.1		
Total Domestic loans[16]		**11.7**	**0.0**	**1.1**		**228.4**
Overall total		**66.8**	**318.4**	**323.2**	**522.9**	**340.2**

Source: SDMO

[16] In 2024 and 2025 in total 3 domestic loan agreements were signed where the Fina bank took part of the debt of two contractor over. These loan agreements are not presented in this table, because they a transfer from one creditor to another for the government.

A budget support loan of USD 150 million from the IADB is still in the pipeline. This loan can become effective if some prior actions namely, the approval of the law on State Own Enterprises by parlement, and the implementation of the Tax Authority have been achieved.

In 2021-March 2025 a total amount of approximately USD 1,470 million on new debt was signed. After March 2025, no new loan agreements were signed. The new loans that were signed during the IMF-EFF program, were all assessed within the program, namely they had to be part of the government budget and where also taken into consideration in the updated DSA during that period.
When the IMF-EFF program ended at the end of March 2025, the National Debt Act regarding attracting new loans was again effective. In article 3 of the law, it is mentioned that when the debt ceiling is above the limit of 60 percent of GDP, and the government wants to sign new loan agreements, The National Assemblée (Parliament) needs to give permission to do so.

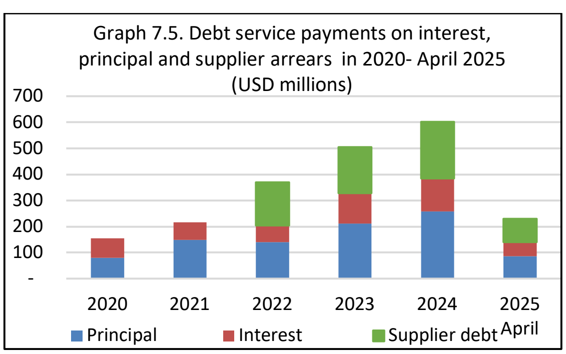


Source: SDMO

Because of the restructuring of both external and domestic loans, the debt service profile of the central government debt was adjusted and some relief in the period 2022-2026 on the government budget was created (graph 7.4).

Before restructuring, the total debt service for the year 2022-2026 was USD 2.7 billion. After restructuring this amount was brought down to USD 1.6 billion. The debt service relieve during the program period 2022-2024 was about USD 582 million.

Debt service payment in 2022-2026 are between USD 200 – USD 400 million. In 2027 debt service payment will peak at about USD 500 million, when the principal payment on the Eurobond will start. In 2027-2034 debt service payment are between USD 500 – USD 200 million.
In the graphs 7.5 and 7.6 we can see that the repayment of the debt has gradually increased in 2020-April 2025. After each restructuring process of a domestic and external creditor was finalized, debt service payments were resumed. In 2024 total debt service payment excluding supplier arrears peaked at about USD 400 million, while settlement of supplier debt was about USD 200 million.



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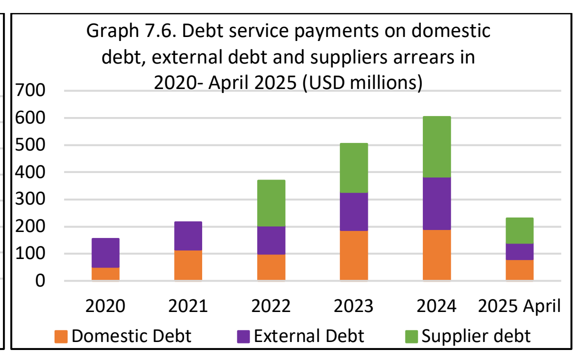


Source: SDMO

The cost-risk indicators of the central government debt portfolio have also improved in the past three years, due to the debt restructuring. Table 13 shows that the weighted average interest decreased by approximately 1.3 percentage points by the end of 2023 compared to 2022, reaching 5.1 percent. This decline is mostly the result of the restructured Eurobond which included a haircut and a lower interest rate.

Table 13. Cost & Risk Indicators Central Government Debt Portfolio at the end of 2022-2024

Risk Indicators of the Debt Portfolio		Total Debt 2022	Total Debt 2023	Total Debt 2024
Cost Indicator	Weighted Average Interest Rate (%)	**6.4**	**5.1**	**5.2**
Refinancing Risk	Average Time to Maturity - ATM (years)	**7.3**	**7.5**	**7.3**
	Debt Due within 1 Year (% of total)	**7.8**	**5.2**	**4.6**
	Debt Due within 1 Year (% of GDP)	**9.2**	**3.8**	**4.0**
Interest Rate Risk	Average Time to Refixing - ATR (years)	**5.3**	**6.1**	**6.0**
	Debt "Refixing" within 1 Year (% of total)	**39.5**	**34.2**	**29.9**
	Debt with a Fixed Interest Rate (% of total)	**66.3**	**73.0**	**73.6**
Foreign Exchange Risk	Foreign Currency Debt (% of total)	86.0	89.0	87.0
	Short-term Foreign Currency Debt (% of IR)	14.5	10.4	12.3

Source: SDMO MTDS-framework May 2025 IR = International Reserve

The average maturity (ATM) of the debt portfolio have not been affected by the restructuring process and new loans and is around 7.3-7.5 years. However, the refinancing risk has gone down noticeably, due to a lower share of debt that has to mature in one year.
The debt restructuring has also affected the interest rate risk by lowering the amount of debt with a variable interest rate from about 34 percent in 2022 to about 26 percent at the end of 2024. The ATR on the debt portfolio has also increased in the past three years.
The foreign exchange risk on the government debt portfolio is still huge at about 87 percent at the end of 2024 and was not affected by the debt restructuring.

The success of the restructuring program, particularly the clearance of arrears, implementation of the reform program and the prospects of future oil production, also resulted in an improved credit rating for the country. Moody's raised the long-term credit rating from Caa3 to Caa1, with a outlook upgraded from stable to positive in 2024. Similarly, Standard & Poor's (S&P) improved the foreign and local currency rating from 'SD' (selective default) to 'CCC+/C' in December 2023, and this rating was maintained in 2024.

Debt Sustainability Analysis (DSA)

The central government Debt Sustainability Analysis (DSA) makes an assessment of the development of the debt in the medium term, based on the macroeconomic outlook of the country and international economic indicators. The development of the debt indicators like the debt-to-GDP ratio 's and several debt service ratios are analyzed to see if the government is able to service its debt on time. If the debt and debt service ratios grow explosively in the period, it can be concluded that the debt is not sustainable.

The DSA is done with a model that Lazard developed for Suriname, at the beginning of the debt restructuring process. The input data of the model includes debt service projections of the debt portfolio, new borrowings and anticipated disbursements, and forward-looking macroeconomic and fiscal projections like economic growth, inflation, exchange rate behavior, local and international interest rates, export performance and fiscal outcome.

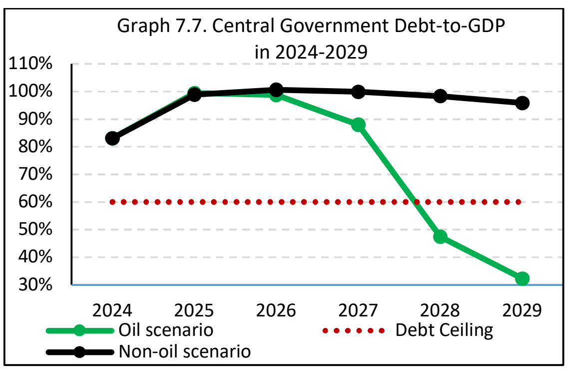
What is also incorporation in the model is the first recapitalization of Central Bank of Suriname and a projected additional recapitalization of SRD 6.7 billion from loses incurred in 2022. Additionally, the model accounts for the clearance of supplier debt in 2027, which amounted to SRD 6.9 billion as of 2024. The source of input projected data of the model is mostly from the IMF with some calculations by the SDMO.

The DSA looks five years ahead, using 2024 as the base year. It includes two scenarios:

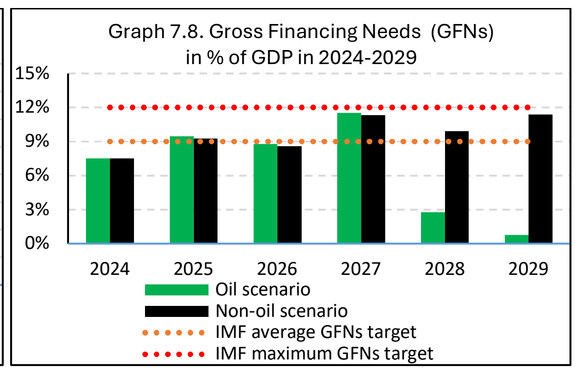
- an offshore oil production scenario based on the IMF's ninth review of the EFF program
- and a non- offshore oil scenario based on the IMF seventh review of the EFF program

The offshore oil production scenario assumes that oil production starts in 2028 and an average oil price of USD 72.5 per barrel between 2025-2029. The VRI, which is a contingent liability, is also integrated in this scenario, starting in 2028 as a component of the primary expenditure of the government.

In the oil scenario, the exchange rate of the SRD against the USD is expected to depreciate at a lower rate in 2025-2027 than in the non-oil scenario, due to positive prospects of the oil and gas industry in the near future. After 2027 the SRD will be a strong currency because of the overall economic growth and increases in export earnings. The same trend is observed in both scenarios regarding the International Reserves.



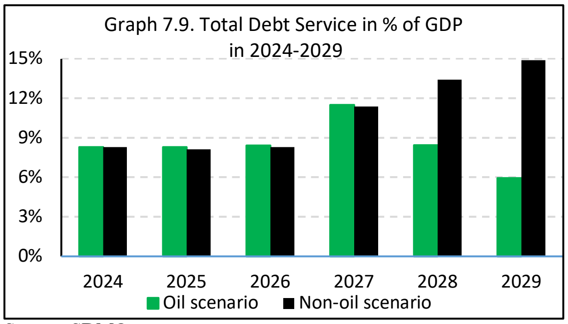
Source: SDMO



Source: SDMO, IMF

The outcome of the two scenarios – non-oil and offshore oil starting in 2028 – shows an interesting development for the debt-to-GDP ratios in de medium term.
The debt-to-GDP ratio increases in 2025 due to the recapitalization of the Central Bank and the outcome of the government overall deficit.
The ratio in the non-oil scenario after 2025 shows a very conversative decline after 2025 to about 86 percent at the end of 2029. In this scenario the level of the central government debt is not yet under the official debt ceiling stipulated in the National Debt Act.
In the oil scenario it is clearly seen that in 2028, due to effect of offshore oil production, the debt-to-GDP ratio is already under the debt ceiling of 60 percent. In 2029 the ratio is about 32 percent.
In graph 7.8. Gross Financing Needs (GFNs) as a percentage of GDP is presented in the medium term for both scenarios, including the IMF benchmark targets for market access countries. The average GFNs for these countries is set at 9 percent of GDP and the maximum amount at 12 percent. In both scenarios the peak of the GFNs is in 2027 at 11.5 percent of GDP, when principal payment on the euro bond starts until the final repayment in 2033. The annual principal payment on Euro bond is USD 100.6 million. The GFNs remain below the

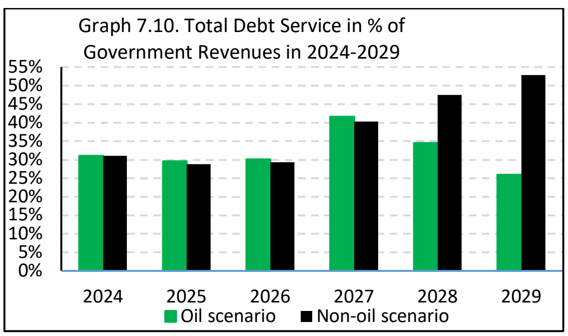
IMF's maximum threshold of 12 percent in de medium term, but the peak in 2027 indicates huge fiscal challenges that need to be addressed ahead of time.
In the oil scenario, the GFNs sharply decline to around 1 percent in 2029, but in the non-oil scenario is still at 11.4 percent. The lower ratio in the oil scenario is due to a much bigger GDP figure and also higher government revenues after offshore oil production.



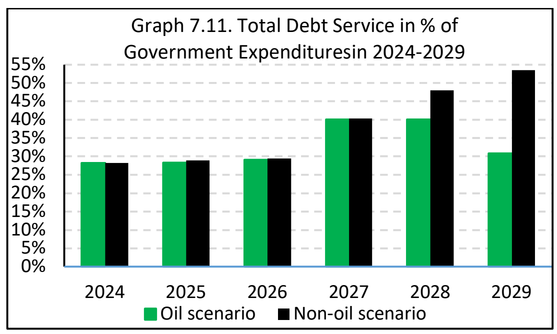
Source: SDMO

Graph 7.9. indicate a debt service ratio of about 11 percent of GDP in 2027.
In the oil scenario the ratio goes down to about 6 percent, but in the non-oil scenario the ratio increases to about 15 percent in 2029.
A higher ratio in the non-oil scenario after 2027 is also influence by a stronger depreciation of the SRD during the whole period.

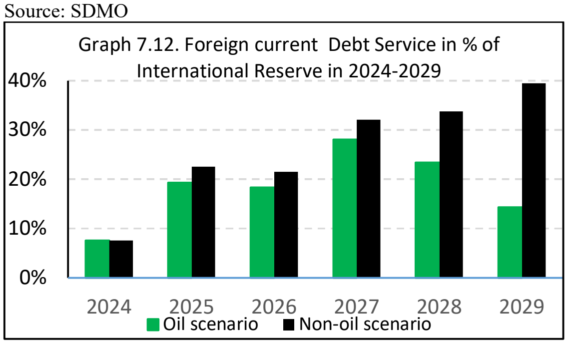
The debt service to government revenues and expenditures ratios, are around 40 percent and 35 percent respectively in 2027 (graph 7.10. and 7.11). These ratios are quite high and some fiscal planning ahead is needed, to address this heavy debt burden in 2027.
In the non-oil scenario, the ratios for both indicators, even reach the 50-percentage point in 2029. This is clearly an indication that the debt burden for the government is not sustainable. In the oil scenario, the debt burden on the government budget is about 26 percent of revenues and 30 percent of expenditures in 2029.



Source: SDMO



Source: SDMO



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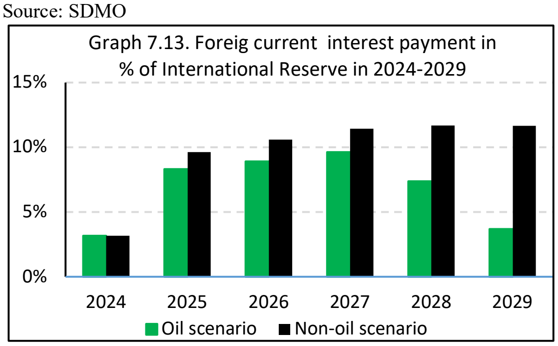


Source: SDMO

As with all previous debt service ratios, the foreign currency debt service and foreign interest payment in percentage of the International Reserves, peak in 2027 and afterwards decline in the oil scenario. In the non-oil scenario, the ratios are increasing to unsustainable levels. Total foreign currency debt service and interest payment in percentage of International Reserve in the oil scenario are projected at 28 percent and 10 percent respectively in 2027.

8. Addressing Institutional Challenges at SDMO

Capacity building in the past four years has been an ongoing process for the Suriname Debt Management Office, since the start of the IMF-EFF program. At that time, the team of the Debt management Office was not adequately equipped to support the whole restructuring process. The international advisors were very much needed to lead the process and give technical assistance to help start and finalized the process with the all of the bilateral and commercial external creditors that were restructured.

At the start of the program, the debt management office had to deal with the following challenges:

- The data base – the Common Wealth Secretariat Debt Recording and Management (CS-DRMS) system - that was outdated, had many errors, not all debt instruments loans in the system were fully updated and the integrity debt database was not maintained in the past few years.
- Most staff not adequately familiar to work and solve problems in the system.
- The Debt statistics were mostly compiled in excel and the debt projections not very reliable.
- Back Office processes were not fully in place and followed.
- There was a backlog in the audit of annual reports on the government debt of about 3 years.
- Staff did not develop skills and knowledge to write debt analytical reports and give advice regarding debt management and restructuring. Since 2017 there was a discontinuation of analytical reports like Medium Term Debt management (MTDS) and the Annual Borrowing Plan (ABP), Debt Sustainability Analysis (DSA) and cost-risk analysis reports.
- The staff had no experience and skills to undertake debt restructuring processes, an understandable aspect, as debt restructuring is a complex process that fortunately does not occur on a frequent or routine basis.
- There was not enough (motivated) staff to do the work.

In 2023, a Strategic plan for 2023-2026 was formulated centered around the theme: ***Rebuilding SDMO to become a professional and effective Debt Management Office for Suriname.***

The plan formulated the mission, vision, values, and strategic goals of the SDMO as follows:

<u>Vision of SDMO:</u>

Become a **top-notch professional** debt management office that is shown as an example of best practice.

<u>Mission of SDMO:</u>

Design and **implement** the Government of Suriname's **debt management** strategy in tandem with Ministry of Finance and Planning, in a **transparent manner** to fulfill the government's borrowing requirement within the stipulated exposure limits, while **minimizing the borrowing cost in the long term**, **limiting risks**, and supporting the **development of the domestic capital markets.**

<u>Values of SDMO:</u>
The basic beliefs and convictions for Management, Staff and other Personnel in communicating with each other and external stakeholders, in decision-making processes and in the implementation of task and responsibilities, should be guided by the following five values:

- **Serving Society**
- **Integrity & Ethics**
- **Excellence**
- **Responsibility**
- **Transparency**

Strategic Goals for 2023-2026

<u>Strategic goal 1:</u>

Have an up to date, highly effective debt recording and management system that provides the following:

a. Accurate and timely debt data & debt/debt service projections;
b. Debt data on cash and accrual base;
c. International standard debt reports;
d. Quarterly cost-risk indicators on debt portfolio;
e. Analytical exercises on the debt portfolio;
f. Cyber security.

<u>Strategic goal 2:</u>

Have a highly developed analytical pillar in the organization with the following sub goals:

a. Formulate, implement, monitor debt management strategy by Middle & Front Office.
b. In support of the debt management strategy measures will be developed/taken in collaboration with other local institutions.
c. Have the analytical frameworks (MTDS/ABP, DSA) in place.

<u>Strategic goal 3:</u>

Execute (new) duties/ responsibilities of SDMO in line with (the adjustment of) the National Debt Act that previously have not (enough) been implemented:

a. Compile debt data on the public entities.
b. Assess credit-risk on on-lend loans, government guarantees and loans to State Owned Entrerprises (SOE's).
c. Support development of local capital market by doing a diagnostics of the market and the role SDMO can play here.

MTDS= Medium Term Debt Management Strategy, ABP = Annual Borrowing Plan, DSA = Debt Sustainability Analysis, SOE = State Owned Enterprises.

Support from the international community regarding capacity building

In the past years a lot of support was receive from international organizations to implement the strategic plan and rebuild the office namely:

- ▶ **World Bank – Technical Assistance**:
- Back Office procedures (2022)
- Training in the MTDS framework (2022-2023)
- Training in the framework Assessing credit risk on on-lend, guarantees and government loans (2024)

- ▶ **IMF CARTAC – Technical Assistance:**
- Training in basic debt management principles, analyzing loan contracts and the loan cycle, working with the CS-DRMS system (2023/2024)
- Recommendations on how to start compiling debt data of SOE's (2023)
- Screening payment process at SDMO, Ministry of Finance and Central Bank and formulating two MOU's regarding the payment of external and domestic debt service (2023/2024)

- ▶ **Lazard - Technical Assistance:** in Debt Sustainability Analysis (2024 -2025)

- ▶ I**ADB – Financing for:**
- Data validation of the old CS-DRMS database with the help of 2 regional consultants (2024)
- Purchase of the new database - the Meridian system- and the service cost for four years (2025)
- Training and coaching in the new system (2025)

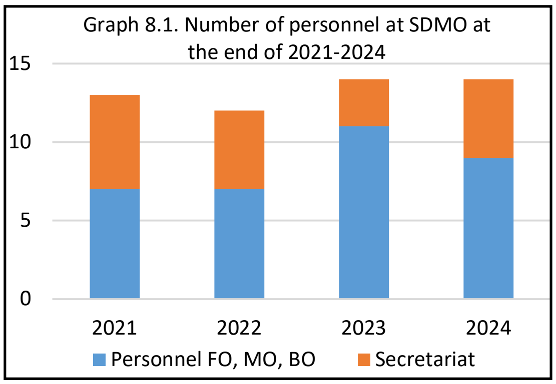
Table 14. Results of capacity building at the end of June 2025

Strategic goal 1:	**Strategic goal 2:**	**Strategic goal 3:**
a. In March 2025, the new system Meridian was implemented and the data migration from the old system to the new system took place. Training of staff in the system also took place in that month. b. In the rest of 2025, the staff will receive coaching to model all the restructured debt correctly in the system and finalize the data validation. c. At the end of the 2025, the first reports should come out of the Meridian system. d. The website of SDMO will in 2025 be made user friendly, so data and information can be access much better.	a. Staff is using MTDS framework to write the "Staatsschulden Plan" which include a Medium-Term Debt Management Strategy (MTDS) and an Annual Borrowing Plan (ABP) for the budget year. The report, together with the budget goes to Parliament. The first report using the MTDS framework, submitted to Parliament, was written in 2023. b. A first DSA analysis as part of a paper on the whole debt restructuring process, will be published by SDMO this year. The DSA model from Lazard has been used to do the analysis. Two staff members had training in 2024 in the DSA model for market access countries from the IMF. This model will also be utilized. c. More analytical reports are now on the website of SDMO since 2022 namely: - quarterly debt report - quarterly macro-economic report - a summary on the "Staatsschulden Plan "each year that is submitted to Parliament.	a. Adjustment on the National Debt Act approved by Parliament happened in 2023 to give SDMO more mandate to compile and monitor data on Soe's, make supplier debt as a official debt item of the domestic debt portfolio, among others adjustments. b. Since 2023 long term debt of SOE'S has been compiled and published on the website. The coverage of the number of entities has been gradually been extended each year. We think we have captured the total amount of the long-term debt now. Data have gone from annual to semi-annual data and now we will go to quarterly data. A study on short term debt instruments is done now, so we can start to capture that in 2026. c. A monitoring system between SDMO and the Ministry of Finance will be set up in 2025 regarding credit risk of SOE's. SDMO is now implementing the credit risk framework of the World Bank. d. With the help of IMF in 2025, SDMO in collaboration with Central Bank, will start to see how local capital market can be developed. In June there will be workshop on the legal framework that needs to be in place. In October a TA mission from the IMF will do a diagnostic study on this topic. A report with recommendation will come out of this mission, and with the help IMF, recommendations will be implemented in 2026.

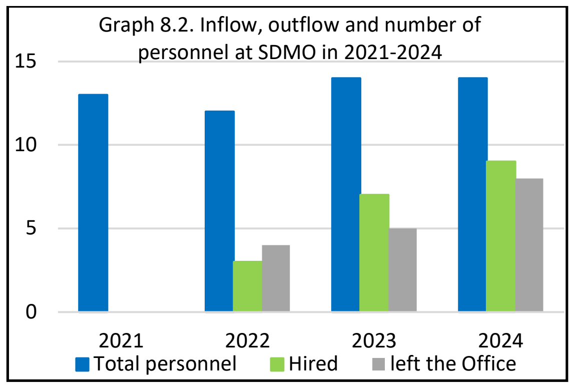
Managing other challenges

Regarding the Backlog on audited report of the debt in the past years, a lot of progress has been made so far. The report up to 2022 are almost done. In the second half of 2025 the reports for the years 2023 and 2024 will be finalized.

The biggest challenge that needs to be managed continuously, is to keep talented and promising staff and attracting the right people to do the job. In the two graphs 8.1 and 8.2 the number of personnel and the inflow and outflow of staff in 2021-2024 is presented. SDMO needs more technical personnel for Front-, Middle- and Back Office to do the work, develop skills and be on top of the latest development in debt management. The two graphs show the challenges the office has with attracting and keeping good personnel.



Source: SDMO



Source: SDMO

So far the recruitment of young, promising students from local universities with the right attitude has been fruitful. We hope to keep staff for a good number of years by:

- Providing local/international training to learn skills, network and have new experiences in order to keep motivated staff enthusiastic.
- Provide finance for higher education opportunities.
- Giving opportunities to staff with more (leadership) skills, through delegating more responsibilities and coordination task with an increase in their remuneration.
- Creating more incentives in 2025 namely a performance bonus at the end of the year.
- Filling in a personal development plan and performance assessment talks give insight how the ambitions of personnel can be stimulated, and what career path can be developed for staff.

Annual teambuilding and management sessions are held, to create a healthy, pleasant, productive work environment. These sessions must also help to change the culture in the institute and develop the values in the strategic plan within the organization.
Although a lot of progress has been made in the past years, SDMO still has a long way to go to fulfill its mission and vision.

9. Concluding Remarks

Over the past five years, Suriname has undergone a highly challenging period characterized by the need to address severe economic, financial and debt crises. The cornerstone of this effort has been the implementation an ambitious economic reform program alongside a necessary debt restructuring process. These measures were essential to restore macroeconomic stability, reduce fiscal vulnerabilities, and lay the groundwork for sustainable growth.
While the reform program largely achieved its objectives in stabilizing the economy and ensuring a return to fiscal consolidation, the social agenda within the program, has not been as effective, to adequately support many in society to overcome high inflation and the depreciation of the local currency in this period.

The debt restructuring process has demanded patience, tenacity, as the country negotiated with various groups of creditors – including Suriname's largest group of creditors – the international bondholders. Participation in an IMF program has been important in managing the debt restructuring, have international support to restructure all bilateral debt, securing concessional budget support loans, and generating international confidence to finance the broader economic program.

Key lessons learned

Suriname's experience over this period provides valuable insights into managing economic crises and ensuring long-term fiscal sustainability. These lessons can be summarized as follows:

- *Fiscal Responsibility and Rules:* Each government should develop and implement prudent fiscal policy, to ensure that central government debt remains sustainable at all times. This is particularly relevant given the unsustainable debt levels witnessed in 2020. In this regard, the fiscal rules established in the Public Financial Management Law and Saving and Stabilizations Fund Act of 2024, are a decisive step that should be fully operationalized.
  Additionally, monitoring the debt position of SOEs, parastatals and government institutions must be prioritized, before they become a burden on the government budget.
- *Institutional Strength*: Strong public and private institutions are critical for designing, and implementing policy effectively. Building capacity in human resources is an ongoing process to ensure institutions can perform efficiently.
- *Parliamentary oversight*: Parliament should adopt a more assertive and informed role in evaluating government policies and assessing their broader economic implications. This includes adopting a systematic approach to analyzing budget, legal frameworks and fiscal measures. Enhanced parliamentary engagement will not only improve transparency but also ensure accountability across all areas of governance, fostering trust between policymakers and the population.

Moving forward

Although the reform program has achieved its objective broadly, Suriname must continue exercising prudent fiscal policies for the period 2025-2027, before offshore oil revenues begin to materialize. Government revenues are yet insufficient to cover all expenditures. Prudent fiscal policy is necessary to make sure that, in these years, a primary surplus is still achieved, the overall government deficit stays contained, and concessional funding is attracted to finance the gap.

Attention must be directed toward developing the local capital market and SDMO must implement an active debt management strategy. Fiscal planning is important to ensuring that all debt payments are made in these years.

Managing future oil wealth

The forthcoming offshore oil revenues have the potential to transform Suriname into a highly prosperous nation. However, as experience from other resource-rich countries has demonstrated, proper management of resource wealth is paramount for achieving widespread economic benefits and sustainable development.

To this end, several steps are key:

- Establishing a clear development vision for the country,
- Implementing strong fiscal rules and ensuring the Savings and Stabilization Fund is well managed,
- Promoting good governance through robust public and private sector institutions.

The overarching goal must be for Suriname's future wealth to benefit the entire population while driving lasting development across all sectors of society and regions of the country.