

9. The Program and the status of the Program

The Program is organized into the following five components.⁹

Component 1: Intergovernmental reforms. This component will support the formulation and implementation of a set of core legislative reforms and related technical studies to provide Districts with authority for basic financial self-management, in the areas of budgeting, cash management, and own-source revenue generation. On the revenue side, this will include: (a) updating and partial devolution of the rental value tax system; (b) devolution of other taxes and fees, including: public entertainment tax, business permit fees, liquor license fees and public market rental fees; (c) formulation and implementation of a local betterment tax and/or special assessment tax mechanism; and (d) a study to explore the creation of a district revenue sharing system and, in the event of its approval, support for its implementation. On the expenditure side, the budget authority, partially granted by current legislation and transitionally through the Interim Law Financial Decentralization (S.B. 2003, No. 33), will be converted into permanent legislation, including new regulatory guidelines and procedures.

Achieved

- Law Interim Regulation Financial Decentralization
- State decree Pilot districts
- Letters of Intent ministerial decrees and guidelines
- Technical background papers revenue generation
- Legal background papers (LRB) on Law on Regional Bodies
- District Funds created by approved ordinances
- 1st draft reviewed Law on Regional Bodies/new concepts of District Government
- 1st draft Law Intergovernmental Financial Relation / new concept of the fiscal decentralization
- pre-study Paramaribo (Adek-University) re: Model District Government
- Pre-study Sipaliwini (Adek-University) re: Model District Government
- TOR's study Paramaribo and Sipaliwini submitted for no objection
- No-objection for hiring Lim Apo Institute for additional tasks in the field of legal and management

In process

- Hiring Lim Apo Institute
- Legislative bills, amendments and state decrees drafted and approved by Cabinet
- TOR's approved for study on long term decentralization strategy
- Start Study Paramaribo
- Start Study Sipaliwini
- Process approval of Law Regional Bodies
- Process approval of review draft Law intergovernmental financial relation
- Start Study Sipaliwini
- Process approval of t Tax Collection Act
- Process approval of General Law on District Taxes
- Review one article of the constitution
- Process approval of Rental Value Tax Law

Component 2: District capacity building. Starting with a pilot group of five Districts, a set of core institution building systems will be put in place in all the Districts, covering: (i) administration and planning; (ii) budget and financial management; (iii) local revenue generation; and (iv) citizen participation. Once the program, with respect to its capacity to manage the above systems, has certified a District it will be eligible to receive support from the program in capital investment projects. Specifically, the first five Districts to obtain certification will be eligible for funding to develop public works management systems, as well as to formulate and implement training projects in road rehabilitation and maintenance. One non-pilot districts will be eligible to receive the same core systems beginning the second half of the Program. The possibility exists to certify another non-pilot district. It depends on the progress made for the pilot districts, before midterm, taking into account the view to develop a mechanism that can be replicated in the remaining districts of Suriname. The certification will take place in accordance to a well considered phasing plan. In respect to this view two districts will be certificated first to be used as a model and training capacity for the remaining districts.

⁹ A detailed description of the program components is found in the DLGP Project Report, the Loan Document and the Project Implementation Plan).

Major achievements in the 5 pilot Districts: Wanica, Para, Nickerie Commewijne en Marowijne

Planning, Administration

Achieved

- District Administrators are (DA's) in Place
- DA-office, furniture, equipment
- Phone, Fax, e-mail/internet
- District Implementation Plan adopted
- District Adm & HRM Handbook adopted
- Vehicles delivered
- Rehab District Commissariats started (CW-Task Manager)

In process

- Local Gvt Exchange
- Local Planning Capacity
- Creation and adoption Strategic Development Plan
- Strengthening / training consultants

Budget and Financial Management (BFM)

Achieved

- Installed BFM financial software and hardware
- Installed BFM personnel
- Trained DA and BFM Personnel + ongoing assistance
- BFM Handbook drafted
- BFM units prepared district budget 2006 to incorporate in Budget MRD 2006
- Designed District Budget based on BFM-Manual
- No-objection for ToR Model Policy District Personnel

In process

- Commewijne: Training, install software, HRM
- Preparation of District Budget by pilot districts, based on BFM Manual

Revenue

Achieved

- Hired IT-LC to implement District Tax Administration System (TAS) and Work Plan approved
- Draft Transfer system and draft Ministerial decree for transfers from MRD budget to District Fund prepared
- DA's identifying procedures as input to the Tax Administration Manual and Procedures
- Draft proposal to appoint the DA's as Sub-Collector
- Model Revenue Budget District Para prepared
- Analyses Revenue Laws
- Work Plan administration and collecting Rental Value Tax (RVT), Public Entertainment Tax (PET) and Business License
- ToR LC Training Program prepared

In process

- TAS to design and test
- TAS install and operate in 3 districts
- Collecting own revenues in 3 districts
- Assisting OTA in collecting more revenues
- Manuals and Procedures
- Training Program

Citizen Participation (CP)

Achieved

- CP-Plan developed and adopted
- CP-Committees installed and trained
- CIC Coordinators selected
- Designed CIC-center
- Purchased equipment

In Process

- Publishing CP Plan
- CIC-training
- Benchmark: CIC's in 3 districts
- Training modules for training of trainers

Civil Works

Achieved

- PIU Civil Work Task Manager in place
- Intern'l Consultancy Team in place (McMillan Team)
- Local Consultancy Engineering Firm selected: ToR and contract submitted for no-objection

- First draft Public works Manual (IC)
- Reviewed structures for private donations to implement local public improvement projects (Ordinance Betterment Tax) (IC)
- Design Basic management supervision and technical training (IC)
- Prepared draft procurement policy and quality control/inspection guidelines (IC)
- Began discussions with district staff and LC on the trial infrastructure projects and related prioritization (IC)
- Public works manual
- Capital works mgmt systems in pilot Districts
- Training manuals for project formulation and procurement formulated and approved

In process

- Pre-investment work for training projects, up through preliminary designs, to complete in 3 pilot Districts

Component 3: Institutional strengthening of sector. The program will support the organizational strengthening of the Ministry of Regional Development (MRD) and of the Ministry of Finance. This includes the formulation of a strategic development plan (prepared by IC's with support of LC's and the MRD, coordinated by the MD of the PIU) and organizational assessment for MRD, as well as the provision of institutional strengthening to the Ministry of Finance and other key stakeholders in the sector. Suriname MOF is nowadays being supported and strengthened by the MOF of The Netherlands due to an agreement signed by these two parties. In the decentralization process the Ministry of Finance (MOF incl. OTA) and other government agencies need to be strengthened in a way that they can assist the districts with the necessary all relevant information and instructions regarding the migration process of the RVT, PET and user charges fee. Based on studies, need assessments, and plan of actions the entities will be strengthened.

Strengthening of MRD

Achieved

- Institutional assessment
- Vehicle purchased
- Equipment, internet, fax, furniture, training staff (MT) Bureau Decentralization
- Equipment, internet. Network system Civil Technical Agency (CTA)
- Equipment, internet, Network system Budget and Financial Administration (in execution)
- Draft Strategic Plan Ministry MRD

In process

- MRD strategic plan
- Office furniture, equipment Head office
- Telecommunication and media facilities Head office
- Rehab office space Head office (After moving of the Ministry to an other location)

Strengthening of Ministry of Finance

Still to be done re: increasing of revenues, based on action plans and agreements

- Transportation costs & equipment
- Training & Technical assistance
- Support to the interim phase (article 4 Interim Law Financial Decentralization)
- Hiring OTA consultants
- Equipment to be installed

Component 4: Pre-investment. In view of the government's commitment to a long-term approach to local government empowerment, the program will include pre-investment activities in support of expanded sector development actions contemplated by the government after the program is completed. Accordingly, funds will be provided for the preparation of a pipeline of follow-up District capacity building and capital investment/service delivery projects. Similarly, at the end of the program, operating procedures at the national level will be reviewed and enhanced, to accommodate the evolving demands and needs of the Districts as they become more self sufficient.

Preparation of DLGP-II

Achieved

- Assessment District Adm. location District Commissioner's office Paramaribo
- Promotion meeting District Council, District Commissioners and staff
- District Council Paramaribo signed Letter of Intent
- State decree Financial Decentralization Paramaribo approved by Minister
- DA Paramaribo selected

In process

- The publishing of the state decree in National Gazette
- The hiring of DA Paramaribo
- The second non-pilot district, possible Sipaliwini, as expressed by the new Minister
- The long term strategy on decentralization

Preparation of projects in pipeline

Achieved

- CW-TM in place
- IC-Team in place to perform needs assessment studies re: designing of the capital investment program
- LC Engineering Firm selected to perform feasibility studies and prelim designs of first year pipeline projects

In process

- Design of demand-driven project formulation system
- Design and preparation of the capital investment program in the fields of improvement of sand roads, solid waste; potable drink water, public markets

Component 5: Program Support. Program funds will be used to finance the Program Implementation Unit (PIU) that will be created in the Ministry of Regional Development to execute the program. A comprehensive marketing and public outreach campaign will also be funded through this component, with a view to promoting the program, building consensus, and obtaining stakeholder feedback. Further, program resources will be used to assist the PIU in the design and start up a performance monitoring and evaluation system for the program.

Program Support

Achieved

- PIU-office (full loaded) in operation
- PIU Computers and software installed
- PIU: MD (1), TM's (5) and supporting staff (3) in place
- Program vehicle in operation
- DLGP-e-mail network (PIU-Pilot Districts-CTA, BD) in operation
- Program Evaluation
- Annual Report,
- Revised Work Plan 2005
- Data base specialist
- The presenting of all relevant documents for the Level 1 certification of 3 of the five pilot districts Wanica, Nickerie and Para
- Issuing of Project Information Documents IX: Guideline Decentralization 2003-2005 and X: Guideline Management District Fund, a policy and strategic document a.o. for the district officials
- Participation in RIAD-III in Recife, Brazil

In process

- Advisory Board

Marketing and Program Outreach

Achieved

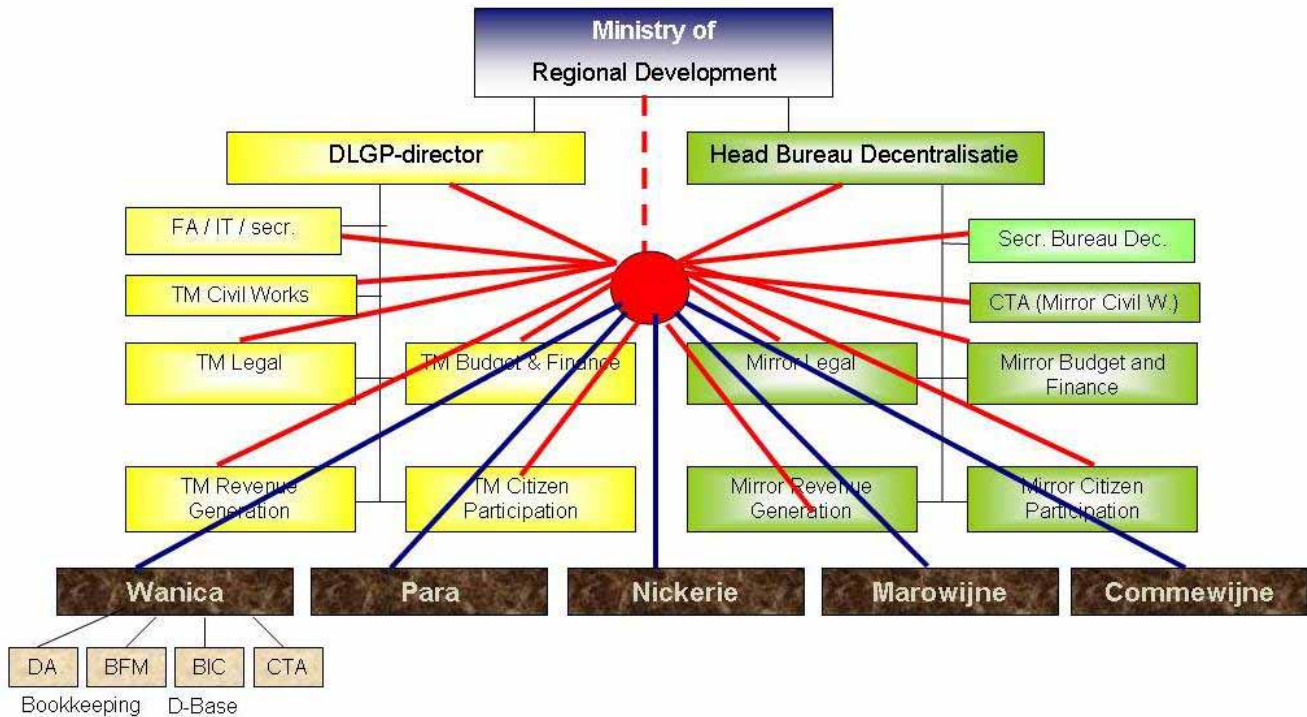
- Marketing Plan developed
- Hired Data Base Specialist
- Promotion Plan
- Approved ToR for hiring local consultant

In process

- Public speaking, promotion and conference participation
- Quarterly News Paper
- Public communication and outreach to citizen
- Annual reporting

DLGP-ICT network, aiming at e-government strategies

DLGP-network



In all 5 pilot districts, peer-to-peer networks have been installed already. At the moment, the computers from the District Administrator and the Finance personnel are connected to the networks. Soon the computers of the Citizen Participation Unit will be connected as well.

At this moment we are preparing to put a server in each of the districts to centralize the data storage and to provide all connected computers with an internet / email connection. This will allow direct and fast communication with the outside world. It will be possible to connect the other computers in the districts, not belonging to the Program, to the networks as well.

The database with district information, which is prepared by the Citizen Information Center, will be available soon via internet.

On long term the possibilities are almost unlimited. In line of e-government strategies, the following can be considered: online application of licenses, electronic tax payment, integrated service delivery by better communication, etc.

Status Summary

- Certification 2 districts level 1 en 2 > expected in November/December 2005
- Legislative bills > to be approved in 2006
- Start Paramaribo and Sipaliwini study and finalizing in 2006
- 40% implementation of PIP
- Designing, installation, testing and operation of Tax Adm System in 2006
- Collecting own sources in 3 pilot districts and assisting OTA in increasing of the collecting
- CIC's in 3 pilot districts
- Preliminary capital work systems and training in place in 2005,
- Preparation of the capital investment program
- CW-training project design to be implemented in 3 districts in 2005
- MRD office rehab
- Certification of 10 local trainers on going
- Design of demand-driven project formulation system will be don in 2005
- Program Advisory Board in process
- 80% of midterm delivery / targets will achieved in 2006?
- Prep of DLGP-II in process
- Smooth start 5 certified self supporting districts and DLGP-II: January 2007