

## 12. Size and scope of the program<sup>13</sup>

Several factors were taken into account in determining the size and scope of the program, including: (i) estimated cost of activities (ii) the relatively short, three- year, execution timetable for the program; (iii) the restricted counterpart funding capacity of the government; and (iv) the limited implementation capacity, both among national and District government agencies, and as well as among private service providers.

### a) Program cost

The total cost of the Program has been estimated at the equivalent of US\$7.0 million, to be disbursed over a three-year execution period. The breakdown by components, subcomponents, and source of funds is presented in Table II-1, below.

**Table II-1  
PROJECT COSTS BY INVESTMENT CATEGORY AND SOURCE OF FUNDS  
(Amount in US\$ million)**

	IDB	GOS	TOTAL	%
<b>PPF</b>	<b>0.8</b>	--	<b>0.8</b>	<b>11</b>
<b>Intergovernmental reforms</b>	<b>0.5</b>	<b>0.1</b>	<b>0.6</b>	<b>8</b>
• Fiscal decentralization laws and decrees	0.4	0.1	0.5	
• Studies for follow up reforms	0.1	--	0.1	
<b>District capacity building</b>	<b>2.4</b>	<b>0.6</b>	<b>3.0</b>	<b>42</b>
• Administration and planning systems	0.5	0.2	0.7	
• Budget and financial management	0.2	0.2	0.4	
• Revenue generation systems	0.3	0.2	0.5	
• Citizen Participation	0.3	--	0.3	
• Prelim capital works systems and training projects	1.1	--	1.1	
<b>Institutional strengthening of sector</b>	<b>0.4</b>	<b>0.1</b>	<b>0.5</b>	<b>7</b>
• Strengthening of MRD	0.2	0.1	0.3	
• Other key stakeholders	0.2		0.2	
<b>Pre-investment</b>	<b>0.4</b>	<b>0.1</b>	<b>0.5</b>	<b>7</b>
• Pipeline for District capacity building	0.1		0.1	
• Pipeline for capital investment	0.1	0.1	0.2	
• Follow-up operational procedures	0.2		0.2	
<b>Program support</b>	<b>0.5</b>	<b>0.8</b>	<b>1.3</b>	<b>19</b>
• Program management	0.2	0.6	0.8	
• Marketing and public outreach	--	0.1	0.1	
• Other program support	0.3	0.1	0.4	
<b>Financial expenses</b>	<b>0.1</b>	<b>0.4</b>	<b>0.5</b>	<b>6</b>
• Interest		0.3	0.3	
• Inspection and supervision	0.1		0.1	
• Credit commission fees		0.1	0.1	
<b>TOTAL</b>	<b>4.9</b>	<b>2.1</b>	<b>7.0</b>	<b>100</b>

### b) Financing plan

The Bank loan in the amount of US\$4.9 million will account for 70% of total program cost. The remaining US\$2.1 million will be local counterpart. The latter are distributed over the three-year execution period, and will be covered primarily by the national government, with the exception of an estimated US\$120,000 which will be contributed by Districts as a matching fund requirement associated with the trial capital works projects in the program.

### c) Terms and conditions of the loan

Bank financing will be drawn from the Ordinary Capital Resources with interest rate support from the Intermediate Financing Facility (IFF). The following table shows the terms and conditions of the loan:

<sup>13</sup> Loan Document IDB-Government of Suriname, Washington DC/USA, No 12, 2002 # 1343/OS-SU

**d) Terms and conditions of the Loan**

Source of funds	Ordinary Capital
Amount	US\$4.9 million
Terms:	
Amortization	25 years
Grace period	3 years
Commitment	2.5 years
Disbursement	3 years
Interest rate	Variable <sup>14</sup>
Supervision	1% of the loan amount
Credit commission	0.75% per year on undisbursed amount
Currency	US dollars from the Single Currency Facility

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<sup>14</sup> The Intermediate Finance Facility (IFF)